

**LAFAYETTE PARISH SHERIFF**

Lafayette, Louisiana

Financial Report

Year Ended June 30, 2019

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## INDEPENDENT AUDITOR'S REPORT

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The Honorable Mark Garber  
Lafayette Parish Sheriff  
Lafayette, Louisiana

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Lafayette Parish Sheriff (hereinafter "Sheriff"), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Sheriff's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## *Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Sheriff, as of June 30, 2019, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## *Other Matters*

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedule, schedule of changes in net OPEB liability and related ratios, schedule of employer's share of net pension liability, and schedule of employer pension contributions on pages 43 through 46, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The Sheriff has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Sheriff's basic financial statements. The other supplementary information on pages 49 through 55 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The comparative and combining statements on pages 48, 49, 53 through 54 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the comparative and combining statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The prior year comparative amounts on the comparative and combining statements were derived from the Lafayette Parish Sheriff's 2018 financial statements, which were subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, were fairly presented in all material respects in relation to the basic financial statements as a whole.

The budgetary comparison schedules and the affidavit on pages 50 through 51 and 55 have not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 11, 2019, on our consideration of the Sheriff's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Sheriff's internal control over financial reporting and compliance.

***Kolder, Slaven & Company, LLC***  
Certified Public Accountants

Lafayette, Louisiana  
December 11, 2019

**BASIC FINANCIAL STATEMENTS**

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**GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)**

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LAFAYETTE PARISH SHERIFF

Lafayette, Louisiana

Statement of Net Position

June 30, 2019

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Current assets:	
Cash and interest-bearing deposits	\$ 15,659,140
Investments	139,684
Receivables	68,009
Due from other governmental agencies	4,416,630
Inventory	345,970
Prepaid items	<u>200,090</u>
Total current assets	20,829,523
Noncurrent assets:	
Capital assets, net	<u>31,413,025</u>
Total assets	<u>52,242,548</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred outflows related to OPEB	10,950,537
Deferred outflows related to pension	<u>9,916,056</u>
Total deferred outflows of resources	<u>20,866,593</u>
<b>LIABILITIES</b>	
Current liabilities:	
Accounts and other payables	1,229,298
Due to other governmental agencies	698,294
Long-term liabilities due within one year	<u>4,346,846</u>
Total current liabilities	<u>6,274,438</u>
Noncurrent liabilities:	
Long-term liabilities due in more than one year	16,968,882
Postemployment benefit obligation payable	45,056,828
Net pension liability	<u>17,580,410</u>
Total noncurrent liabilities	<u>79,606,120</u>
Total liabilities	<u>85,880,558</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred inflows related to pension	<u>6,595,831</u>
<b>NET POSITION</b>	
Net investment in capital assets	15,407,815
Unrestricted (deficit)	<u>(34,775,063)</u>
Total net position (deficit)	<u>\$ (19,367,248)</u>

The accompanying notes are an integral part of the basic financial statements.



LAFAYETTE PARISH SHERIFF  
Lafayette, Louisiana

Statement of Activities  
For the Year Ended June 30, 2019

Functions/Programs	Expenses	Program Revenues		Capital Grants and Contributions	Net (Expense) Revenue And Changes in Net Position
		Charges for Services	Operating Grants and Contributions		
Governmental activities:					
Public safety:					
Police	\$ 69,325,285	\$17,359,611	\$2,325,268	\$ -	\$ (49,640,406)
Interest on long-term debt	456,957	-	-	-	(456,957)
	<u>\$ 69,782,242</u>	<u>\$17,359,611</u>	<u>\$2,325,268</u>	<u>\$ -</u>	<u>(50,097,363)</u>
Taxes:					
					38,125,414
					4,900,132
State sources:					
					877,010
					2,470,829
					559,210
					1,871,685
					2,161,256
					<u>50,965,536</u>
					868,173
					<u>(20,235,421)</u>
					<u>\$ (19,367,248)</u>

The accompanying notes are an integral part of the basic financial statements.

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**FUND FINANCIAL STATEMENTS (FFS)**

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## **FUND DESCRIPTIONS**

### **General Fund**

The General Fund is used to account for resources traditionally associated with governments which are not required to be accounted for in another fund.

### **Special Revenue Fund**

#### **Inmate Welfare Fund**

The Inmate Welfare Fund is used to account for sales of commissary goods as well as the operations of the inmate industries program - LAPCORR. These funds are used to pay inmate work crews, to purchase recreation equipment to be used by inmates and to provide miscellaneous benefits for indigent inmates.

LAFAYETTE PARISH SHERIFF  
Lafayette, Louisiana

Balance Sheet - Governmental Funds  
June 30, 2019

	<u>General Fund</u>	<u>Special Revenue Fund Non-Major</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>			
Cash and interest-bearing deposits	\$ 15,462,299	\$ 196,841	\$ 15,659,140
Investments	139,684	-	139,684
Receivables -			
Due from other governmental agencies	4,353,515	63,115	4,416,630
Other	66,009	2,000	68,009
Due from other funds	6,416	(6,416)	-
Inventory	229,219	116,751	345,970
Prepaid items	200,090	-	200,090
Total assets	<u>\$ 20,457,232</u>	<u>\$ 372,291</u>	<u>\$ 20,829,523</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	\$ 963,284	\$ 34,862	\$ 998,146
Due to other governmental agencies	698,294	-	698,294
Other accrued liabilities	885,339	78	885,417
Total liabilities	<u>2,546,917</u>	<u>34,940</u>	<u>2,581,857</u>
Fund balances:			
Nonspendable for inventory and prepaid items	429,309	116,751	546,060
Committed	-	220,600	220,600
Unassigned	17,481,006	-	17,481,006
Total fund balances	<u>17,910,315</u>	<u>337,351</u>	<u>18,247,666</u>
Total liabilities and fund balance	<u>\$ 20,457,232</u>	<u>\$ 372,291</u>	<u>\$ 20,829,523</u>

The accompanying notes are an integral part of the basic financial statements.

LAFAYETTE PARISH SHERIFF  
Lafayette, Louisiana

Reconciliation of the Governmental Fund Balance Sheet  
to the Statement of Net Position  
June 30, 2019

Total fund balances for governmental funds at June 30, 2019		\$ 18,247,666
Total net position reported for governmental activities in the statement of net position is different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:		
Construction in progress	\$ 141,076	
Buildings and improvements other than buildings, net of \$10,553,286 accumulated depreciation	26,345,110	
Vehicles, net of \$6,280,434 accumulated depreciation	3,142,403	
Equipment and furniture, net of \$6,889,679 accumulated depreciation	<u>1,784,436</u>	31,413,025
The deferred outflows of resources are not available, and therefore are not reported in the fund financial statements. The deferred outflows of resources are related to the following:		
OPEB obligation	10,950,537	
Pension liability	<u>9,916,056</u>	20,866,593
Interest expense is accrued at year-end in the government-wide financial statements, but is recorded only if due and payable on the governmental fund financial statements		(153,968)
Long-term liabilities at June 30, 2019:		
Capital lease payable	(435,210)	
Compensated absences payable	(3,040,140)	
Claims payable	(1,245,183)	
Bonds payable	(15,786,962)	
Net OPEB obligation	(45,056,828)	
Net pension liability	<u>(17,580,410)</u>	(83,144,733)
The deferred inflows of contributions for the Sheriffs' Pension and Relief Fund are not available resources, and therefore, are not reported in the fund financial statements		<u>(6,595,831)</u>
Net position at June 30, 2019		<u>\$ (19,367,248)</u>

The accompanying notes are an integral part of the basic financial statements.

LAFAYETTE PARISH SHERIFF  
Lafayette, Louisiana

Statement of Revenues, Expenditures, and Changes in Fund Balances -  
Governmental Funds  
For the Year Ended June 30, 2019

	<u>General Fund</u>	<u>Special Revenue Fund Non-Major</u>	<u>Total Governmental Funds</u>
Revenues:			
Ad valorem taxes	\$ 38,125,414	\$ -	\$ 38,125,414
Sales taxes	4,900,132	-	4,900,132
Intergovernmental revenues -			
Federal grants	141,495	-	141,495
State grants - state revenue sharing (net)	877,010	-	877,010
State supplemental pay	2,470,829	-	2,470,829
State, city and parish grants	2,183,773	-	2,183,773
Fees, charges, and commissions for services -			
Civil and criminal fees	3,571,766	-	3,571,766
Court attendance	41,106	-	41,106
Feeding, keeping, and transporting prisoners	4,665,801	-	4,665,801
Commissary commissions and sales	-	620,312	620,312
Community corrections	2,647,263	-	2,647,263
Contractual agreements	5,813,363	-	5,813,363
Interest income	548,048	11,162	559,210
Miscellaneous	2,148,280	12,976	2,161,256
Total revenues	<u>68,134,280</u>	<u>644,450</u>	<u>68,778,730</u>
Expenditures:			
Current -			
Public safety:			
Personal services and related benefits	40,527,121	74,565	40,601,686
Operating services	10,132,301	99,392	10,231,693
Operations and maintenance	12,278,972	419,965	12,698,937
Travel and other charges	292,619	1,866	294,485
Capital outlay	2,723,048	5,960	2,729,008
Debt service	1,359,513	-	1,359,513
Total expenditures	<u>67,313,574</u>	<u>601,748</u>	<u>67,915,322</u>
Net change in fund balance	820,706	42,702	863,408
Fund balance, beginning	<u>17,089,609</u>	<u>294,649</u>	<u>17,384,258</u>
Fund balance, ending	<u>\$ 17,910,315</u>	<u>\$ 337,351</u>	<u>\$ 18,247,666</u>

The accompanying notes are an integral part of the basic financial statements.

LAFAYETTE PARISH SHERIFF  
Lafayette, Louisiana

Reconciliation of the Statement of Revenues, Expenditures, and  
Changes in Fund Balances of the Governmental Funds  
to the Statement of Activities  
For the Year Ended June 30, 2019

Total net changes in fund balances for the year ended June 30, 2019 per statement of revenues, expenditures and changes in fund balances \$ 863,408

The change in net position reported for governmental activities in the statement of activities is different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay which is considered expenditures on statement of revenues, expenditures and changes in fund balance	\$2,729,008	
Depreciation expense for the year ended June 30, 2019	(2,917,043)	
Loss on disposition of assets	<u>(2,289)</u>	(190,324)

Differences between the amounts reported as expenses in the statement of activities and those reported as expenditures in the fund financial statements

Interest on long-term debt	22,556	
Principal payments- bonds and capital lease	1,176,219	
Compensated absences	37,413	
Claims payable	(109,869)	
Postemployment benefits	(2,491,852)	
Pension expense	<u>(311,063)</u>	(1,676,596)

Non-employer pension contributions to the Sheriffs' Pension and Relief Fund	<u>1,871,685</u>	
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Total changes in net position for the year ended June 30, 2019 per statement of activities \$ 868,173

The accompanying notes are an integral part of the basic financial statements.

LAFAYETTE PARISH SHERIFF  
Lafayette, Louisiana

Statement of Assets and Liabilities - Fiduciary Funds  
June 30, 2019

	<u>Agency Funds</u>
<b>ASSETS</b>	
Cash	\$ 779,490
Interest-bearing deposits	3,943,679
Due from inmates and others	<u>586</u>
Total assets	<u>\$ 4,723,755</u>
<b>LIABILITIES</b>	
Liabilities:	
Due to taxing bodies and others	4,390,409
Due to inmates	<u>333,346</u>
Total liabilities	<u>\$ 4,723,755</u>

The accompanying notes are an integral part of the basic financial statements.



LAFAYETTE PARISH SHERIFF  
Lafayette, Louisiana

Notes to Basic Financial Statements

INTRODUCTION

As provided by Article V, Section 27 of the Louisiana Constitution of 1974, the Sheriff serves a four-year term as the chief executive officer of the law enforcement district and ex-officio tax collector of the parish. The Sheriff administers the parish jail system and exercises duties required by the parish court system, such as providing bailiffs, executing orders of the court, and serving subpoenas.

As the chief law enforcement officer of the parish, the Sheriff has the responsibility for enforcing state and local laws and ordinances within the territorial boundaries of the parish. The Sheriff provides protection to the residents of the parish through on-site patrols and investigations and serves the residents of the parish through the establishment of neighborhood watch programs, anti-drug abuse programs, et cetera. In addition, when requested, the Sheriff provides assistance to other law enforcement agencies within the parish.

As the ex-officio tax collector of the parish, the Sheriff is responsible for collecting and distributing ad valorem property taxes, parish licenses, state revenue sharing funds, and fines, costs, and bond forfeitures imposed by the district court.

The accounts of the tax collector are established to reflect the collections imposed by law, distributions pursuant to such law, and unsettled balances due various taxing bodies and others.

The accounting and reporting policies of the Lafayette Parish Sheriff (Sheriff) conform to accounting principles generally accepted in the United States of America as applicable to governments. Such accounting and reporting procedures also conform to the requirements of the industry audit guide, *Audits of State and Local Governmental Units*.

(1) Summary of Significant Accounting Policies

A. Reporting Entity

For financial reporting purposes, the Sheriff includes all funds, account groups, activities, et cetera, that are controlled by the Sheriff as an independently elected parish official. As an independently elected parish official, the Sheriff is solely responsible for the operations of his office, which include the hiring and retention of employees, authority over budgeting, responsibility for deficits, and the receipt and disbursement of funds. Other than certain operating expenditures of the Sheriff's office that are paid or provided by the parish council (government) as required by Louisiana law, the Sheriff is financially independent.

Accordingly, the Sheriff is a separate governmental reporting entity. Certain units of local government, over which the Sheriff exercises no oversight responsibility, such as the parish council, parish school board, other independently elected parish officials, and municipalities within the parish, are excluded from the accompanying financial statements. These units of government are considered separate reporting entities and issue financial statements separate from those of the Sheriff.

LAFAYETTE PARISH SHERIFF  
Lafayette, Louisiana

Notes to Basic Financial Statements (Continued)

B. Basis of Presentation

The accompanying basic financial statements of the Sheriff have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Government-Wide Financial Statements (GWFS)

The statement of net position and the statement of activities display information about the Sheriff as a whole. These statements include all the financial activities of the Sheriff. Information contained in these statements reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from nonexchange transactions are recognized in accordance with professional standards.

The statement of activities presents a comparison between direct expenses and program revenues for the Sheriff's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of services offered by the Sheriff, and (b) grants and contributions that are restricted to meeting the operational or capital requirement of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements (FFS)

The Sheriff uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain Sheriff's functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts. The various funds of the Sheriff are classified into two categories: governmental and fiduciary. The emphasis on fund financial statements is on major funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the Sheriff or its total assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues, or expenditures of the individual governmental fund is at least 10 percent of the corresponding total for all governmental funds. The General Fund of the Sheriff is considered to be a major fund. The funds of the Sheriff are described below:

LAFAYETTE PARISH SHERIFF  
Lafayette, Louisiana

Notes to Basic Financial Statements (Continued)

Governmental Funds –

**General Fund** – This fund is the primary operating fund of the Sheriff and it accounts for the operations of the Sheriff's office. The General Fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and internal policy.

**Special Revenue Fund** – This fund is used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects). These revenues are legally restricted or committed to expenditures for specified purposes.

Fiduciary Funds -

Fiduciary fund reporting focuses on net position and changes in net position. The only funds accounted for in this category are agency funds. The agency funds account for assets held by the Sheriff as an agent for various taxing bodies (tax collections) and for deposits held pending court action. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Accordingly, it presents only a statement of fiduciary net position and does not present a statement of changes in fiduciary net position. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Sheriff's own programs. Fiduciary funds are presented on an economic resource measurement focus and the modified accrual basis of accounting.

C. Measurement Focus/Basis of Accounting

The amounts reflected in the governmental fund are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balance reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of the Sheriff's operations.

The amounts reflected in the governmental funds use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Sheriff considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental fund uses the following practices in recording revenues and expenditures:

LAFAYETTE PARISH SHERIFF  
Lafayette, Louisiana

Notes to Basic Financial Statements (Continued)

Revenues

Ad valorem taxes and the related state revenue sharing are recorded in the year taxes are due and payable. Ad valorem taxes are assessed on a calendar year basis, become due on November 15 of each year, and become delinquent on December 31. The taxes are generally collected in December, January, and February of the fiscal year.

Sales taxes are considered as "measurable" when in the hands of the sales tax collector and are recognized as revenue at that time.

Intergovernmental revenues and fees, charges and commissions for services are recorded when the Sheriff is entitled to the funds.

Interest on interest-bearing deposits is recorded or accrued as revenues when earned. Substantially all other revenues are recorded when received.

Expenditures

The Sheriff's primary expenditures include salaries and insurance, which are recorded when the liability is incurred. Capital expenditures and purchases of various operating supplies are regarded as expenditures at the time purchased.

Other Financing Sources

Transfers between funds that are not expected to be repaid are accounted for as other financing sources (uses) when the transfer is authorized by the Sheriff.

D. Cash and Interest-Bearing Deposits

Cash and interest-bearing deposits include amounts in demand deposits, interest-bearing demand deposits, and time deposits. They are stated at cost, which approximates market.

E. Investments

Under state law, the Sheriff may deposit funds with a fiscal agent organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States. The Sheriff may invest in United States bonds, treasury notes and bills, government backed agency securities, or certificates and time deposits of state banks organized under Louisiana Law and national banks having principal offices in Louisiana. In addition, local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool (LAMP), a nonprofit corporation formed by the State Treasurer and organized under the laws of the State of Louisiana, which operates a local government investment pool. In accordance with GASB Codification Section I50, investments meeting the criteria specified in the Statement are stated at fair value, which is quoted market prices.

LAFAYETTE PARISH SHERIFF  
Lafayette, Louisiana

Notes to Basic Financial Statements (Continued)

F. Internal Balances

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables are classified as "due from other funds" or "due to other funds" on the governmental funds balance sheet. These internal balances are eliminated for reporting in the statement of net position.

G. Inventories

Inventories consist of (1) office supplies, (2) ammunition and (3) raw materials and finished goods of the inmate industries program - LAPCORR. Inventories are valued at the lower of cost or market, using the first-in/first-out (FIFO) method.

H. Prepaid Expenditures

Payments made for insurance premiums that will benefit periods beyond the end of the fiscal year are recorded as prepaid expenditures.

I. Capital Assets

Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Sheriff maintains a threshold level of \$1,000 or more for capitalizing capital assets.

Capital assets are recorded in the Statement of Net Position and Statement of Activities. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Buildings and improvements	20-30 years
Improvements other than buildings	10-15 years
Vehicles	3-5 years
Equipment and furniture	3-10 years

J. Compensated Absences

Employees of the Sheriff's office earn from ten to sixteen hours of annual compensated leave per month depending on total years of service. Annual compensated leave shall be granted in lieu of vacation, sick leave and family time. All accumulated annual leave, as of June 30th of each year, that exceeds the employee's annual earned allowance is converted to extended sick leave. Extended sick leave may be accumulated up to a maximum of 960 hours.

LAFAYETTE PARISH SHERIFF  
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Notes to Basic Financial Statements (Continued)

Accumulated sick leave is paid only to employees who retire from the Sheriff's Pension and Relief Fund upon termination of employment. At June 30, 2019, employees have accumulated and vested \$3,040,140 of benefits. This amount is included in the statement of net position.

K. Deferred Outflows of Resources and Deferred Inflows of Resources

In some instances, the GASB requires a government to delay recognition of decreases in net position as expenditures until a future period. In other instances, governments are required to delay recognition of increases in net position as revenues until a future period. In these circumstances, deferred outflows of resources and deferred inflows of resources result from the delayed recognition of expenditures or revenues, respectively.

L. Equity Classifications

In the government-wide statements, equity is classified as net position and displayed in three components:

- a. Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – All other net position that do not meet the definition of “net investment in capital assets” or “restricted.”

In the fund financial statements, governmental fund equity is classified as fund balance. As such, fund balance of the governmental fund is classified as follows:

- a) Nonspendable – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.
- b) Restricted – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

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Notes to Basic Financial Statements (Continued)

- c) Committed – amounts that can be used only for specific purposes determined by a formal decision of the Sheriff, which is the highest level of decision-making authority.
- d) Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the Sheriff's adopted policy, only the Sheriff may assign amounts for specified purposes.
- e) Unassigned – all other spendable amounts.

When an expenditure is incurred for the purposes for which both restricted and unrestricted fund balance is available, the Sheriff considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Sheriff considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, unless the Sheriff has provided otherwise in its commitment or assignment actions.

M. Interfund Transactions

Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. All other interfund transactions are reported as transfers

N. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

(2) Ad Valorem Taxes

The Sheriff is the ex-officio tax collector of the parish and is responsible for the collection and distribution of ad valorem property taxes. Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied by the parish government in June and are actually billed to taxpayers by the Sheriff in October or November. Billed taxes are due by December 31, becoming delinquent on January 1 of the following year. The taxes are based on assessed values determined by the Tax Assessor of Lafayette Parish and are collected by the Sheriff. The taxes are remitted to the appropriate taxing bodies net of deductions for assessor's compensation and pension fund contributions. Ad valorem taxes are budgeted and recorded in the year levied and billed. For the year ended June 30, 2019, law enforcement taxes applicable to the Sheriff's General Fund, were levied at the rate of 16.79 mills on property with assessed valuations (after homestead exemptions) totaling \$2,286,166,528. The 16.79 mills tax consists of an 8.76 mills tax for the purpose of providing funds for the Lafayette Parish Law Enforcement District approved by voters through the year 2029 and an 8.03 mills tax now authorized by L.R.S. 33.9003A.

Total law enforcement taxes levied during 2019 were \$38,384,744.

LAFAYETTE PARISH SHERIFF  
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Notes to Basic Financial Statements (Continued)

(3) Cash and Interest-Bearing Deposits

Under state law, the Sheriff may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The Sheriff may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

At June 30, 2019, the Sheriff has cash and interest-bearing deposits (book balances) as follows:

	Government-wide Statement of Net Position	Fiduciary Funds Statement of Net Assets	Total
Noninterest-bearing deposits	\$ 2,300	\$ 779,490	\$ 781,790
Interest-bearing deposits	15,656,840	3,943,679	19,600,519
	\$ 15,659,140	\$ 4,723,169	\$ 20,382,308

Custodial credit risk is the risk that in the event of a bank failure of a depository financial institution, the Government's deposits may not be recovered or the collateral securities that are in the possession of the outside party will not be recovered. These deposits are stated at cost, which approximates market. Under state law, these deposits, (or the resulting bank balances) must be secured by federal deposit insurance or similar federal security or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the Sheriff or the pledging fiscal agent bank by a holding or custodial bank that is mutually acceptable to both parties. Deposit balances (bank balances) at June 30, 2019, are secured as follows:

Bank balances	\$ 21,543,488
Federal deposit insurance	250,000
Pledged securities	21,293,488
Total	\$ 21,543,488

Deposits in the amount of \$21,293,488 were exposed to custodial credit risk. These deposits are uninsured and collateralized with securities pledging institution's trust department or agent, but not in the Sheriff's name. The Sheriff does not have a policy for custodial credit risk.

(4) Investments

The Sheriff participates in Louisiana Asset Management Pool (LAMP). LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LSA-R.S. 33:2955.



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Notes to Basic Financial Statements (Continued)

LAMP is an investment pool that, to the extent practical, invest in a manner consistent with GASB Statement No.79. The following facts are relevant for investment pools:

- Credit risk: LAMP has a fund rating of AAAM issued by Standard & Poor's.
- Custodial credit risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.
- Concentration of credit risk: LAMP's pooled investments are excluded from the 5 percent disclosure requirements.
- Interest rate risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days or 762 days for U.S. Government floating/variable rate investments. The WAM for LAMP's total investments is 85 days as of June 30, 2019

The investments in LAMP are stated at fair value. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the net asset value of the pool shares. LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

At June 30, 2019, the Sheriff had investments in LAMP in the amount of \$139,684.

(5) Receivables and Due From Other Governmental Agencies

Receivables of \$68,009 at June 30, 2019 consist retiree health insurance premiums receivable and miscellaneous.

Due from other governmental agencies in the amount of \$4,416,630 at June 30, 2019 consist of the following:

Sales tax revenue	\$ 889,753
Intergovernmental revenues:	
Federal grants	20,389
State, city, and local grants	419,317
Fees, charges, and commissions for services	1,480,769
Feeding and keeping prisoners	1,428,726
Miscellaneous	177,676
	<u>\$ 4,416,630</u>

**LAFAYETTE PARISH SHERIFF**  
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Notes to Basic Financial Statements (Continued)

(6) Capital Assets

Capital asset activity for the year ended June 30, 2019 was as follows:

	<u>Balance</u> 7/1/2018	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> 6/30/2019
Capital assets not being depreciated:				
Construction in progress	\$ 8,577	\$ 141,683	\$ 9,184	\$ 141,076
Other capital assets:				
Buildings and improvements	36,615,667	282,729	-	36,898,396
Vehicles	7,875,904	1,656,228	109,295	9,422,837
Equipment and furniture	<u>8,194,573</u>	<u>657,551</u>	<u>178,009</u>	<u>8,674,115</u>
Totals	<u>52,694,721</u>	<u>2,738,191</u>	<u>296,488</u>	<u>55,136,424</u>
Less: accumulated depreciation				
Buildings and improvements	9,324,764	1,228,522	-	10,553,286
Vehicles	5,467,926	921,803	109,295	6,280,434
Equipment and furniture	<u>6,298,680</u>	<u>766,718</u>	<u>175,719</u>	<u>6,889,679</u>
Total accumulated depreciation	<u>21,091,370</u>	<u>2,917,043</u>	<u>285,014</u>	<u>23,723,399</u>
Capital assets, net	<u>\$ 31,603,351</u>	<u>\$ (178,852)</u>	<u>\$ 11,474</u>	<u>\$ 31,413,025</u>

Depreciation expense in the amount of \$2,917,043 was charged to public safety.

(7) Accounts and Other Payables

Accounts and other payables at June 30, 2019 consist of the following:

Accounts payable	\$ 998,145
Accrued interest payable	153,969
Other accrued liabilities	<u>77,184</u>
	<u>\$ 1,229,298</u>

(8) Note Payable - Bank

The Sheriff issued \$5,000,000 of anticipation notes in order to fund operations. Under the terms of the bank line of credit agreement dated October 25, 2018, the Sheriff may borrow up to \$5,000,000 with an interest rate of 3% per annum, with the principal due at June 30, 2019.

LAFAYETTE PARISH SHERIFF  
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Notes to Basic Financial Statements (Continued)

A summary of changes in short-term debt for the year ended June 30, 2019 follows:

	Balance 7/1/2018	Additions	Reductions	Balance 6/30/2019
Revenue anticipation note	\$ -	\$ 5,000,000	\$ 5,000,000	\$ -

(9) Long-term Liabilities

Long-term liabilities is comprised of the following:

- A. The Sheriff issued Limited Tax Revenue Bonds, Series 2012 for the acquisition and construction of major capital facilities. The bonds are payable in annual installments of \$915,000 to \$1,525,000 due on March 1 of each year through March 2032. The bonds bear interest at 2.0 to 4.0 percent annually and are payable from ad valorem taxes.
- B. The Sheriff has a capital lease agreement dated December 8, 2016 with Ford Motor Credit for the purchase of several vehicles. The capital lease is payable in monthly installments of \$26,186 including interest of 3.02 percent through November 8, 2020 and is secured by vehicles with a book value of \$601,371 (net of accumulated depreciation of \$601,371), which is included in the vehicle capital asset class.

A summary of changes in long-term liabilities for the year ended June 30, 2019 follows:

	Balance 7/1/2018	Additions	Reductions	Balance 6/30/2019	Due Within One Year
Bonds payable	\$ 16,450,000	\$ -	\$ 880,000	\$ 15,570,000	\$ 915,000
Claims payable	1,778,797	8,197,270	7,922,651	2,053,416	1,271,911
Compensated absences payable	3,077,553	1,937,057	1,974,470	3,040,140	1,854,646
Capital leases payable	731,429	-	296,219	435,210	305,289
	<u>\$22,037,779</u>	<u>\$10,134,327</u>	<u>\$11,073,340</u>	21,098,766	<u>\$4,346,846</u>
Unamortized premium on bonds				216,962	
				<u>\$21,315,728</u>	

LAFAYETTE PARISH SHERIFF  
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Notes to Basic Financial Statements (Continued)

The annual debt service requirements to maturity of all bonds outstanding follows:

Year Ending June 30,	Principal Payments	Interest Payments
2020	\$ 915,000	\$ 461,913
2021	955,000	443,613
2022	1,000,000	422,125
2023	1,040,000	392,125
2024	1,085,000	368,725
2025-2032	<u>10,575,000</u>	<u>1,567,206</u>
Total	<u>\$15,570,000</u>	<u>\$3,655,707</u>

Scheduled maturities of the capital lease are as follows:

Year Ending June 30,	Principal Payments	Interest Payments
2020	\$ 305,289	\$ 8,941
2021	<u>129,921</u>	<u>1,008</u>
Total	<u>\$ 435,210</u>	<u>\$ 9,949</u>

(10) Post Retirement Health Care and Life Insurance Benefits

*Plan description* – The Lafayette Parish Sheriff's Office (the Sheriff) provides certain continuing health care and life insurance benefits for its retired employees. The Lafayette Parish Sheriff's OPEB Plan (the OPEB Plan) is a single-employer defined benefit OPEB plan administered by the Sheriff. The plan does not issue a stand-alone report that is available to the public. The authority to establish and/or amend the obligation of the employer, employees and retirees rests with the Sheriff. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Governmental Accounting Standards Board (GASB) Statement No. 75.

*Benefits Provided* – Medical and life insurance benefits are provided to employees upon actual retirement. Employees are covered by a retirement system whose retirement eligibility (D.R.O.P. entry) provisions are as follows: 30 years of service at any age or, age 55 and 15 years of service. Employees hired on and after July 1, 2014 must have twenty years of service with Lafayette Parish Sheriff's Office to retire.

Life insurance coverage is continued to retirees and based on a blended rate for active employees and retirees. The employer pays for the first \$10,000 of retiree life insurance and the retiree pays the "cost" of the remainder but that "cost" is based on the blended active/retired rate and there is thus an additional implied subsidy. Since GASB 74/75 requires the use of "unblended" rates, we have used the valuation mortality table to "unblend" the rates so as to reproduce the composite blended rate overall as the rate structure to calculate the actuarial valuation results for life insurance.

LAFAYETTE PARISH SHERIFF  
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Notes to Basic Financial Statements (Continued)

Life amounts are reduced to 65% at age 70 and to 74/75% at age 75. All of the assumptions used for the valuation of the medical benefits have been used except for the trend assumption; zero trend was used for life insurance.

*Employees covered by benefit terms* – At July 1, 2018, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	164
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>848</u>
Total	<u>1,012</u>

In accordance with GASB Statement No. 75, the Sheriff recognizes the cost of postemployment healthcare and life insurance benefits in the year when the employee services are received and records the liability for OPEB obligations, known as the net OPEB liability, on the statement of net position. Changes in the net OPEB liability will be immediately recognized as OPEB expense on the statement of activities or reported as deferred inflows/outflows of resources depending on the nature of the change.

**Total OPEB Liability**

The Sheriff's total OPEB liability of \$45,056,828 was measured as of July 1, 2017 and was determined by an actuarial valuation as of that date.

*Actuarial Assumptions and other inputs* – The total OPEB liability in the July 1, 2017 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.5%
Salary increases, including inflation	4.0%
Discount rate, net of OPEB plan investment expense, including inflation	3.5%
Healthcare cost trend rates, flat annually	5.5%

The discount rate was based on the average of the Bond Buyers' 20 Year General Obligation municipal bond index over the 52 weeks immediately preceding the applicable measurement dates.

The RP-2000 Table without projection with 50%/50% unisex blend has been used.

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of ongoing evaluations of the assumptions from July 1, 2009 to June 30, 2019.

**LAFAYETTE PARISH SHERIFF**  
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Notes to Basic Financial Statements (Continued)

**Changes in the Total OPEB Liability**

Balance at June 30, 2018	<u>\$ 32,654,427</u>
Changes for the year:	
Service cost	931,327
Interest	1,118,748
Differences between expected and actual experience	11,732,718
Benefit payments and net transfers	<u>(1,380,392)</u>
Net changes	<u>12,402,401</u>
Balance at June 30, 2019	<u>\$ 45,056,828</u>

*Sensitivity of the total OPEB liability to changes in the discount rate* – The following presents the total OPEB liability of the Sheriff, as well as what the Sheriff's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.5%) or 1-percentage-point higher (4.5%) than the current discount rate:

	1.0% Decrease 2.5%	Current Discount Rate 3.5%	1.0% Increase 4.5%
Total OPEB liability	<u>\$ 52,164,198</u>	<u>\$ 45,056,828</u>	<u>\$ 39,326,313</u>

*Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates* – The following presents the total OPEB liability of the Sheriff, as well as what the Sheriff's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (4.5%) or 1-percentage-point higher (6.5%) than the current healthcare trend rates:

	1.0% Decrease 4.5%	Current Trend Rate 5.5%	1.0% Increase 6.5%
Total OPEB liability	<u>\$ 40,829,095</u>	<u>\$ 45,056,828</u>	<u>\$ 49,853,816</u>

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended June 30, 2019, the Sheriff recognized OPEB expense of \$2,893,432. At June 30, 2019, the Sheriff reported deferred outflows of resources related to OPEB for the differences between expected and actual experience in the amount of \$10,950,537.

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Notes to Basic Financial Statements (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30,	
2020	\$ 782,181
2021	782,181
2022	782,181
2023	782,181
2024	782,181
Thereafter	<u>7,039,632</u>
	<u>\$10,950,537</u>

Actuarial Value of Plan Assets – There are not any plan assets. It is anticipated that in future valuations, should funding take place, a smoothed market value consistent with Actuarial Standards Board ASOP 6, as provided in paragraph number 125 of GASB Codification Section P50.

At June 30, 2019, the Sheriff did not have any amounts owed to the OPEB plan.

(11) Pension Plan

Employees of the Sheriff are provided with pensions through a cost-sharing multiple-employer defined benefit pension plan established in accordance with the provisions of Louisiana Revised Statute 11:2171 to provide retirement, disability and survivor benefits to employees of sheriff's offices throughout the State of Louisiana, employees of the Louisiana Sheriffs' Association and the Sheriff's Pension and Relief Fund's office. The Fund issues a publicly available financial report that may be obtained by writing to the Louisiana Sheriffs' Pension and Relief Fund, 1225 Nicholson Drive, Baton Rouge, Louisiana 70802, or by calling (225) 219-0500.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Sheriffs' Pension and Relief Fund (Fund) and additions to/deductions from the Fund's fiduciary net position have been determined on the accrual basis of accounting. Employer contributions are recognized in the period in which the employee is compensated for services performed. Investments are reported at fair value.

Plan Description:

Benefits Provided: The following is a description of the plan and its benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

Retirement Benefits: For members who become eligible for membership on or before December 31, 2011: Members with twelve years of creditable service may retire at age fifty-five; members with thirty years of service may retire regardless of age. The retirement allowance is equal to three and one-third percent of the member's average final compensation multiplied by his years of creditable service, not to exceed (after reduction for optional payment form) 100% of average final compensation.

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Notes to Basic Financial Statements (Continued)

Active, contributing members with at least ten years of creditable service may retire at age sixty. The accrued normal retirement benefit is reduced actuarially for each month or fraction thereof that retirement begins prior to the member's earliest normal retirement date assuming continuous service.

For members whose first employment making them eligible for membership in the system began on or after January 1, 2012: Members with twelve years of creditable service may retire at age sixty-two; members with twenty years of service may retire at age sixty; members with thirty years of creditable service may retire at age fifty-five. The benefit accrual rate for such members with less than thirty years of service is three percent; for members with thirty or more years of service; the accrual rate is three and one-third percent. The retirement allowance is equal to the benefit accrual rate times the member's average final compensation multiplied by his years of creditable service, not to exceed (after reduction for optional payment form) 100% of average final compensation. Members with twenty or more years of service may retire with a reduced retirement at age fifty.

For a member whose first employment making him eligible for membership in the system began on or before June 30, 2006, final average compensation is based on the average monthly earnings during the highest thirty-six consecutive months or joined months if service was interrupted. The earnings to be considered for each twelve-month period within the thirty-six-month period shall not exceed 125% of the preceding twelve-month period.

For a member whose first employment making him eligible for membership in the system began after June 30, 2006 and before July 1, 2013, final average compensation is based on the average monthly earnings during the highest sixty consecutive months or joined months if service was interrupted. The earnings to be considered for each twelve-month period within the sixty-month period shall not exceed 125% of the preceding twelve-month period.

For a member whose first employment making him eligible for membership in the system began on or after July 1, 2013, final average compensation is based on the average monthly earnings during the highest sixty consecutive months or joined months if service was interrupted. The earnings to be considered for each twelve-month period within the sixty-month period shall not exceed 115% of the preceding twelve-month period.

**Disability Benefits:** A member is eligible to receive disability benefits if he has at least ten years of creditable service when a non-service related disability is incurred; there are no service requirements for a service related disability. Disability benefits shall be the lesser of 1) a sum equal to the greatest of 45% of final average compensation or the members' accrued retirement benefit at the time of termination of employment due to disability, or 2) the retirement benefit which would be payable assuming continued service to the earliest normal retirement age. Members who become partially disabled receive 75% of the amount payable for total disability.

**Survivor's Benefits:** Survivor benefits for death solely as a result of injuries received in the line of duty are based on the following. For a spouse alone, a sum equal to 50% of the member's final average compensation with a minimum of \$150 per month. If a spouse is entitled to benefits and has a child or children under eighteen years of age (or over said age if physically or mentally incapacitated and dependent upon the member at the time of his death), an additional sum of 15% of the member's final average compensation is paid to each child with total benefits paid to spouse and children not to exceed 100%.



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Notes to Basic Financial Statements (Continued)

If a member dies with no surviving spouse, surviving children under age eighteen will receive monthly benefits of 15% of the member's final average compensation up to a maximum of 60% of final average compensation if there are more than four children. If a member is eligible for normal retirement at the time of death, the surviving spouse receives an automatic option 2 benefit. The additional benefit payable to children shall be the same as those available for members who die in the line of duty. In lieu of receiving option 2 benefit, the surviving spouse may receive a refund of the member's accumulated contributions. All benefits payable to surviving children shall be extended through age twenty-two, if the child is a full-time student in good standing enrolled at a board approved or accredited school, college, or university.

**Deferred Retirement Benefits:** The Fund does provide for deferred benefits for vested members who terminate before being eligible for retirement. Benefits become payable once the member reaches the appropriate age for retirement.

**Back Deferred Retirement Option Plan (Back-DROP):** In lieu of receiving a service retirement allowance, any member of the Fund who has more than sufficient service for a regular service retirement may elect to receive a "Back-DROP" benefit. The Back-DROP benefit is based upon the Back-DROP period selected and the final average compensation prior to the period selected. The Back-DROP period is the lesser of three years or the service accrued between the time a member first becomes eligible for retirement and his actual date of retirement. For those individuals with thirty or more years, the Back-DROP period is the lesser of four years or service accrued between the time a member first becomes eligible for retirement and his actual date of retirement.

At retirement the member's maximum monthly retirement benefit is based upon his service, final average compensation and plan provisions in effect on the last day of creditable service immediately prior to the commencement of the Back-DROP period. In addition to the monthly benefit at retirement, the member receives a lump-sum payment equal to the maximum monthly benefit as calculated above multiplied by the number of months in the Back-DROP period. In addition, the member's Back-DROP account will be credited with employee contributions received by the retirement fund during the Back-DROP period. Participants have the option to opt out of this program and take a distribution, if eligible, or to rollover the assets to another qualified plan.

**Cost-of-Living Adjustments:** Cost of living provisions for the Fund allows the board of trustees to provide an annual cost of living increase of 2.5% of the eligible retiree's original benefit if certain funding criteria are met. Members are eligible to receive a cost of living adjustment once they have attained the age of sixty and have been retired at least one year. Funding criteria for granting cost of living adjustments is dependent on the funded ratio.

**Employer Contributions:** According to state statute, contribution requirements for all employers are actuarially determined each fiscal year. For the year ended June 30, 2018, the actual employer contribution rate was 12.75%.

In accordance with state statute, the Fund receives ad valorem taxes, insurance premium taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities, but are not considered special funding situations. Non-employer contributions are recognized as revenue in the amount of \$1,871,685 and included in pension expense for the year ended June 30, 2018.

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Lafayette, Louisiana

Notes to Basic Financial Statements (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At June 30, 2019, the Sheriff reported a liability of \$17,580,410 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Sheriff's proportion of the net pension liability was based on a projection of the Sheriff's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2018, the Sheriff's proportion was 4.584621%, which was an increase of 0.11019% from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the Sheriff recognized pension expense of \$4,310,756 less employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions of \$3,458.

Actuarial Assumptions: The net pension liability was measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees' past periods of service, less the amount of the pension plan's fiduciary net position.

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2018 are as follows:

Valuation Date	June 30, 2018
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Expected Remaining Service Lives	6 years
Investment Rate of Return	7.25%, net of investment expense
Discount Rate	7.25%
Projected Salary Increases	5.5% (2.6% inflation, 2.9% merit)
Mortality	RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Table for active members, healthy annuitants and beneficiaries, RP-2000 Disabled Lives Mortality Table
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the Fund and includes previously grant cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.

LAFAYETTE PARISH SHERIFF  
Lafayette, Louisiana

Notes to Basic Financial Statements (Continued)

The mortality rate assumptions were set after reviewing an experience study performed over the period July 1, 2009 through June 30, 2014. The data was then assigned credibility weighting and combined with a standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent to the estimated duration of the Fund's liabilities. Annuity values calculated based on this mortality were compared to those produced by using a setback of standard tables. The result of the procedure indicated that these tables would produce liability values approximating the appropriate generational mortality tables used.

The long-term expected rate of return on pension plan investments was determined using a building block method which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rate of return by the target asset allocation percentage and adding expected inflation.

Estimates of arithmetic real rates of return for each major asset class based on the Fund's target allocation as of June 30, 2018 were as follows:

Asset Class	Expected Rate of Return		
	Target Asset Allocation	Real Return Arithmetic Basis	Long-term Expected Portfolio Real Rate of Return
Equity Securities	62%	6.9%	4.3%
Bonds	23	3.2	0.7
Alternative Investments	15	4.5	0.7
Totals	<u>100%</u>		5.7%
Inflation			<u>2.5</u>
Expected Arithmetic Nominal Return			<u>8.2%</u>

Discount Rate: The discount rate used to measure the total pension liability was 7.25%, which was a decrease of 0.15% from the prior year valuation. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the Fund's actuary. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

LAFAYETTE PARISH SHERIFF  
Lafayette, Louisiana

Notes to Basic Financial Statements (Continued)

Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate: The following presents the Employer's proportionate share of the Net Pension Liability using the discount rate of 7.25%, as well as what the Employer's proportionate share of the Net Pension Liability would be if it were calculated using a discount rate that is one percentage-point lower (6.25%) or one percentage-point higher (8.25%) than the current rate:

	1.0% Decrease 6.25%	Current Discount Rate 7.25%	1.0% Increase 8.25%
Employer's proportionate share of the net pension liability	\$ 39,786,818	\$ 17,580,410	\$ (1,114,845)

At June 30, 2019, the Sheriff reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 4,935,097
Change of assumptions	5,197,017	-
Change in proportion and differences between the employer's contributions and the employer's proportionate share of contributions	719,346	617,105
Net differences between projected and actual earnings on plan investments	-	1,043,629
Contributions subsequent to the measurement date	3,999,693	-
Total	\$ 9,916,056	\$ 6,595,831

Deferred outflows of resources of \$3,999,693 related to pensions resulting from the Sheriff's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,			
2020			\$ 1,171,664
2021			93,235
2022			(1,826,874)
2023			(186,221)
2024			68,728
Total			\$ (679,468)

LAFAYETTE PARISH SHERIFF  
Lafayette, Louisiana

Notes to Basic Financial Statements (Continued)

Contributions – Proportionate Share: Differences between contributions remitted to the Fund and the employer’s proportionate share are recognized in pension expense (benefit) using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with a pension through the pension plan. The resulting deferred inflow/outflow and amortization is not reflected in the schedule of employer amounts due to differences that could arise between contributions reported by the Fund and contributions reported by the participating employer.

At June 30, 2019, the Sheriff recorded an accrued liability to the pension plan for the contractually required contribution for the month of June 2019 in the amount of \$592,016.

(12) Deferred Compensation Plan

Certain employees of the Sheriff participate in the Lafayette Parish Sheriff’s Office Deferred Compensation Plan adopted under the provisions of the Internal Revenue Code Section 457. Complete disclosures related to the Plan are included in the separately issued audit report of the Plan, available from the Louisiana Legislative Auditor, Post Office Box 94397, Baton Rouge, Louisiana 70804-9397.

(13) Operating Leases

The Sheriff has entered into a twenty-year operating lease for land dated February 15, 2010; with annual rental payments ranging from \$2,000 to \$2,662.

During 2019, the Sheriff entered into various operating leases for office equipment and vehicles ranging from 39 to 60 months and expiring at various dates from April 1, 2020 through January 1, 2022.

Future minimum lease payments are as follows:

<u>Year Ending June 30,</u>	
2020	\$ 557,498
2021	546,256
2022	283,670
2023	26,630
2024	2,420
2025-2029	13,068
2030	2,662
	<u>\$ 1,432,204</u>

Expenses related to the above operating leases for the year ended June 30, 2019 were \$530,559.

**LAFAYETTE PARISH SHERIFF**  
Lafayette, Louisiana

Notes to Basic Financial Statements (Continued)

(14) Taxes Paid Under Protest

The unsettled balances due to taxing bodies and others in the agency funds at June 30, 2019, include \$40,694 of taxes paid under protest plus interest earned to date on the investment of these funds. These funds are held pending resolution of the protest and are accounted for in the Tax Collector Agency Fund.

(15) Ex-officio Tax Collector

The amount of cash on hand at year end was \$498,100. The unsettled balances of the Tax Collector Fund at June 30, 2019 consist of the following:

Collection of current and prior year taxes, not settled	\$ 101,563
Redemption and refunds to taxpayers	167,902
Protested taxes	40,694
Occupational licenses	500
Interest	<u>187,441</u>
Total	<u>\$ 498,100</u>

The amount of taxes collected for the current year by taxing authority was as follows:

Lafayette Parish Consolidated Government	\$ 58,740,949
Lafayette Parish School Board	72,979,883
Teche-Vermillion Freshwater District	3,066,196
Louisiana Tax Commission	43,483
Lafayette Parish Sheriff	37,886,287
Lafayette Parish Regional Airport	3,435,878
Economic Development Authority	3,653,332
Lafayette Parish Assessor	3,520,109
Bayou Vermillion District	2,000,679
Downtown Development Commission	427,473
City of Carencro	320,907
City of Youngsville	1,721,735
City of Scott	245,909
Town of Duson	29,947
Other - retirement plans	<u>5,433,359</u>
Total	<u>\$ 193,506,126</u>

**LAFAYETTE PARISH SHERIFF**  
Lafayette, Louisiana

Notes to Basic Financial Statements (Continued)

For the fiscal year ended June 30, 2019, the taxes assessed and uncollected as a result of Louisiana Tax Commission change orders, movable properties, and bankruptcies were as follows:

	Change		
	Orders	Movables	Bankruptcies
Lafayette Parish Consolidated Government	\$ 612,533	\$ 207,552	\$16,112
Lafayette Parish School Board	760,854	257,536	20,068
Teche-Vermillion Freshwater District	31,967	10,820	843
Lafayette Parish Sheriff	380,654	128,844	10,040
Lafayette Parish Regional Airport	35,821	12,125	945
Economic Development Authority	38,088	12,892	1,005
Lafayette Parish Assessor	35,367	11,971	933
Bayou Vermillion District	20,856	7,060	550
Downtown Development Commission	6,064	1,265	-
City of Carencro	928	1,431	77
City of Youngsville	17,706	2,301	-
City of Scott	2,917	4,107	-
Town of Duson	302	430	-
Total	<u>\$1,944,057</u>	<u>\$ 658,334</u>	<u>\$50,573</u>

(16) Risk Management

A. Commercial Insurance Coverage

The Sheriff is exposed to various risks of loss related to torts; thefts of, damage to, and destruction of assets; error and omissions; and injuries to employees. To handle such risk of loss, the Sheriff maintains commercial insurance policies covering automobile liability, medical payments, uninsured motorists, and collision; surety bond coverage; marine liability; and aviation liability. In addition to the above policies, the Sheriff maintains a public official's liability policy and a law enforcement policy. No claims were paid, which exceeded the policies' coverage amount, on any of the policies during the past three years. There have been no significant reductions in the insurance coverage since the prior year.

B. Workers' Compensation

The Sheriff has established a limited risk management program for workers' compensation. The Sheriff purchases commercial insurance for individual claims in excess of \$750,000. Settled claims resulting from this risk have not exceeded commercial coverage in any of the past three fiscal years.

**LAFAYETTE PARISH SHERIFF**  
Lafayette, Louisiana

Notes to Basic Financial Statements (Continued)

The liabilities for unpaid workers' compensation claims are represented by the outstanding claim reserves. These reserves are estimates of the ultimate potential payments to be made on each claim, considering the medical is in litigation; and, considering all expenses which may be required in the handling of the file such as cost of independent medical exams, legal fees and the like.

Workers' compensation claims are paid according to established payment schedules set by the Louisiana legislature and the Department of Labor. Wage benefits are calculated according to a set formula based on a fee schedule. Changes in the claim liabilities are as follows:

<u>Beginning of Fiscal Year Liability</u>	<u>Claims and Changes in Estimates</u>	<u>Benefit Payments and Claims</u>	<u>Balance at Fiscal Year-End</u>
\$ 905,989	\$ 1,080,469	\$1,204,953	\$ 781,505

C. Group Self-Insurance Health Plan

The Sheriff also established a limited risk management program for group hospitalization insurance. The Sheriff purchases commercial insurance for individual claims in excess of \$170,000.

The claims liability in the amount of \$808,233 reported in the General Fund at June 30, 2019 is based on the loss that is probable to have been at the date of the financial statements and the amount of loss that can be reasonably estimated. The total claims liability is \$1,271,911. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and the amount of payouts, and other economic and social factors. The Sheriff currently does not discount its claim liabilities. Changes in the claim liabilities are as follows:

<u>Beginning of Fiscal Year Liability</u>	<u>Claims and Changes in Estimates</u>	<u>Benefit Payments and Claims</u>	<u>Balance at Fiscal Year-End</u>
\$ 872,808	\$ 7,116,801	\$6,717,698	\$1,271,911

(17) Litigation and Claims

At June 30, 2019, the Sheriff is party to several claims and litigations brought against entities that participate in the Self Insurance Program. These claims and litigations are at various stages of the legal process. Legal counsel has reviewed the lawsuits in order to evaluate the likelihood of an unfavorable outcome to the Sheriff to arrive at an estimate, if any of the amount or range of potential loss. As a result of the review, various claims and litigations have been categorized into "reasonably possible," or "remote" as defined by the standards. As of June 30, 2019, the potential loss of uninsured claims with a reasonably possible likelihood of unfavorable outcome range from \$192,000 to \$334,900.



LAFAYETTE PARISH SHERIFF  
Lafayette, Louisiana

Notes to Basic Financial Statements (Continued)

(18) Expenditures of the Sheriff's Office Paid by the Parish Government

The Sheriff's administrative office and jail are located in buildings owned by the Lafayette Parish Government. The cost of maintaining and operating these buildings, as required by statute, is paid by the Lafayette Parish Government. These expenditures are not included in the accompanying financial statements.

(19) Changes in Agency Fund Balances

A summary of changes in agency fund balances due to taxing bodies and others follows:

	Sheriff's Civil Fund	Tax Collector Fund	Deputy Fund	Bond Fund	Prison Inmate Fund	Work Release Inmate Fund	Evidence Fund
Balances,							
June 30, 2018	\$ 1,423,003	\$ 497,338	\$18,558	\$1,932,878	\$ 235,945	\$ 14,141	\$448,882
Additions	12,958,458	204,339,337	8,925	3,905,423	2,072,704	1,387,299	452,032
Reductions	<u>13,467,859</u>	<u>204,338,575</u>	<u>5,962</u>	<u>3,660,211</u>	<u>2,016,088</u>	<u>1,360,649</u>	<u>121,824</u>
Balances,							
June 30, 2019	<u>\$ 913,602</u>	<u>\$ 498,100</u>	<u>\$21,521</u>	<u>\$2,178,090</u>	<u>\$ 292,561</u>	<u>\$ 40,791</u>	<u>\$779,090</u>

(20) Tax Abatement

Louisiana's State Constitution Chapter VII Section 21 authorizes the State Board of Commerce and Industry to create a ten (10) year ad valorem tax abatement program for new manufacturing establishments in the State. Under the terms of this program, qualified businesses may apply for an exemption of local ad valorem taxes on capital improvements and equipment related to manufacturing for the first ten years of its operation; after which the property will be added to the local tax roll and taxed at the value and millage in force at that time. The future value to this exempt property could be subject to significant fluctuations from today's value; however, the Sheriff could receive a substantial increase in ad valorem tax revenues once the exemption on this property expires. Because these taxes are not assessed, no adjustments have been made to the Sheriff's financial statements to record the exempt amounts. At June 30, 2019, the Sheriff's ad valorem revenues were reduced by \$913,392 for industrial exemptions issued related to these abatements.

LAFAYETTE PARISH SHERIFF  
Lafayette, Louisiana

Notes to Basic Financial Statements (Continued)

(21) Joint Venture

The Sheriff is a participant with the City-Parish Government of Lafayette (LCG), in a joint venture. Lafayette Metro Investigations was formed under a joint powers agreement entered into by the two governmental agencies listed above on July 12, 2012. The joint venture is governed by a four-member fiscal committee composed of two appointees from the Sheriff, and two appointees from LCG. For the year ended December 31, 2018, Metro Investigations reported a change in fund balance of the General Fund of \$78,132 and an ending fund balance of \$135,413. Complete financial statements for the Agency can be obtained from the Lafayette Parish Sheriff's Office at 316 West Main Street, Lafayette, Louisiana.

For the year ended June 30, 2019, the Sheriff contributed \$10,000 to Lafayette Metro Investigations.

(22) Compensation, Benefits, and Other Payments to Agency Head

In accordance with Act 706 of the 2014 Regular Legislative Session – LA R.S. 24:513(A)(3), the schedule of compensation, benefits, and other payments to Mark Garber, Sheriff, for the year ended June 30, 2019 follows:

<u>Purpose</u>	<u>Amount</u>
Salary and expense allowance	\$ 160,338
Benefits - insurance	7,176
Benefits - retirement	19,641
Per diem - meals	535
Travel	631
Registration fees	905
Conference travel	2,336
Other	41

**REQUIRED SUPPLEMENTARY INFORMATION**

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LAFAYETTE PARISH SHERIFF  
Lafayette, Louisiana

Budgetary Comparison Schedule  
For the Year Ended June 30, 2019

	Budget		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
<b>Revenues:</b>				
Ad valorem taxes	\$ 38,156,241	\$ 37,742,728	\$ 38,125,414	\$ 382,686
Sales taxes	4,852,168	4,700,132	4,900,132	200,000
Intergovernmental revenues -				
Federal grants	88,364	151,500	141,495	(10,005)
State grants - state revenue sharing (net)	895,624	877,010	877,010	-
State supplemental pay	2,244,000	2,293,328	2,470,829	177,501
State, city and parish grants	1,757,655	1,990,124	2,183,773	193,649
Fees charges and commissions for services -				
Civil and criminal fees	2,823,332	3,295,416	3,571,766	276,350
Court attendance	30,971	41,250	41,106	(144)
Feeding, keeping, and transporting prisoners	4,013,414	4,289,214	4,665,801	376,587
Community corrections	1,948,938	2,176,500	2,647,263	470,763
Contractual agreements	4,534,381	5,140,250	5,813,363	673,113
Interest income	297,147	396,328	548,048	151,720
Miscellaneous	2,144,033	1,835,452	2,148,280	312,828
Total revenues	<u>63,786,268</u>	<u>64,929,232</u>	<u>68,134,280</u>	<u>3,205,048</u>
<b>Expenditures:</b>				
Current -				
Public safety:				
Personal services and related benefits	39,373,060	40,599,168	40,527,121	72,047
Operating services	8,520,974	9,641,852	10,132,301	(490,449)
Operations and maintenance	8,979,608	11,702,139	12,278,972	(576,833)
Travel and other charges	299,713	262,620	292,619	(29,999)
Capital outlay	2,234,568	2,576,008	2,723,048	(147,040)
Debt service	1,317,413	1,359,513	1,359,513	-
Total expenditures	<u>60,725,336</u>	<u>66,141,300</u>	<u>67,313,574</u>	<u>(1,172,274)</u>
Net change in fund balance	3,060,932	(1,212,068)	820,706	2,032,774
Fund balance, beginning	<u>17,089,609</u>	<u>17,089,609</u>	<u>17,089,609</u>	<u>-</u>
Fund balance, ending	<u>\$ 20,150,541</u>	<u>\$ 15,877,541</u>	<u>\$ 17,910,315</u>	<u>\$ 2,032,774</u>

LAFAYETTE PARISH SHERIFF  
Lafayette, Louisiana

Schedule of Changes in Total OPEB Liability and Related Ratios  
For the Year Ended June 30, 2019

<b>Total OPEB Liability</b>	<u>2019</u>	<u>2018</u>
Service cost	\$ 931,327	\$ 593,001
Interest	1,118,748	1,069,792
Changes in benefit terms	-	-
Differences between expected and actual experience	11,732,718	11,732,718
Changes of assumptions	-	-
Benefit payments and net transfers	<u>(1,380,392)</u>	<u>(1,380,392)</u>
Net changes	12,402,401	12,015,119
Total OPEB liability - beginning	<u>32,654,427</u>	<u>32,654,427</u>
Total OPEB liability - ending	<u>\$ 45,056,828</u>	<u>\$ 44,669,546</u>
Covered employee payroll	\$ 32,126,428	\$ 32,126,428
Total OPEB liability as a percentage of covered-employee payroll	140.25%	139.04%

*This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.*

LAFAYETTE PARISH SHERIFF  
Lafayette, Louisiana

Schedule of Employer's Share of Net Pension Liability  
For the Year Ended June 30, 2019\*

Year Ended June 30,	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Employee Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2019	4.584621%	\$ 17,580,410	\$ 31,549,546	55.67%	90.41%
2018	4.474431%	19,375,511	30,995,631	62.53%	88.49%
2017	4.630169%	29,387,196	31,621,833	92.84%	82.10%
2016	4.586863%	20,446,021	30,411,635	67.22%	86.61%
2015	4.623061%	18,307,346	29,741,886	61.55%	87.34%

\* The amounts presented have a measurement date of the previous fiscal year end.

*This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.*

LAFAYETTE PARISH SHERIFF  
Lafayette, Louisiana

Schedule of Pension Employer Contributions  
For the Year Ended June 30, 2019

Year Ended June 30,	Contractually Required Contribution	Contributions in Relation to Contractual Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a % of Covered Employee Payroll
2019	\$ 3,999,693	\$3,999,693	-	\$ 32,650,558	12.25%
2018	4,022,567	4,022,567	-	31,549,546	12.75%
2017	4,106,921	4,106,921	-	30,995,631	13.25%
2016	4,348,002	4,348,002	-	31,621,833	13.75%
2015	4,333,658	4,333,658	-	30,411,635	14.25%

*This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.*

**LAFAYETTE PARISH SHERIFF**  
Lafayette, Louisiana

Notes to Required Supplementary Information

(1) Budgets and Budgetary Accounting

The Sheriff follows these procedures in establishing the budgetary data reflected in the financial statements:

- a. The chief administrative deputy prepares a proposed budget for the General and special revenue funds and submits it to the Sheriff for the fiscal year no later than fifteen days prior to the beginning of each fiscal year.
- b. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
- c. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
- d. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is legally adopted prior to the commencement of the fiscal year for which the budget is being adopted.
- e. All budgetary appropriations lapse at the end of each fiscal year.
- f. The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted or as finally amended by the Sheriff. Such amendments were not material in relation to the original appropriations.

(2) Pension Plans

Changes of Assumptions – Changes of assumptions about future economic or demographic factors or of other inputs were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan. These assumptions include the rate of investment return, mortality of plan members, rate of salary increase, rates of retirement, rates of termination, rates of disability, and various other factors that have an impact on the cost of the plan.

(3) Other Postemployment Benefits

- a. Benefit Changes – There were no changes of benefit terms.
- b. Changes of Assumptions – There were no changes of assumptions.

(4) Excess of Expenditures Over Appropriations

	Final Budget	Actual	Excess
Public Safety:			
Personal services and related benefits	\$9,641,852	\$10,018,059	\$(376,207)
Operations and maintenance	11,702,139	12,278,972	(576,833)
Travel and other charges	262,620	292,619	(29,999)
Capital outlay	2,576,008	2,723,048	(147,040)



**OTHER SUPPLEMENTARY INFORMATION**

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LAFAYETTE PARISH SHERIFF  
Lafayette, Louisiana

Comparative Statement of Net Position  
June 30, 2019 and 2018

	Governmental Activities	
	2019	2018
<b>ASSETS</b>		
Current assets:		
Cash and interest-bearing deposits	\$ 15,659,140	\$ 16,056,587
Investments	139,684	136,501
Due from other governmental agencies	4,416,630	3,093,778
Receivables	68,009	18,285
Inventory	345,970	349,762
Prepaid items	200,090	217,296
Total current assets	20,829,523	19,872,209
Noncurrent assets:		
Capital assets, net	31,413,025	31,603,351
Total assets	52,242,548	51,475,560
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred outflows related to OPEB	10,950,537	1,039,988
Deferred outflows related to pension	9,916,056	7,967,610
Total deferred outflows of resources	20,866,593	9,007,598
<b>LIABILITIES</b>		
Current liabilities:		
Accounts and other payables	1,229,298	1,376,386
Due to other governmental agencies	698,294	627,919
Long-term liabilities due within one year	4,346,846	4,023,497
Total current liabilities	6,274,438	6,027,802
Noncurrent liabilities:		
Long-term liabilities due in more than one year	16,968,882	18,247,933
Postemployment benefit obligation payable	45,056,828	32,654,427
Net pension liability	17,580,410	19,375,511
Total noncurrent liabilities	79,606,120	70,277,871
Total liabilities	85,880,558	76,305,673
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred inflows related to pension	6,595,831	4,412,906
<b>NET POSITION</b>		
Invested in capital assets	15,407,815	14,421,921
Unrestricted (deficit)	(34,775,063)	(34,657,342)
Total net position (deficit)	\$ (19,367,248)	\$ (20,235,421)

LAFAYETTE PARISH SHERIFF  
Lafayette, Louisiana  
General Fund

Comparative Balance Sheet  
June 30, 2019 and 2018

	2019	2018
<b>ASSETS</b>		
Cash and interest-bearing deposits	\$ 15,462,299	\$ 15,889,555
Investments	139,684	136,501
Receivables -		
Due from other governmental agencies	4,353,515	3,043,032
Other	66,009	17,785
Due from other funds	6,416	6,839
Inventory	229,219	258,653
Prepaid items	200,090	217,296
Total assets	\$ 20,457,232	\$ 19,569,661
<b>LIABILITIES AND FUND BALANCES</b>		
<b>Liabilities:</b>		
Accounts payable	\$ 963,284	\$ 1,132,843
Due to other governmental agencies	698,294	627,919
Other accrued liabilities	885,339	719,290
Total liabilities	2,546,917	2,480,052
<b>Fund balances:</b>		
Nonspendable for inventory and prepaid items	429,309	475,949
Unassigned	17,481,006	16,613,660
Total fund balances	17,910,315	17,089,609
Total liabilities and fund balances	\$ 20,457,232	\$ 19,569,661

LAFAYETTE PARISH SHERIFF  
Lafayette, Louisiana  
General Fund

Budgetary Comparison Schedule -  
Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Year Ended June 30, 2019  
With Comparative Actual Balances for Year Ended June 30, 2018

	2019		Actual	Variance with Final Budget Positive (Negative)	2018 Actual
	Budget				
	Original	Final			
<b>Revenues:</b>					
Ad valorem taxes	\$ 38,156,241	\$ 37,742,728	\$ 38,125,414	\$ 382,686	\$ 37,656,269
Sales taxes	4,852,168	4,700,132	4,900,132	200,000	4,225,665
Intergovernmental revenues -					
Federal grants	88,364	151,500	141,495	(10,005)	115,869
State grants - state revenue sharing (net)	895,624	877,010	877,010	-	873,620
State supplemental pay	2,244,000	2,293,328	2,470,829	177,501	2,257,502
State, city and parish grants	1,757,655	1,990,124	2,183,773	193,649	2,137,444
Fees charges and commissions for services -					
Civil and criminal fees	2,823,332	3,295,416	3,571,766	276,350	3,122,189
Court attendance	30,971	41,250	41,106	(144)	41,273
Feeding and keeping prisoners	4,013,414	4,289,214	4,665,801	376,587	4,346,501
Community corrections	1,948,938	2,176,500	2,647,263	470,763	2,364,893
Contractual arrangements	4,534,381	5,140,250	5,813,363	673,113	4,235,405
Interest income	297,147	396,328	548,048	151,720	388,057
Miscellaneous	2,144,033	1,835,452	2,148,280	312,828	2,058,024
Total revenues	<u>63,786,268</u>	<u>64,929,232</u>	<u>68,134,280</u>	<u>3,205,048</u>	<u>63,822,711</u>
<b>Expenditures:</b>					
Current -					
Public safety:					
Personal services and related benefits	39,373,060	40,599,168	40,527,121	72,047	39,454,576
Operating services	8,520,974	9,641,852	10,132,301	(490,449)	10,250,897
Operations and maintenance	8,979,608	11,702,139	12,278,972	(576,833)	10,539,215
Travel and other charges	299,713	262,620	292,619	(29,999)	298,695
Capital outlay	2,234,568	2,576,008	2,723,048	(147,040)	2,167,116
Debt service	1,317,413	1,359,513	1,359,513	-	1,336,313
Total expenditures	<u>60,725,336</u>	<u>66,141,300</u>	<u>67,313,574</u>	<u>(1,172,274)</u>	<u>64,046,812</u>
Net change in fund balance	3,060,932	(1,212,068)	820,706	2,032,774	(224,101)
Fund balance, beginning	<u>17,089,609</u>	<u>17,089,609</u>	<u>17,089,609</u>	<u>-</u>	<u>17,313,710</u>
Fund balance, ending	<u>\$ 20,150,541</u>	<u>\$ 15,877,541</u>	<u>\$ 17,910,315</u>	<u>\$ 2,032,774</u>	<u>\$ 17,089,609</u>

LAFAYETTE PARISH SHERIFF  
Lafayette, Louisiana  
General Fund

Budgetary Comparison Schedule - Expenditures  
For the Year Ended June 30, 2019  
With Comparative Actual Balances for Year Ended June 30, 2018

	2019		Actual	Variance with Final Budget Positive (Negative)	2018 Actual
	Budget				
	Original	Final			
Current:					
Public safety -					
Personal services and related benefits:					
Sheriff's salary	\$ 164,256	\$ 145,762	\$ 145,762	\$ -	\$ 145,761
Deputies salaries	34,473,111	35,650,000	35,617,106	32,894	34,506,903
Pension and payroll taxes	4,606,153	4,665,980	4,634,882	31,098	4,635,342
Sheriff's expense allowance	-	14,576	14,576	-	14,576
Other employee expenses	129,540	122,850	114,795	8,055	151,994
Total personal services and related benefits	<u>39,373,060</u>	<u>40,599,168</u>	<u>40,527,121</u>	<u>72,047</u>	<u>39,454,576</u>
Operating services:					
Hospitalization insurance	6,876,844	7,506,852	7,965,829	(458,977)	7,570,467
Auto insurance	348,006	451,907	465,045	(13,138)	423,122
Deputy insurance	250,204	324,905	334,351	(9,446)	476,062
Other liability insurance	1,045,920	1,358,188	1,367,076	(8,888)	1,781,246
Total operating services	<u>8,520,974</u>	<u>9,641,852</u>	<u>10,132,301</u>	<u>(490,449)</u>	<u>10,250,897</u>
Operations and maintenance:					
Auto fuel and oil	595,235	745,500	748,807	(3,307)	688,234
Auto maintenance	185,195	264,261	353,677	(89,416)	322,764
Deputy uniforms, supplies, etc.	656,327	488,803	488,068	735	508,508
Lease expense	285,768	1,252,600	1,362,882	(110,282)	764,048
Maintenance contracts and rentals	610,569	871,240	959,754	(88,514)	892,815
Office supplies and expenses	1,125,340	1,511,875	1,602,524	(90,649)	1,264,046
Prisoner feeding and maintenance	3,821,316	4,507,491	4,589,761	(82,270)	3,952,989
Professional fees	473,109	561,235	554,392	6,843	518,215
Telephone and utilities	895,243	1,122,826	1,215,098	(92,272)	1,241,441
Appropriations to other agencies	46,239	25,864	25,944	(80)	46,239
Criminal investigation expense	8,550	34,350	34,362	(12)	9,023
Other	276,717	316,094	343,703	(27,609)	330,893
Total operations and maintenance	<u>8,979,608</u>	<u>11,702,139</u>	<u>12,278,972</u>	<u>(576,833)</u>	<u>10,539,215</u>
Travel and other charges	<u>299,713</u>	<u>262,620</u>	<u>292,619</u>	<u>(29,999)</u>	<u>298,695</u>
Capital outlay:					
Buildings	213,190	245,766	259,794	(14,028)	130,678
Vehicles	1,357,568	1,565,004	1,654,335	(89,331)	1,185,993
Equipment	663,809	765,239	808,919	(43,680)	850,445
Total capital outlay	<u>2,234,568</u>	<u>2,576,008</u>	<u>2,723,048</u>	<u>(147,040)</u>	<u>2,167,116</u>
Debt service:					
Principal	805,000	880,000	880,000	-	840,000
Interest	512,413	479,513	479,513	-	496,313
Total debt service	<u>1,317,413</u>	<u>1,359,513</u>	<u>1,359,513</u>	<u>-</u>	<u>1,336,313</u>
Total expenditures	<u>\$ 60,725,336</u>	<u>\$ 66,141,300</u>	<u>\$ 67,313,574</u>	<u>\$ (1,172,274)</u>	<u>\$ 64,046,812</u>

## AGENCY FUNDS

### **Sheriff's Fund -**

To account for funds held in connection with civil suits, sheriff's sales, and garnishments and payment of these collections to the Sheriff's General Fund and other recipients in accordance with applicable laws.

### **Tax Collector Fund -**

Article V, Section 27 of the Louisiana Constitution of 1974, provides that the Sheriff will serve as the collector of state and parish taxes and fees. The Tax Collector Fund is used to collect and distribute these taxes and fees to the appropriate taxing bodies.

### **Deputy Fund -**

To account for the receipts and disbursements of commissions received from vending machine sales, donations and fees of other deputy activities.

### **Bond Fund -**

To account for the collection of cash bonds and payment of these collections to the eligible recipients in accordance with applicable laws.

### **Prison Inmate Fund -**

To account for the receipts and disbursements made to the individual prison inmate accounts.

### **Work Release Trust Fund -**

To account for the receipts and disbursements made in the inmate work release program.

### **Evidence Fund -**

To account for funds seized during arrest for which final resolution of distribution has not been determined.

LAFAYETTE PARISH SHERIFF

Lafayette, Louisiana

Agency Funds

Combining Balance Sheet

June 30, 2019

With Comparative Totals for June 30, 2018

	Sheriff's Civil Fund	Tax Collector Fund	Deputy Fund	Bond Fund	Prison Inmate Fund	Work Release Inmate Fund	Evidence Fund	Total	
								2019	2018
<b>ASSETS</b>									
Cash	\$ -	\$ -	\$ -	\$ 200	\$ 200	\$ -	\$ 779,090	\$ 779,490	\$ 449,082
Interest-bearing deposits	913,602	498,100	20,935	2,177,890	292,361	40,791	-	3,943,679	4,118,969
Due from inmates and others	-	-	586	-	-	-	-	586	2,694
<b>Total assets</b>	<b>\$ 913,602</b>	<b>\$ 498,100</b>	<b>\$ 21,521</b>	<b>\$ 2,178,090</b>	<b>\$ 292,561</b>	<b>\$ 40,791</b>	<b>\$ 779,090</b>	<b>\$ 4,723,755</b>	<b>\$ 4,570,745</b>
<b>LIABILITIES</b>									
Due to taxing bodies and others	\$ 913,602	\$ 498,100	\$ 21,521	\$ 2,178,090	\$ -	\$ 6	\$ 779,090	\$ 4,390,409	\$ 4,320,665
Due to inmates	-	-	-	-	292,561	40,785	-	333,346	250,080
<b>Total liabilities</b>	<b>\$ 913,602</b>	<b>\$ 498,100</b>	<b>\$ 21,521</b>	<b>\$ 2,178,090</b>	<b>\$ 292,561</b>	<b>\$ 40,791</b>	<b>\$ 779,090</b>	<b>\$ 4,723,755</b>	<b>\$ 4,570,745</b>

LAFAYETTE PARISH SHERIFF  
Lafayette, Louisiana  
Agency Funds

Combining Statement of Changes in Assets and Liabilities  
Year Ended June 30, 2019

	Sheriff's Civil Fund	Tax Collector Fund	Deputy Fund	Bond Fund	Prison Inmate Fund	Work Release Inmate Fund	Evidence Fund	Total
Balances, beginning of year	<u>\$ 1,423,003</u>	<u>\$ 497,338</u>	<u>\$ 18,558</u>	<u>\$ 1,932,878</u>	<u>\$ 235,945</u>	<u>\$ 14,141</u>	<u>\$ 448,882</u>	<u>\$ 4,570,745</u>
Additions:								
Deposits -								
Sheriff's sales	11,112,865	-	-	-	-	-	-	11,112,865
Bonds, fines and costs	-	-	-	3,905,423	-	-	-	3,905,423
Garnishments	1,845,593	-	-	-	-	-	-	1,845,593
Other deposits	-	-	-	-	1,986,095	1,387,299	452,032	3,825,426
Taxes, fees, etc. paid to tax collector	-	204,339,337	-	-	-	-	-	204,339,337
Other additions	-	-	8,925	-	86,609	-	-	95,534
Total additions	<u>12,958,458</u>	<u>204,339,337</u>	<u>8,925</u>	<u>3,905,423</u>	<u>2,072,704</u>	<u>1,387,299</u>	<u>452,032</u>	<u>225,124,178</u>
Total	<u>14,381,461</u>	<u>204,836,675</u>	<u>27,483</u>	<u>5,838,301</u>	<u>2,308,649</u>	<u>1,401,440</u>	<u>900,914</u>	<u>229,694,923</u>
Reductions:								
Taxes, fees, etc. distributed to taxing bodies and others	-	204,338,575	-	-	-	-	-	204,338,575
Deposits settled to -								
Sheriff's General Fund	4,256,025	-	-	440,212	-	799,354	-	5,495,591
Clerk of court	455,357	-	-	184,518	-	-	-	639,875
Inmates	-	-	-	-	500,036	228,590	-	728,626
Litigants	7,716,262	-	-	-	-	-	-	7,716,262
Attorneys, appraisers, etc.	90,940	-	-	1,062,695	-	-	-	1,153,635
Settlements	-	-	-	1,632,369	-	-	-	1,632,369
Other reductions	949,275	-	5,962	340,417	1,516,052	332,705	121,824	3,266,235
Total reductions	<u>13,467,859</u>	<u>204,338,575</u>	<u>5,962</u>	<u>3,660,211</u>	<u>2,016,088</u>	<u>1,360,649</u>	<u>121,824</u>	<u>224,971,168</u>
Balances, end of year	<u>\$ 913,602</u>	<u>\$ 498,100</u>	<u>\$ 21,521</u>	<u>\$ 2,178,090</u>	<u>\$ 292,561</u>	<u>\$ 40,791</u>	<u>\$ 779,090</u>	<u>\$ 4,723,755</u>



STATE OF LOUISIANA, PARISH OF LAFAYETTE

AFFIDAVIT

Mark Garber, Sheriff of Lafayette Parish

BEFORE ME, the undersigned authority, personally came and appeared, Mark Garber, the Sheriff of Lafayette Parish, State of Louisiana, who after being duly sworn, deposed and said:

The following information is true and correct:

\$498,100 is the amount of cash on hand in the tax collector account on June 30, 2019;


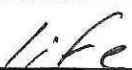
He further deposed and said:

All itemized statements of the amount of taxes collected for tax year 2018, by taxing authority, are true and correct.

All itemized statements of all taxes assessed and uncollected, which indicate the reasons for the failure to collect, by taxing authority, are true and correct.

  
Sheriff of Lafayette Parish

SWORN to and subscribed before me, Notary, this 14th day of October 2019, in my office in Lafayette, Louisiana.

 (Signature)  
Crayson J. LeCombe (Print), # 147216  
Notary Public  
 (Commission)

**INTERNAL CONTROL, COMPLIANCE, AND OTHER INFORMATION**

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# KOLDER, SLAVEN & COMPANY, LLC

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## INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

The Honorable Mark Garber  
Lafayette Parish Sheriff  
Lafayette, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Lafayette Parish Sheriff (the Sheriff) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Sheriff's basic financial statements and have issued our report thereon dated December 11, 2019.

### Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Sheriff's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion of the effectiveness of the Sheriff's internal control. Accordingly, we do not express an opinion on the effectiveness of the Sheriff's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Sheriff's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of current and prior year audit findings and management's corrective action plan as item 2019-001.

## **Sheriff's Response to Findings**

The Sheriff's response to the findings identified in our audit are described in the accompanying summary schedule of current and prior year audit findings and management's corrective action plan. We did not audit the Sheriff's response and, accordingly, we express no opinion on it.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Although the intended use of this report may be limited, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document in accordance with Louisiana Revised Statute 44:6.

***Kolder, Slaven & Company, LLC***  
Certified Public Accountants

Lafayette, Louisiana  
December 11, 2019

LAFAYETE PARISH SHERIFF  
Lafayette, Louisiana

Summary Schedule of Current and Prior Year Findings  
and Management's Corrective Action Plan

Part I. Current Year Findings and Management's Corrective Plan

A. Internal Control Findings –

There are no findings to report under this section.

B. Compliance Findings –

2019-001: Failure to comply with Public Bid Law.

Fiscal year finding initially occurred: 2019

CONDITION: The Sheriff purchased equipment totaling \$33,499 and failed to comply with the Public Bid Law (Louisiana Revised Statute (R.S) 38:2212.1).

CRITERIA: Louisiana Revised Statute 38:2212.1 requires bids to be obtained for the purchase of material and supplies exceeding \$30,000.

CAUSE: The Sheriff purchased equipment from a vendor who is a sole source provider of the equipment and had a federal contract. The vendor agreed to sell the equipment at the contract price but instead charged the Sheriff normal invoice pricing.

EFFECT: Due to clerical error, the Sheriff failed to comply with the Public Bid Law (Louisiana Revised Statute 38:2212) by not ensuring that the total price would not exceed bid law thresholds.

RECOMMENDATION: The Sheriff should comply with the requirements of Public Bid Law (R.S. 38:2212) when purchasing materials and supplies.

MANAGEMENT'S CORRECTIVE ACTION PLAN: The Sheriff immediately implemented additional controls to ensure that bids are sought in compliance with the Public Bid Law.

Part II. Prior Year Findings

A. Internal Control Findings –

There are no findings to report under this section.

B. Compliance Findings –

There are no findings to report under this section.

**LAFAYETTE PARISH SHERIFF**

Lafayette, Louisiana

**Statewide Agreed-Upon Procedures**

Year Ended June 30, 2019

# KOLDER, SLAVEN & COMPANY, LLC

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## INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

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The Honorable Mark Garber  
Lafayette Parish Sheriff and the  
Louisiana Legislative Auditor

We have performed the procedures enumerated below, which were agreed to by the Lafayette Parish Sheriff (Entity) and the Louisiana Legislative Auditor (LLA) on the control and compliance areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2018 through June 30, 2019, as required by the *Louisiana Governmental Audit Guide*. The entity's management is responsible for those control and compliance areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable provisions of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated exceptions are as follows:

### *Written Policies and Procedures*

---

1. We obtained and inspected the entity's written policies and procedures and observed that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):
  - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget.
  - b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
  - c) **Disbursements**, including processing, reviewing, and approving.
  - d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
  - e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
  - f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) **Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

#### ***Board or Finance Committee***

**(The following procedures were not performed since there were no exceptions in the prior year.)**

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
  - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
  - b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds. *Alternatively, for those entities reporting on the non-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
  - c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

#### ***Bank Reconciliations***

**(The following procedures were not performed since there were no exceptions in the prior year.)**

3. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:
  - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);



- b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
- c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

### ***Collections (excluding EFTs)***

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- 4. We obtained a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. We randomly selected 5 deposit sites (or all deposit sites if less than 5).
- 5. For each deposit site selected, we obtained a listing of collection locations and management's representation that the listing is complete. Randomly selected one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtained and inspected written policies and procedures relating to employee job duties (if no written policies and procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
  - a) Employees that are responsible for cash collections do not share cash drawers/registers.
  - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
  - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
  - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.
- 6. We inquired of management that all employees who have access to cash are covered by a bond or insurance policy for theft.
- 7. We randomly selected two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtained supporting documentation for each of the 10 deposits and:
  - a) We observed that receipts are sequentially pre-numbered.
  - b) We traced sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
  - c) We traced the deposit slip total to the actual deposit per the bank statement.
  - d) We observed that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).
  - e) We traced the actual deposit per the bank statement to the general ledger.

### *Non-Payroll Disbursements*

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**(The following procedures were not performed since there were no exceptions in the prior year.)**

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
  - a) At least two employees are involved in initiating a purchase request, approving a purchase and placing an order/making the purchase.
  - b) At least two employees are involved in processing and approving payments to vendors.
  - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
  - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.
10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:
  - a) Observe that the disbursement matched the related original invoice/billing statement.
  - b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

### *Credit Cards/Debit Cards/Fuel Cards/P-Cards*

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11. We obtained from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtained management's representation that the listing is complete.
12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. We randomly selected one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtained supporting documentation and:
  - a) We observed that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported]
  - b) We observed that finance charges and late fees were not assessed on the selected statements.
13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtained supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, we observed that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

***Travel and Travel-Related Expense Reimbursements (excluding card transactions)***

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**(The following procedures were not performed since there were no exceptions in the prior year.)**

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
- a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)).
  - b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
  - c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
  - d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

***Contracts***

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**(The following procedures were not performed since there were no exceptions in the prior year.)**

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
  - b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).
  - c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.
  - d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

***Payroll and Personnel***

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**(The following procedures were not performed since there were no exceptions in the prior year.)**

16. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
- a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)

- b) Observe that supervisors approved the attendance and leave of the selected employees/officials.
  - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
18. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulative leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.
19. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

***Ethics***

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**(The following procedures were not performed since there were no exceptions in the prior year.)**

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:
- a. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
  - b. Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

***Debt Service***

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**(The following procedures were not performed since there were no exceptions in the prior year.)**

21. Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.
22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

***Other***

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**(The following procedures were not performed since there were no exceptions in the prior year.)**

23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.
24. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

**Exceptions:**

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No exceptions were found as a result of applying the procedures listed above except:

**Written Policies & Procedures:**

1. Do not have written policies and procedures for the following: Purchasing (how vendors are added to the vendor list), Receipts and collections, Ethics, and Debt Service.

*Management's response:* The entity will update their written policies and procedures on purchasing to include how vendors are added to the vendor list, receipts and collections, ethics and debt service.

**Cash Collections:**

2. Of the ten deposited tested, six did not have cash collections deposited in a timely manner.

*Management's response:* Management will implement procedures that all collections of \$100 or more will be deposited within one business day of receipt.

**Credit Cards/Debit Cards/Fuel Cards/P-Cards:**

3. Out of the three credit card transactions tested, one did not have written approval of review by someone other than the authorized card holder.

*Management's response:* Management will implement procedures that all credit card purchases have documented approval in writing by someone other than the card holder.

4. Out of the three credit card transactions tested, two did not have written documentation of business/public purpose.

*Management's response:* Management will document the business purpose on all invoices and/or receipts.

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those control and compliance areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information of and use by the entity's management and the LLA. Accordingly, this report is not suitable for any other purpose and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

***Kolder, Slaven & Company, LLC***  
Certified Public Accountants

Lafayette, Louisiana  
December 11, 2019