

3092

**LAFAYETTE PARISH SHERIFF**

**FINANCIAL REPORT AND  
SUPPLEMENTARY INFORMATION**

**YEAR ENDED JUNE 30, 2007**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 1/30/08

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## INDEPENDENT AUDITOR'S REPORT

The Honorable Michael W. Neustrom  
Lafayette Parish Sheriff  
Lafayette, Louisiana

We have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Lafayette Parish Sheriff, as of and for the year then ended June 30, 2007, which collectively comprise the Sheriff's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Lafayette Parish Sheriff. 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, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the provisions of Louisiana Revised Statutes 24:513 and the Louisiana Governmental Audit Guide. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and the aggregate remaining fund information of the Lafayette Parish Sheriff, as of June 30, 2007, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated December 17, 2007 on our consideration of the Lafayette Parish Sheriff's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 as the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The management's discussion and analysis and budgetary comparison information on pages 3 through 12 and 45, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consist principally of inquiries of management regarding the methods for measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Lafayette Parish Sheriff's basic financial statements. The other supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Wright, Moore, DeHart,  
Dupuis & Hutchinson, LLC*

WRIGHT, MOORE, DeHART,  
DUPUIS & HUTCHINSON, L.L.C.  
Certified Public Accountants

December 17, 2007

Lafayette Parish Sheriff  
Lafayette, Louisiana

Management's Discussion and Analysis

Within this section of the Lafayette Parish Sheriff's (the Sheriff) annual financial report, the Sheriff's management is pleased to provide this narrative discussion and analysis of the financial activities of the Sheriff for the fiscal year ended June 30, 2007. The Sheriff's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section:

**FINANCIAL HIGHLIGHTS**

The Sheriff's assets exceed its liabilities by \$17,976,754 (net assets) for the fiscal year reported.

Total net assets are comprised of the following:

1. Capital assets, net of related debt, of \$4,672,465 include property and equipment, net of accumulated depreciation, and reduced for outstanding debt related to the purchase of capital assets.
2. Unrestricted net assets of \$13,304,289 represent the portion available to maintain the Sheriff's continuing obligations to citizens and creditors.

The Sheriff's government funds reported total ending fund balance of \$14,446,511 this year. This compares to the prior year ending fund balance of \$11,254,775 showing an increase of \$3,191,736 during the current year.

At the end of the current fiscal year, unreserved fund balance for the General Fund was \$913,396,844, or 42% of total General Fund expenditures and 38% of total General Fund revenues including transfers. This represents an increase in General Fund unreserved fund balance of \$3,429,295.

The above financial highlights are explained in more detail in the "financial analysis" section of this document.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This Management Discussion and Analysis document introduces the Sheriff's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) required supplementary information. The Sheriff also includes in this report additional information to supplement the basic financial statements.

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

The Sheriff's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the Sheriff's overall financial status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in accrual accounting and elimination or reclassification of activities between funds.

Lafayette Parish Sheriff  
Lafayette, Louisiana

Management's Discussion and Analysis

The first of these government-wide statements is the Statement of Net Assets. This is the government-wide statement of position presenting information that includes all of the Sheriff's assets and liabilities, with the difference reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Sheriff as a whole is improving or deteriorating. Evaluation of the overall health of the Sheriff would extend to other nonfinancial factors such as diversification of the taxpayer base, in addition to the financial information provided in this report.

The second government-wide statement is the Statement of Activities, which reports how the Sheriff's net assets changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the statement of activities is to show the financial reliance of the Sheriff's distinct activities or functions on revenues provided by the Sheriff's taxpayers.

The government-wide financial statements present governmental activities of the Sheriff that are principally supported by sales and property taxes. The sole purpose of these governmental activities is public safety.

The government-wide financial statements are presented on pages 15 and 16 of this report.

#### FUND FINANCIAL STATEMENTS

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The Sheriff uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the Sheriff's most significant funds rather than the Sheriff as a whole.

The Sheriff's operations are reported in 3 different types of funds.

Governmental funds are reported in the fund financial statements and encompass the same function reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the Sheriff's governmental funds, including object classifications. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund operating statement provide a reconciliation to assist in understanding the differences between these two perspectives.

The basic governmental fund financial statements are presented on pages 19 - 22 of this report.

Lafayette Parish Sheriff  
Lafayette, Louisiana

Management's Discussion and Analysis

The Sheriff is the trustee, or Fiduciary, for his employee's health insurance fund, as well as assets that are received and held in trust for other governmental agencies. The largest of these trust agreements is for the collecting and disbursing of ad valorem taxes. These assets are reported separate from other financial statements, as these funds are not available to the Sheriff to finance his operations.

The basic agency fund financial statements are presented on pages 23 - 27 of this report.

Notes to the basic financial statements:

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin on page 28 of this report.

Other information:

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Sheriff's budget presentations. Budgetary comparison statements are included as "required supplementary information" for the general fund and the Inmate Welfare special revenue fund. These statements and schedules demonstrate compliance with the Sheriff's adopted and final revised budget. Required supplementary information can be found starting on page 45 of this report.

In addition, more detailed general fund budget information and details of the individual agency funds are presented as supplementary information and can be found presented on pages 47-48 of this report.

FINANCIAL ANALYSIS OF THE SHERIFF AS A WHOLE:

The Sheriff implemented the new financial reporting model used in this report beginning with fiscal year ended June 30, 2003. Over time, as year-to-year financial information is accumulated on a consistent basis, changes in net assets may be observed and used to discuss the changing financial position of the Sheriff as a whole.



Lafayette Parish Sheriff  
Lafayette, Louisiana

Management's Discussion and Analysis

The Sheriff's net assets at fiscal year-end are \$17,976,754. The following table provides a summary of the Sheriff's net assets:

**Summary of Net Assets**

|   | <u>2007</u>          |      | <u>2006</u>          |      |
|---|----------------------|------|----------------------|------|
| Current and Other Assets                            | \$ 16,854,164        | 78%  | \$ 13,386,865        | 75%  |
| Capital assets net of<br>accumulated depreciation   | <u>4,672,465</u>     | 22%  | <u>4,574,063</u>     | 25%  |
| Total Assets  | <u>\$ 21,526,629</u> | 100% | <u>\$ 17,960,928</u> | 100% |
|   |                      |      |                      |      |
| Current liabilities                                 | \$ 1,534,399         | 43%  | \$ 1,509,008         | 45%  |
| Non-current liabilities                             | <u>2,015,476</u>     | 57%  | <u>1,849,023</u>     | 55%  |
| Total Liabilities                                   | <u>\$ 3,549,875</u>  | 100% | <u>\$ 3,358,031</u>  | 100% |
|   |                      |      |                      |      |
| Investment in Capital Assets<br>net of Related Debt | \$ 4,672,465         | 26%  | \$ 4,574,063         | 31%  |
| Unrestricted  | <u>13,304,289</u>    | 74%  | <u>10,028,834</u>    | 69%  |
| Total Net Assets                                    | <u>\$ 17,976,754</u> | 100% | <u>\$ 14,602,897</u> | 100% |
|   |                      |      |                      |      |
| Total Liabilities and<br>Net Assets                 | <u>\$ 21,526,629</u> |      | <u>\$ 17,960,928</u> |      |

The Sheriff continues to maintain a better than average current ratio. The current ratio compares current assets to current liabilities and is an indication of the ability to pay current obligations. The current ratio for governmental activities is 11 to 1.

The Sheriff reported positive balances in net assets for governmental activities. The general fund reported an increase in fund balance of \$3,139,756. Because of this surplus, The Sheriff has been able to meet his cash requirements for the last 2 consecutive years without the need to resort to short-term borrowing.

Lafayette Parish Sheriff  
Lafayette, Louisiana

Management's Discussion and Analysis

The following table provides a summary of the Sheriff's changes in net assets:

Summary of Changes in Net Assets  
From Governmental Activities

| Revenues                           | <u>2007</u>          |      | <u>2006</u>          |      |
|------------------------------------|----------------------|------|----------------------|------|
| Program:                           |                      |      |                      |      |
| Charges for Services               | \$ 9,024,373         | 23%  | \$ 7,649,763         | 21%  |
| Operating Grants and Contributions | 2,535,555            | 6%   | 2,628,996            | 7%   |
| General:                           |                      |      |                      |      |
| Property Taxes                     | 18,095,401           | 46%  | 16,885,073           | 47%  |
| Sales Taxes                        | 6,252,258            | 16%  | 5,975,944            | 17%  |
| State Revenue Sharing              | 768,461              | 2%   | 765,842              | 2%   |
| State Supplemental Pay             | 1,077,757            | 3%   | 1,081,163            | 3%   |
| Investment Earnings                | 789,522              | 2%   | 444,984              | 1%   |
| Gain on Sale of Assets             | 27,810               | 0%   | 6,977                | 0%   |
| Other General Revenues             | <u>704,730</u>       | 2%   | <u>666,490</u>       | 2%   |
| Total General Revenues             | <u>39,275,867</u>    | 100% | <u>36,105,232</u>    | 100% |
| Program Expenses                   |                      |      |                      |      |
| Public Safety                      | 35,902,010           | 100% | 32,218,328           | 100% |
| Interest on Long Term Debt         | <u>-</u>             | 0%   | <u>-</u>             | 0%   |
| Total Expenses                     | <u>35,902,010</u>    | 100% | <u>32,218,328</u>    | 100% |
| Change in Net Assets               | 3,373,857            |      | 3,886,904            |      |
| Beginning Net Assets               | <u>14,602,897</u>    |      | <u>10,715,993</u>    |      |
| Ending Net Assets                  | <u>\$ 17,976,754</u> |      | <u>\$ 14,602,897</u> |      |

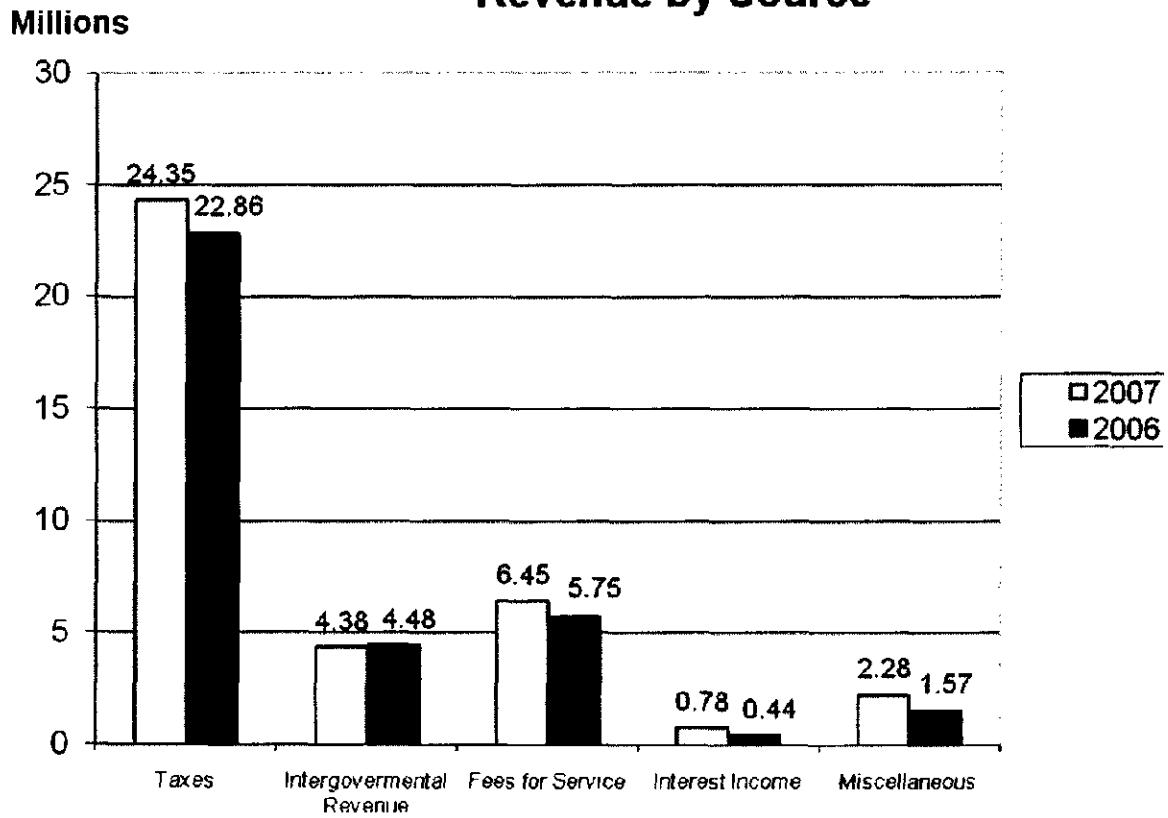
**GOVERNMENTAL REVENUES**

The Sheriff relies upon sales and property taxes to support its operations. These taxes provided 64% of the Sheriff's total revenues. Because of the Sheriff's financial position, \$784,328 in interest was earned to help support governmental activities. Also, note that program revenues offset 29% of governmental operating expenses. Therefore, the Sheriff's other general revenue and taxes fund 71% of operations.

Lafayette Parish Sheriff  
Lafayette, Louisiana

Management's Discussion and Analysis

Revenue by Source

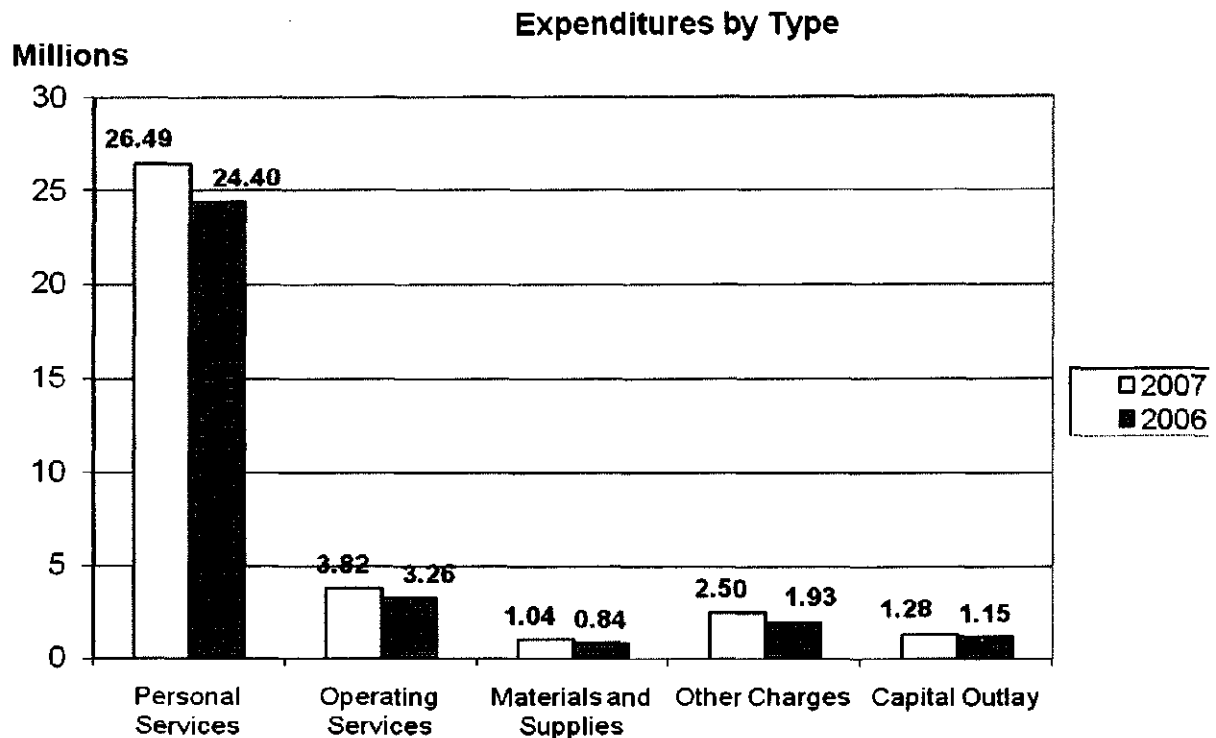


Lafayette Parish Sheriff  
Lafayette, Louisiana

Management's Discussion and Analysis

GOVERNMENTAL FUNCTIONAL EXPENSES

The total function of the Sheriff's office is public safety activities. Of the total costs, depreciation on equipment and vehicles was \$1.3m or 4% of total expenses.



FINANCIAL ANALYSIS OF THE SHERIFF'S FUNDS

Governmental Funds:

As discussed, governmental funds are reported in the fund statements with a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Governmental funds reported ending fund balances of \$14,446,511, an increase of \$3,191,736 from last year. No portion of this balance is reserved or restricted and is available for continuing Sheriff's activities.

MAJOR GOVERNMENTAL FUNDS

The General Fund is the Sheriff's primary operating fund and the largest source of day-to-day service delivery. The General Fund's fund balance increased by \$3,139,756 from the prior year.

Lafayette Parish Sheriff  
Lafayette, Louisiana

Management's Discussion and Analysis

Operating expenditures were approximately \$35.1 million or 10.1% more than fiscal 2006. Approximately 41% of the increase can be attributed to an increase in personal services of \$2m. Other contributing factors were increases in fuel, maintenance and utility costs.

The ending fund balance of \$14,446,511 for all governmental funds at year-end represents approximately 41% of annual operating expenses.

## BUDGETARY HIGHLIGHTS

### General Fund

The General Fund final budgeted revenue varied by approximately 7%. This can be attributed to the following:

- An \$886k increase in projected ad Valorem tax revenue. The original projections from the Assessor's office indicated that due to a change in the state's method of allocating useful lives to commercial moveable property, reduced revenue could be expected.
- A 1% sales tax, voted on in October of 2002 was conservatively projected at \$4.9m. This tax yielded actual revenue in excess of \$6m. As this tax is economically driven, and not as reliable as ad valorem taxes, conservative budgeting is called for. Much of the difference was a result of increased commercial activities and a very steady housing/construction market.
- Revenue generated from Feeding and Keeping prisoners has been steadily declining in the last few years. This is a result of more state inmates being moved out to make room for a continuing local, unsentenced population for which the Sheriff's Office receives little or no compensation from the Parish governing authority.

The final budget reflects an 11% increase in expenditures over the original budget. This increase is evenly spread among all categories of expenditures.

- Personal Services
  - A large pay increase was implemented in the Correctional Center in an attempt to attract quality employees and reduce a rather large turnover rate.
- Operating Services
  - Liability Insurance saw an increase as a result of several claims. The Sheriff's Office is self insured and volatility in this account is to be expected.
  - Maintenance has gone up dramatically. This is due to an increased fleet of vehicles, but more probably, the maintenance is computer and software maintenance costs. In fiscal 2007, some new systems were installed that required some rather costly service contracts as well as some customization to existing systems.
  - Fuel costs continue to climb due to the increased cost in a gallon of gas, as well as a growing fleet as the Sheriff attempts to increase services to the public.
- Materials and Supplies
- Other Charges
  - A rising inmate population continues to drive up the cost of "feeding and keeping" inmates.

Lafayette Parish Sheriff  
Lafayette, Louisiana

Management's Discussion and Analysis

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The Sheriff's investment in capital assets, net of accumulated depreciation for the most part held steady from 2006 to 2007. See "Note I" for additional information about changes in capital assets during the fiscal year and outstanding at the end of the year.

| Capital Assets                  | <u>Governmental Activities</u> |                     |
|---------------------------------|--------------------------------|---------------------|
|                                 | <u>2007</u>                    | <u>2006</u>         |
| Depreciable Assets              |                                |                     |
| Buildings and Improvements      | \$ 5,225,558                   | \$ 5,129,784        |
| Equipment and Furniture         | 6,415,237                      | 5,724,453           |
| Vehicles                        | <u>3,658,889</u>               | <u>3,851,594</u>    |
| Total Depreciable Assets        | \$ 15,299,684                  | \$ 14,705,831       |
| Less Accumulated Depreciation   | <u>10,627,219</u>              | <u>10,131,768</u>   |
| Book Value - depreciable assets | <u>\$ 4,672,465</u>            | <u>\$ 4,574,063</u> |
| Percentage depreciated          | <u>69%</u>                     | <u>69%</u>          |

At June 30, 2007, the depreciable capital assets for governmental activities were 69% depreciated versus 69% for the prior year. This indicator suggests that assets are being replaced and updated at a rate equal to their reduction in useful life.

Long-Term Debt

At the end of the fiscal year, the Sheriff had debt only in the form of claims payable and compensated absences. The total obligations for these liabilities were \$2.6m, of which \$817k represents the current portion.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Many factors were taken into consideration when preparing the fiscal 2008 budget. Most revenues continue to hold steady. The major item of interest in revenue is an expected increase in property taxes of approximately \$1.4m.

Lafayette Parish Sheriff  
Lafayette, Louisiana

Management's Discussion and Analysis

The Work Release program was initiated on July 1, 2004 and continues to show steady growth. As was noted last year, this program has far reaching benefits to the community in the form of increased revenue to the Sheriff without additional taxes, providing valuable employment for those inmates who are near release and thereby helping to curb the problem of recidivism and providing additional labor to the local labor market that is suffering an obvious shortage in unskilled laborers.

Along with a steady sales tax revenue stream, the budget for 2008 is projecting revenues to exceed \$35m. When considering the explosive growth in the local economy, this number will more than likely turn out to be very conservative. There are several initiatives being discussed for new programs that will require the Sheriff to tap into reserves to meet up front costs. However, taking all into consideration, a budget surplus of \$600k is projected.

The majority of other revenues and expenditures are expected to remain fairly constant in fiscal year 2007 with the exception of capital outlay. The Sheriff is planning on purchasing one or two properties which are necessary to meet growth that is currently being experienced in the Sheriff's Office. Additionally, should a suitable lot or building be located for work release, additional reserves would be tapped in order to secure that property.

#### CONTACTING THE SHERIFF'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the Sheriff's finances, comply with finance-related laws and regulations, and demonstrate the Sheriff's commitment to public accountability. If you have questions about this report or would like to request additional information, contact Keith Sibille, CFO, Lafayette Parish Sheriff's Office, Post Office Box 3508, Lafayette, Louisiana 70502.

**BASIC FINANCIAL STATEMENTS**



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

**LAFAYETTE PARISH SHERIFF**

**STATEMENT OF NET ASSETS  
JUNE 30, 2007**

|  | <u>GOVERNMENTAL<br/>ACTIVITIES</u> |
|--|------------------------------------|
| <b>ASSETS</b>                                      |                                    |
| <b>Current Assets:</b>                             |                                    |
| Cash and Cash Equivalents                          | \$ 13,079,769                      |
| Investments  | 185,683                            |
| Other Receivables                                  | 31,574                             |
| Due From Other Governmental Units                  | 2,944,323                          |
| Prepays  | <u>612,815</u>                     |
| Total Current Assets                               | 16,854,164                         |
| <b>Non-current Assets:</b>                         |                                    |
| Capital Assets, Net of Accumulated<br>Depreciation | <u>4,672,465</u>                   |
| <b>TOTAL ASSETS</b>                                | <u>\$ 21,526,629</u>               |

The Accompanying Notes are an Integral Part of the Basic Financial Statements.

**LAFAYETTE PARISH SHERIFF**

**STATEMENT OF NET ASSETS  
JUNE 30, 2007**

|   | <u>GOVERNMENTAL<br/>ACTIVITIES</u> |
|---|------------------------------------|
| <b>LIABILITIES AND NET ASSETS</b>               |                                    |
| <b>LIABILITIES</b>                              |                                    |
| Current Liabilities:                            |                                    |
| Accounts Payable                                | \$ 461,406                         |
| Accrued Expenses                                | 515,226                            |
| Claims Payable - Current                        | 420,420                            |
| Current Portion-Compensated Absences            | <u>137,347</u>                     |
| Total Current Liabilities                       | <u>1,534,399</u>                   |
| Non-current Liabilities:                        |                                    |
| Accrued Compensated Absences                    | <u>2,015,476</u>                   |
| Total Noncurrent Liabilities                    | <u>2,015,476</u>                   |
| TOTAL LIABILITIES                               | <u>3,549,875</u>                   |
| <b>NET ASSETS</b>                               |                                    |
| Invested in Capital Assets, Net of Related Debt | 4,672,465                          |
| Unrestricted                                    | <u>13,304,289</u>                  |
| TOTAL NET ASSETS                                | <u>17,976,754</u>                  |
| <br>  |                                    |
| TOTAL LIABILITIES<br>AND NET ASSETS             | <br><u>\$ 21,526,629</u>           |

The Accompanying Notes are an Integral Part of the Basic Financial Statements.

**LAFAYETTE PARISH SHERIFF**

**STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2007**

|                                      | Program Revenues        |  |  |
|--------------------------------------|-------------------------|--|--|
| Expenses                             | Charges for<br>Services | Operating<br>Grants and<br>Contributions | Net (Expenses) Revenues and<br>Changes in Net Assets |
| <b>Governmental Activities</b>       |                         |  | <b>Governmental</b>                                  |
| Public Safety                        | \$ 9,024,373            | \$ 2,535,555                             | \$ (24,342,082)                                      |
| <b>Total Governmental Activities</b> | <b>\$ 9,024,373</b>     | <b>\$ 2,535,555</b>                      | <b>(24,342,082)</b>                                  |
| General Revenues:                    |                         |  |  |
| Property Taxes                       |                         |  | 18,095,401   |
| Sales Taxes                          |                         |  | 6,252,258  |
| State Revenue Sharing                |                         |  | 768,461  |
| State Supplemental Pay               |                         |  | 1,077,757  |
| Investment Earnings                  |                         |  | 789,522  |
| Gain on Sale of Assets               |                         |  | 27,810   |
| Other General Revenues               |                         |  | 704,730  |
| <b>Total General Revenues</b>        |                         |  | <b>27,715,939</b>                                    |
| <b>Change in Net Assets</b>          |                         |  | <b>3,373,857</b>                                     |
| <b>Net Assets-Beginning</b>          |                         |  | <b>14,602,897</b>                                    |
| <b>Net Assets-Ending</b>             |                         |  | <b>\$ 17,976,754</b>                                 |

The Accompanying Notes are an Integral Part of the Basic Financial Statements.

**FUND FINANCIAL STATEMENTS (FFS)**

## **FUND DESCRIPTIONS**

### **GENERAL FUND**

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 monies in this account are generated primarily from the pay telephones located in the inmate's housing area and from sales of commissary goods. These funds are used to pay inmate work crews, to purchase recreation equipment to be used by inmates and to provide miscellaneous benefits for the indigent inmates.

### **INTERNAL SERVICE FUND**

#### **Group Self-Insurance Fund**

To account for monies accumulated to provide group insurance coverage to employees of the Lafayette Parish Sheriff. Employer and employee contributions are used to purchase insurance, pay claims and pay the insurance company for administration of the program.

**LAFAYETTE PARISH SHERIFF**

**BALANCE SHEET - GOVERNMENTAL FUNDS  
JUNE 30, 2007**

|  | General<br>Fund          | Special<br>Revenue<br>Fund<br>Non-Major | Total<br>Governmental<br>Funds |
|--|--------------------------|---|--------------------------------|
|  | <u>          </u>        | <u>          </u>                       | <u>          </u>              |
| <b>ASSETS</b>                            |                          |   |                                |
| Cash                                     | \$ 254,389               | \$ -                                    | \$ 254,389                     |
| Interest-Bearing Deposits                | 12,342,194               | 439,590                                 | 12,781,784                     |
| Investments                              | 172,502                  | -                                       | 172,502                        |
| Prepaid Expenses                         | 612,815                  | -                                       | 612,815                        |
| Receivables:                             |                          |   |                                |
| Due From Other Governmental Units        | 2,944,323                | -                                       | 2,944,323                      |
| Due From Other Funds                     | 12,011                   | -                                       | 12,011                         |
| Other                                    | <u>601</u>               | <u>24,714</u>                           | <u>25,315</u>                  |
| <br>Total Assets                         | <br><u>\$ 16,338,835</u> | <br><u>\$ 464,304</u>                   | <br><u>\$ 16,803,139</u>       |
| <br><b>LIABILITIES AND FUND BALANCES</b> |                          |   |                                |
| Liabilities:                             |                          |   |                                |
| Accounts Payable                         | \$ 445,965               | \$ 15,441                               | \$ 461,406                     |
| Due to Other Funds                       | 1,323,514                | 12,011                                  | 1,335,525                      |
| Other Accrued Liabilities                | <u>559,697</u>           | <u>-</u>                                | <u>559,697</u>                 |
| Total Liabilities                        | <u>2,329,176</u>         | <u>27,452</u>                           | <u>2,356,628</u>               |
| Fund Balances:                           |                          |   |                                |
| Reserved for Prepaids                    | 612,815                  | -                                       | 612,815                        |
| Unreserved, Undesignated                 | <u>13,396,844</u>        | <u>436,852</u>                          | <u>13,833,696</u>              |
| Total Fund Balances                      | <u>14,009,659</u>        | <u>436,852</u>                          | <u>14,446,511</u>              |
| Total Liabilities and Fund Equity        | <u>\$ 16,338,835</u>     | <u>\$ 464,304</u>                       | <u>\$ 16,803,139</u>           |

The Accompanying Notes are an Integral Part of the Basic Financial Statements.

LAFAYETTE PARISH SHERIFF

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE  
TO NET ASSETS OF GOVERNMENTAL ACTIVITIES  
JUNE 30, 2007

|  |                      |
|--|----------------------|
| Total Governmental Fund Balances   | \$ 14,446,511        |
| <i>Amounts reported for governmental activities in the Statement of Net Assets are different because:</i>  |                      |
| Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.  | 4,672,465            |
| Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.   | (2,015,476)          |
| Internal service fund is used by management to charge the costs of certain activities, such as insurance to individual funds. The assets and liabilities of the internal service fund is included in governmental activities in the statement of net assets. | <u>873,254</u>       |
| <i>Net Assets of Governmental Activities</i>   | <u>\$ 17,976,754</u> |

The Accompanying Notes are an Integral Part of the Basic Financial Statements.



**LAFAYETTE PARISH SHERIFF**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2007**

|  | General<br>Fund      | Special<br>Revenue<br>Fund<br>Non-Major | Total<br>Governmental<br>Funds |
|--|----------------------|---|--------------------------------|
| <b>Revenues:</b>   |                      |   |                                |
| Ad Valorem Taxes   | \$ 18,095,401        | \$ -                                    | \$ 18,095,401                  |
| Sales Tax Revenue  | 6,252,258            | -                                       | 6,252,258                      |
| <b>Intergovernmental Revenues -</b>  |                      |   |                                |
| Federal Grants   | 214,118              | -                                       | 214,118                        |
| State Revenue Sharing (Net)  | 768,461              | -                                       | 768,461                        |
| State Supplemental Pay   | 1,077,757            | -                                       | 1,077,757                      |
| State, City and Parish Grants  | 2,321,437            | -                                       | 2,321,437                      |
| <b>Fees, Charges, and Commissions for Services -</b>                                 |                      |   |                                |
| Civil and Criminal Fees  | 2,031,421            | -                                       | 2,031,421                      |
| Court Attendance   | 28,450               | -                                       | 28,450                         |
| Transporting Prisoners   | 30,029               | -                                       | 30,029                         |
| Feeding and Keeping Prisoners  | 3,185,218            | -                                       | 3,185,218                      |
| Work Release Program   | 1,580,662            | -                                       | 1,580,662                      |
| Telephone and Commissary Commission Income   | -                    | 323,968                                 | 323,968                        |
| Community Corrections  | 90,231               | -                                       | 90,231                         |
| Interest Income  | 784,328              | -                                       | 784,328                        |
| Contractual Arrangements   | 1,079,941            | -                                       | 1,079,941                      |
| Miscellaneous  | 696,306              | 28,517                                  | 724,823                        |
| <b>Total Revenues</b>  | <u>38,236,018</u>    | <u>352,485</u>                          | <u>38,588,503</u>              |
| <b>Expenditures:</b>   |                      |   |                                |
| <b>Current -</b>   |                      |   |                                |
| <b>Public Safety:</b>  |                      |   |                                |
| Personal Services and Related Benefits   | 26,493,952           | 53,025                                  | 26,546,977                     |
| Operating Services   | 3,819,254            | 220,224                                 | 4,039,478                      |
| Materials and Supplies   | 1,036,475            | -                                       | 1,036,475                      |
| Other Charges  | 2,499,185            | -                                       | 2,499,185                      |
| Capital Outlay   | 1,283,630            | 27,256                                  | 1,310,886                      |
| <b>Total Expenditures</b>  | <u>35,132,496</u>    | <u>300,505</u>                          | <u>35,433,001</u>              |
| <b>Excess of Revenues Over Expenditures</b>  | <u>3,103,522</u>     | <u>51,980</u>                           | <u>3,155,502</u>               |
| <b>Other Financing Sources (Uses):</b>   |                      |   |                                |
| Sale of Assets   | 36,234               | -                                       | 36,234                         |
| <b>Excess of Revenues and Other<br/>    Sources Over Expenditures and Other Uses</b> | 3,139,756            | 51,980                                  | 3,191,736                      |
| <b>Fund Balances, Beginning</b>  | <u>10,869,903</u>    | <u>384,872</u>                          | <u>11,254,775</u>              |
| <b>Fund Balances, Ending</b>   | <u>\$ 14,009,659</u> | <u>\$ 436,852</u>                       | <u>\$ 14,446,511</u>           |

The Accompanying Notes are an Integral Part of the Basic Financial Statements.

LAFAYETTE PARISH SHERIFF

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2007

|  |                     |
|--|---------------------|
| Net Change in Fund Balances - Total Governmental Funds   | \$ 3,191,736        |
| <i>Amounts reported for governmental activities in the<br/>Statement of Activities are different because:</i>  |                     |
| 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 as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period. | 98,403              |
| Some expense reported in the Statement of Activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.  | (259,369)           |
| The internal service fund is used by management to charge the costs of certain activities, such as insurance, to individual funds. The net revenues of the internal service fund is reported with the governmental activities.   | <u>343,087</u>      |
| <i>Change in Net Assets of Governmental Activities</i>   | <u>\$ 3,373,857</u> |

The Accompanying Notes are an Integral Part of the Basic Financial Statements.

**LAFAYETTE PARISH SHERIFF**

**INTERNAL SERVICE FUND  
GROUP SELF-INSURANCE FUND  
GOVERNMENTAL ACTIVITIES  
STATEMENT OF NET ASSETS  
JUNE 30, 2007**

**ASSETS**

|                           |                    |
|---------------------------|--------------------|
| Current Assets:           |                    |
| Interest-Bearing Deposits | \$ 43,596          |
| Investments               | 13,181             |
| Receivables:              |                    |
| Other                     | 6,259              |
| Due from Other Funds      | <u>1,323,514</u>   |
| Total Assets              | <u>\$1,386,550</u> |

**LIABILITIES AND NET ASSETS**

|                                  |                    |
|----------------------------------|--------------------|
| Current Liabilities:             |                    |
| Claims Payable                   | \$ 420,420         |
| Other Accrued Liabilities        | <u>92,876</u>      |
| Total Liabilities                | 513,296            |
| Net Assets:                      |                    |
| Unrestricted                     | <u>873,254</u>     |
| Total Liabilities and Net Assets | <u>\$1,386,550</u> |

The Accompanying Notes are an Integral Part of the Basic Financial Statements.

**LAFAYETTE PARISH SHERIFF**  
**INTERNAL SERVICE FUND**  
**GROUP SELF-INSURANCE FUND**  
**GOVERNMENTAL ACTIVITIES**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS**  
**YEAR ENDED JUNE 30, 2007**

|  |                       |
|--|-----------------------|
| <b>Operating Revenues:</b>                 |                       |
| Contributions - Employer                   | \$4,918,521           |
| Contributions - Employees                  | 557,262               |
| Other                                      | <u>88,675</u>         |
| Total Operating Revenues                   | <u>5,564,458</u>      |
| <br><b>Operating Expenses:</b>             |                       |
| Administrative Fees and Insurance Premiums | 1,153,445             |
| Loss Fund Payments                         | <u>4,073,120</u>      |
| Total Operating Expenses                   | <u>5,226,565</u>      |
| <br>Operating Income                       | <br>337,893           |
| <br><b>Non-operating Revenues:</b>         |                       |
| Interest Earned                            | <u>5,194</u>          |
| <br>Net Income                             | <br>343,087           |
| <br>Net Assets, Beginning                  | <br><u>530,167</u>    |
| <br>Net Assets, Ending                     | <br><u>\$ 873,254</u> |

The Accompanying Notes are an Integral Part of the Basic Financial Statements.

**LAFAYETTE PARISH SHERIFF**  
**INTERNAL SERVICE FUND**  
**GROUP SELF-INSURANCE FUND**  
**GOVERNMENTAL ACTIVITIES**  
**STATEMENT OF CASH FLOWS**  
**YEAR ENDED JUNE 30, 2007**

|  |                    |
|--|--------------------|
| <b>Cash Flows From Operating Activities:</b>                         |                    |
| Cash received from other funds for services                          | \$ 4,918,521       |
| Cash received from employees and other participants                  | 545,864            |
| Cash payments to suppliers for goods and services                    | (1,153,445)        |
| Cash payments for loss claims  | <u>(4,322,548)</u> |
| Cash Used In Operating Activities                                    | (11,608)           |
| <b>Cash Flows From Investing Activities:</b>                         |                    |
| Interest Earned  | <u>5,194</u>       |
| Decrease in Cash and Cash Equivalents                                | (6,414)            |
| Cash and Cash Equivalents, Beginning of Year                         | <u>63,191</u>      |
| Cash and Cash Equivalents, End of Year                               | <u>\$ 56,777</u>   |
| <b>Reconciliation of Income from Operations to Net Cash Used In</b>  |                    |
| <b>Operating Activities:</b>   |                    |
| Operating Income   | \$ 337,893         |
| <b>Adjustments to Reconcile Operating Income to Net Cash Used in</b> |                    |
| <b>Operating Activities -</b>  |                    |
| <b>Changes in Assets and Liabilities:</b>                            |                    |
| Increase in Other Receivables  | (100,073)          |
| Decrease in Claims Payable   | (249,391)          |
| Decrease in Other Accrued Liabilities                                | <u>(37)</u>        |
| Net Cash Used in Operating Activities                                | <u>\$ (11,608)</u> |

The Accompanying Notes are an Integral Part of the Basic Financial Statements.

**LAFAYETTE PARISH SHERIFF**  
**INTERNAL SERVICE FUND**  
**GROUP SELF-INSURANCE FUND**  
**GOVERNMENTAL ACTIVITIES**  
**STATEMENT OF CASH FLOWS-continued**  
**YEAR ENDED JUNE 30, 2007**

**Reconciliation of Cash and Cash Equivalents Per  
Statement of Cash Flows to the Balance Sheet:**

|  |                   |
|--|-------------------|
| Cash and Cash Equivalents, Beginning of Period - |                   |
| Interest-Bearing Deposits                        | \$ 50,679         |
| Investments                                      | <u>12,512</u>     |
| Total Cash and Cash Equivalents                  | <u>63,191</u>     |
| <br>Cash and Cash Equivalents, End of Period -   |                   |
| Interest-Bearing Deposits                        | 43,596            |
| Investments                                      | <u>13,181</u>     |
| Total Cash and Cash Equivalents                  | <u>56,777</u>     |
| <br>Net Decrease                                 | <u>\$ (6,414)</u> |

The Accompanying Notes are an Integral Part of the Basic Financial Statements.

LAFAYETTE PARISH SHERIFF

STATEMENT OF ASSETS AND LIABILITIES  
AGENCY FUNDS  
JUNE 30, 2007

|                                    | <u>Total<br/>Agency<br/>Funds</u> |
|------------------------------------|-----------------------------------|
| <b>Assets:</b>                     |                                   |
| Cash and Interest Bearing Deposits | \$ 2,210,080                      |
| <b>Total Assets</b>                | <u>\$ 2,210,080</u>               |
| <br>                               |                                   |
| <b>Liabilities:</b>                |                                   |
| Due to Taxing Bodies and Others    | \$ 1,670,819                      |
| Due to Prisoners                   | <u>539,261</u>                    |
| <b>Total Liabilities</b>           | <u>\$ 2,210,080</u>               |

The Accompanying Notes are an Integral Part of the Basic Financial Statements.

**LAFAYETTE PARISH SHERIFF**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR YEAR ENDED JUNE 30, 2007**

**A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

As provided by Article V, Section 27 of the Louisiana Constitution of 1974, the Lafayette Parish Sheriff (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, serving subpoenas, et cetera.

As the chief law enforcement officer of the parish, the Sheriff is responsible for enforcing state and local laws, ordinances, et cetera, within the territorial boundaries of the parish. The Sheriff provides protection to the residents of the parish through on-site patrols, investigations, et cetera, and serves the residents of the parish through the establishment of neighborhood watch programs, anti-drug abuse programs, et cetera. In addition, the Sheriff, when requested, 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 occupational licenses, state revenue sharing funds, sportsmen's licenses, and fines, costs, and bond forfeitures imposed by the district court.

The accompanying financial statements of the Lafayette Parish Sheriff (Sheriff) have been prepared in conformity with generally accepted accounting principles (GAAP) generally accepted in the United States of America as applied to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

The accounting and reporting policies of the Lafayette Parish Sheriff conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the industry audit guide, Audits of State and Local Governmental Units.

The following is a summary of certain significant accounting policies:

1. Financial Reporting Entity

For financial reporting purposes, the Sheriff includes all funds, account groups, activities, etcetera, 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 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 government, 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

NOTES TO FINANCIAL STATEMENTS  
FOR YEAR ENDED JUNE 30, 2007

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

2. Basis of Presentation

*Government-Wide Financial Statements (GWFS)*

The Statement of Net Assets and the Statement of Activities display information about the Sheriff as a whole. These statements include all the financial activities of the Sheriff, except the fiduciary funds. The Sheriff has no business-type activities.

The statement of activities presents a comparison between direct expenses and program revenues for each of the functions of 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 requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Internal service fund activity is eliminated to avoid "doubling up" revenues and expenses.

Fiduciary funds are also excluded from the government-wide financial statements.

*Fund Financial Statements (FFS)*

The accounts of the Sheriff are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The various funds of the Sheriff (with the exception of the fiduciary funds) are all classified as governmental. The emphasis on fund financial statements is on major governmental funds. A fund is considered major if it is the primary operating fund of the Sheriff or meets the following criteria:

- a Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least ten percent of the corresponding total for all funds of that category or type; and
- b Total assets, liabilities, revenues or expenditures/expenses of the individual governmental or enterprise fund are at least five percent of the corresponding total for all governmental and enterprise funds combined.

**LAFAYETTE PARISH SHERIFF**

**NOTES TO FINANCIAL STATEMENTS  
FOR YEAR ENDED JUNE 30, 2007**

**A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

One fund of the Sheriff is considered to be a major fund and is described below:

**General Fund**

The General Fund, as provided by Louisiana Revised Statute 33:1422, is the principal fund of the Sheriff's office and accounts for the operations of the Sheriff's office. The Sheriff's primary source of revenue is an ad valorem tax levied by the law enforcement district. Other sources of revenue include state revenue sharing, sales tax revenue, state supplemental pay for deputies, civil and criminal fees, and fees for court attendance and maintenance of prisoners. General operating expenditures are paid from this fund.

The following funds are non-major funds:

**Special Revenue Fund**

The Special revenue fund is used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specific purposes.

**Fiduciary Funds -**

**Agency Funds**

The agency funds are used as depositories for civil suits, cash bonds, taxes, fees, inmate monies, et cetera. Disbursements from these funds are made to various parish agencies, litigants in suits, inmates, deputies, et cetera, in the manner prescribed by law. The agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Consequently, the agency funds have no measurement focus, but use the modified accrual basis of accounting.

The Sheriff's fiduciary funds are presented in the fiduciary fund financial statements by type. Since by definition these assets are being held for the benefit of a third party and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

**Proprietary Funds**

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Following is a description of the proprietary fund of the Sheriff:

**Internal Service Fund**

Used to account for the financing of goods or services from activities provided to other departments or agencies primarily within the Lafayette Parish Sheriff on a cost-reimbursement basis.

**LAFAYETTE PARISH SHERIFF**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR YEAR ENDED JUNE 30, 2007**

**A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

The Sheriff's internal service fund is presented in the proprietary funds financial statements. Because the principal users of the internal services are the Sheriff's governmental activities, the financial statements of the internal service fund are consolidated into the governmental column when presented in the government-wide financial statements. To the extent possible, the cost of these services is reported in the appropriate functional activity.

**3. Basis of Accounting/Measurement Focus**

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

**Measurement Focus –**

In the government-wide statement of net assets and the statement of activities, governmental activities are presented using the economic resources measurement. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or non-current) associated with their activities are reported.

In the fund financial statements, the current financial resources measurement focus is used. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

**Basis of Accounting –**

In the government-wide statement of net assets and statement of activities, governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, "Accounting and Financial Reporting for Nonexchange Transactions."

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when "measurable and available". Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within 60 days of the end of the fiscal year. Ad valorem taxes and the related state revenue sharing are recorded in the year taxes are due and payable. 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.

**LAFAYETTE PARISH SHERIFF**

**NOTES TO FINANCIAL STATEMENTS  
FOR YEAR ENDED JUNE 30, 2007**

**A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

Expenditures (including capital outlay) are recorded when the related fund liability is incurred. When both restricted and unrestricted resources are available for use, it is the Sheriff's policy to use restricted resources first, then unrestricted resources as they are needed.

4. Budget 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 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 is 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 a 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 included in the accompanying financial statements are as originally adopted or as finally amended by the Sheriff. Such amendments were not material in relation to the original appropriations.

5. Cash and Interest-Bearing Deposits

Cash and interest-bearing deposits are stated at cost, which approximates market. Cash includes amounts in demand deposits as well as time deposits with an original maturity date within three months of the date acquired by the government.

6. Investments

Under State law, the Sheriff may invest in United States bonds, treasury notes or certificates, time certificates of deposit of State banks having their principal office in the State of Louisiana, or any other *federally insured investment*. In accordance with GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools", investments meeting the criteria specified in the Statement are stated at fair value. Investments that do not meet the requirements are stated at cost. 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. At June 30, 2007, the Sheriff's investments in LAMP, which are stated at fair value based on quoted market rates, amounted to \$185,683.

LAFAYETTE PARISH SHERIFF

NOTES TO FINANCIAL STATEMENTS  
FOR YEAR ENDED JUNE 30, 2007

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

7. Statement of Cash Flows

For purposes of the Statement of Cash Flows, the Internal Service Fund considers all highly liquid interest-bearing deposits and investments with an original maturity of three months or less when purchased to be cash equivalents.

8. Interfund Transactions

Interfund activity is reported as either loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental and proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

9. Capital Assets

Capital assets purchased or acquired with an original cost of \$1,000 or more are reported at historical cost or estimated cost if historical cost is not available. Contributed assets are recorded as capital assets at their estimated fair market value at the date of donation. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

|                               |          |
|-------------------------------|----------|
| Buildings                     | 30 years |
| Building improvements         | 20 years |
| Vehicles                      | 3 years  |
| Office Furniture              | 10 years |
| Computer Equipment            | 3 years  |
| Other Machinery and Equipment | 5 years  |

**LAFAYETTE PARISH SHERIFF**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR YEAR ENDED JUNE 30, 2007**

**A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

10. Compensated Absences

Full-time 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. Part-time employees hired prior to December 31, 1992, earn five hours of annual compensated leave per month. Part-time employees hired subsequent to December 31, 1992 do not earn annual compensated leave. Prior to July 1, 1994, employees were allowed to carry forward a maximum of 480 hours of annual compensated leave beyond the end of the calendar year. Effective, July 1, 1994, accumulated annual leave must be converted to sick leave and family time in order to be carried forward subsequent to the fiscal year end. However, employees shall not be paid for accrued but unused sick leave and family time upon leaving the employ of the Sheriff's office. At June 30, 2007, the Sheriff has accrued vested leave benefits as required to be reported in accordance with GASB statement No. 16, "Accounting for Compensated Absences."

11. Post-Employment Health Care and Life Insurance Benefits

- a. The Sheriff has no established policy regarding the payment or cost of providing continuing health care and life insurance benefits for retired employees. Should an officer become disabled in the line of duty, the Sheriff will waive one-half of the cost of the officer's health insurance. At June 30, 2007, three officers are receiving waivers due to disability incurred in the line of duty. The cost of health insurance paid for these officers during the year ended June 30, 2007 was \$7,251.
- b. During the 2000 regular session of the Louisiana State Legislature, L.R.S. 33:1448(G) was enacted, requiring the Lafayette Parish Sheriff and others to pay certain premium costs of specified group insurance for certain retired employees. All expenses relating to these benefits are recorded in the financial statements.

12. Equity Classifications

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

- a. Invested in capital assets, net of related debt – 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 assets – Consists of net assets 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. The Sheriff has no restricted net assets at June 30, 2007.

LAFAYETTE PARISH SHERIFF

NOTES TO FINANCIAL STATEMENTS  
FOR YEAR ENDED JUNE 30, 2007

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

- c. Unrestricted net assets – All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt”.

In the fund statements, governmental fund equity is classified as fund balance. Fund balance is further classified as reserved or unreserved, with unreserved further split between designated and undesignated.

13. Prepaid Items

Insurance payments made to insurance agencies that will benefit periods beyond June 30, 2007 are recorded as prepaid items.

14. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles of the United States of America requires 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 amount of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

B. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances - total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that “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.” The details of this difference are as follows:

|  |                    |
|--|--------------------|
| Capital Outlay   | \$ 1,310,886       |
| Depreciation   | <u>(1,212,483)</u> |
| Net Adjustment to Decrease Net Changes in Fund Balances -<br>Total Governmental Funds to Arrive at Changes in Net Assets<br>of Governmental Activities | \$ <u>98,403</u>   |

LAFAYETTE PARISH SHERIFF

NOTES TO FINANCIAL STATEMENTS  
FOR YEAR ENDED JUNE 30, 2007

C. 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, 2007, the Sheriff has cash and interest-bearing deposits (book balances) totaling \$15,289,849 of which \$2,210,080 is attributable to fiduciary funds, which is not presented in the statement of net assets.

*Custodial Credit Risk Relating to Deposits*

Custodial credit risk is the risk that, in the event of bank failure, the Sheriff's deposits might not be recovered. The Sheriff does not have a policy for custodial credit risk, however, under state law, these deposits, (or the resulting bank balances) must be secured by federal deposit insurance 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 pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. As of June 30, 2007, \$16,191,761 of the Sheriff's bank balances of \$16,391,761 was exposed to custodial credit risk as follows:

|                                 |                      |
|---------------------------------|----------------------|
| Bank Balances                   | <u>\$ 16,391,761</u> |
| Federal Deposit Insurance       | \$ 200,000           |
| Pledged Securities (Category 3) | <u>16,191,761</u>    |
| Total                           | <u>\$ 16,391,761</u> |

Pledged securities in Category 3 include uninsured or unregistered investments for which the securities are held by the bank, or by its trust department or agent, but not in the Sheriff's name. Even though the pledged securities are considered uncollateralized (Category 3) Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Sheriff that the fiscal agent has failed to pay deposited funds upon demand.

D. INVESTMENTS

The Sheriff can invest in direct debt securities of the United States unless such an investment is expressly prohibited by law. The Sheriff's investments are categorized to give an indication of the level of risk assumed by it at year end. Category 1 includes investments that are insured or registered or for which the securities are held by the Sheriff or its agent in the Sheriff's name. Category 2 includes uninsured and unregistered investments with securities held by the counterparty's trust department or agent in the Sheriff's name. Category 3 includes uninsured and unregistered investments with securities held by the counterparty, or by its trust department or agent, but not in the Sheriff's name.

In accordance with GASB Codification Section 150.165, the investment in Louisiana Asset Management Pool (LAMP) is not categorized in the three risk categories provided by GASB Codification Section 150.164 because the investment is in the pool of funds and thereby not evidenced by securities that exist in physical or book entry form.



**LAFAYETTE PARISH SHERIFF**

**NOTES TO FINANCIAL STATEMENTS  
FOR YEAR ENDED JUNE 30, 2007**

**D. INVESTMENTS - continued**

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. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U. S. Treasury, the U. S. Government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities.

Effective August 1, 2001, LAMP's investment guidelines were amended to permit the investment in government-only money market funds. In its 2001 Regular Session, the Louisiana Legislature (Senate Bill No. 512, Act 701) enacted LSA – R.S. 33:2955(A)(1)(h) which allows all municipalities, parishes, school boards, and any other political subdivisions of the State to invest in "Investment grade (A-1/P-1) commercial paper of domestic United States corporations." Effective October 1, 2001, LAMP's Investment Guidelines were amended to allow the limited investment in A-1 or A-1+ commercial paper.

The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. The investments in LAMP are stated at fair value based on quoted market rates. 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 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, 2007, the Sheriff's investments totaled \$185,683 as follows:

| <u>Description</u>                           | <u>Category</u> | <u>Interest<br/>Rate</u> | <u>Carrying<br/>Amount/<br/>Amortized Cost</u> | <u>Approximate<br/>Fair<br/>Market Value</u> |
|--|-----------------|--------------------------|--|--|
| Louisiana Asset<br>Management Pool<br>(LAMP) | N/A             | variable                 | <u>\$ 185,683</u>                              | <u>\$ 185,683</u>                            |

**E. 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 the 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.

**LAFAYETTE PARISH SHERIFF**

**NOTES TO FINANCIAL STATEMENTS  
FOR YEAR ENDED JUNE 30, 2007**

**E. AD VALOREM TAXES - continued**

Ad valorem taxes are budgeted and recorded in the year levied and billed. For the year ended June 30, 2007, law enforcement taxes applicable to the Sheriff's General Fund, were levied at the rate of 16.79 mills on property with assessed valuations totaling \$1,075,087,747. 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 2009 and an 8.03 mills tax now authorized by L.R.S 33:9003A.

Total law enforcement taxes levied during 2006 were \$18,051,650.

**F. DUE FROM OTHER GOVERNMENTAL UNITS**

A summary of due from other governmental units of \$2,944,323 at June 30, 2007 follows:

|  |                     |
|--|---------------------|
| Sales Tax Revenue                            | \$ 1,256,011        |
| Interest on Taxes                            | 31,530              |
| Ad Valorem Tax Revenue                       | 75,681              |
| Intergovernmental Revenues -                 |                     |
| Federal Grants                               | 72,907              |
| State Supplemental Pay                       | 92,997              |
| State, City and Parish Grants                | 733,987             |
| Food Service Contracts                       | 8,360               |
| Fees, Charges and Commissions for Services - |                     |
| Civil and Criminal Fees                      | 18,132              |
| Court Attendance                             | 7,925               |
| Forfeitures                                  | 13,762              |
| Inmate Clean-Up Crews                        | 5,035               |
| Non Support from Clerk                       | 2,171               |
| Telephone                                    | 21,923              |
| Transporting Prisoners                       | 5,013               |
| Feeding and Keeping Prisoners -              |                     |
| Insurance                                    | 46                  |
| Parish Government                            | 73,546              |
| State Government                             | 399,235             |
| Federal Government                           | 27,982              |
| Medical-Prisoners                            | 32                  |
| Other Contracts                              | 95,255              |
| Miscellaneous                                | 2,793               |
| Total  | <u>\$ 2,944,323</u> |

**LAFAYETTE PARISH SHERIFF**

**NOTES TO FINANCIAL STATEMENTS  
FOR YEAR ENDED JUNE 30, 2007**

**G. INTERFUND TRANSACTIONS**

| <u>Purpose</u>                      | <u>Receivable<br/>Fund</u> | <u>Payable<br/>Fund</u> | <u>Amount</u> |
|-------------------------------------|----------------------------|-------------------------|---------------|
| Due To/From:                        |                            |                         |               |
| Advance in Anticipation of Receipts | Internal Service           | General                 | \$ 1,323,514  |
| Repayment of Commissions            | General                    | Special Revenue         | \$ 12,011     |

**H. RETIREMENT COMMITMENTS**

All employees are members of one of the following retirement systems:

- Federal Social Security System
- Louisiana Sheriffs' Pension and Relief Fund

Pertinent information relative to each plan follows:

1. Federal Social Security System

All employees who are not eligible to participate in the Louisiana Sheriffs' Pension and Relief Fund are members of the Federal Social Security System. The Sheriff and its employees contribute a percentage of each employee's compensation to the System (7.65% contributed by the Sheriff; 7.65% by the employee). The Sheriff's contributions during the years ended June 30, 2007 and 2006 amounted to \$281,184 and \$255,273, respectively.

2. Louisiana Sheriffs' Pension and Relief Fund

Plan Description-

The Lafayette Parish Sheriff contributes to the Sheriffs' Pension and Relief Fund (Retirement System), a cost-sharing multiple employer defined benefit pension plan administered by the Sheriffs' Pension and Relief Fund, a public corporation created in accordance with the provisions of Louisiana Revised Statute 11:2171 to provide retirement, disability and survivor benefits to sheriff and deputy sheriff members throughout the State of Louisiana. The Sheriffs' Pension and Relief Fund issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Sheriffs' Pension and Relief Fund, P.O. Box 3163, Monroe, Louisiana 71210-3136.

Funding Policy-

Plan members are required to contribute 10% of their annual covered salary and the Lafayette Parish Sheriff is required to contribute at an actuarially determined rate. The current rate is 11% of annual covered payroll. The contribution requirements of plan members and the Lafayette Parish Sheriff are established and may be amended by the Sheriffs' Pension and Relief Fund. Beginning in July 2006, the Sheriff elected, as an additional benefit to employees, to begin paying one-half of the plan members' required contribution which is five percent. The Lafayette Parish Sheriff's contributions to the Retirement System for the years ended June 30, 2007, 2006, and 2005 were \$2,627,181, \$1,708,905 and \$1,511,855, respectively.

**LAFAYETTE PARISH SHERIFF**

**NOTES TO FINANCIAL STATEMENTS  
FOR YEAR ENDED JUNE 30, 2007**

**I. CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2007 was as follows:

|  | <u>Balance<br/>July 1, 2006</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance<br/>June 30, 2007</u> |
|--|---------------------------------|------------------|------------------|----------------------------------|
| <b>Governmental Activities:</b>        |                                 |                  |                  |                                  |
| Buildings and Improvements             | \$ 5,129,784                    | \$ 95,774        | \$ -             | \$ 5,225,558                     |
| Equipment and Furniture                | 5,724,453                       | 690,784          | -                | 6,415,237                        |
| Vehicles                               | 3,851,594                       | 524,328          | 717,033          | 3,658,889                        |
| Total                                  | <u>14,705,831</u>               | <u>1,310,886</u> | <u>717,033</u>   | <u>15,299,684</u>                |
| <b>Less: Accumulated Depreciation:</b> |                                 |                  |                  |                                  |
| Buildings and Improvements             | 2,457,612                       | 182,016          | -                | 2,639,628                        |
| Equipment and Furniture                | 4,788,035                       | 517,535          | -                | 5,305,570                        |
| Vehicles                               | 2,886,122                       | 512,932          | 717,033          | 2,682,021                        |
| Total                                  | <u>10,131,769</u>               | <u>1,212,483</u> | <u>717,033</u>   | <u>10,627,219</u>                |
| <b>Net Capital Assets</b>              | <u>\$ 4,574,062</u>             | <u>\$ 98,403</u> | <u>\$ -</u>      | <u>\$ 4,672,465</u>              |

Depreciation expense for the year ended June 30, 2007 was \$1,212,483 and is charged to the public safety function.

**J. DEFERRED COMPENSATION PLAN**

The Sheriff has adopted Governmental Accounting Standards Board (GASB) Statement 32, Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans. The Sheriff offers a deferred compensation plan to its employees. Under GASB-32, the Sheriff does not report the deferred compensation plan in the general purpose financial statements.

**K. TAXES PAID UNDER PROTEST**

The unsettled balances due to taxing bodies and others in the agency funds at June 30, 2007, include \$321,969 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.

**LAFAYETTE PARISH SHERIFF**

**NOTES TO FINANCIAL STATEMENTS  
FOR YEAR ENDED JUNE 30, 2007**

**L. CHANGES IN GENERAL LONG-TERM OBLIGATIONS**

The Sheriff's long-term debt is attributable to governmental activities and includes compensated absences and claims payable. This debt will be liquidated by the general fund, except for the claims, which are paid from the internal service fund.

The following is a summary of the long-term obligations transactions of the Lafayette Parish Sheriff for the year ended June 30, 2007:

|   | <u>Claims<br/>Payable</u> | <u>Compensated<br/>Absences</u> | <u>Total</u>        |
|---|---------------------------|---------------------------------|---------------------|
| Long-Term Obligations Payable<br>at June 30, 2006 | \$ 762,724                | \$ 1,903,067                    | \$ 2,665,791        |
| Additions   | -                         | 249,756                         | 249,756             |
| Deductions  | <u>342,304</u>            | <u>-</u>                        | <u>342,304</u>      |
| Long-Term Obligations Payable<br>at June 30, 2007 | <u>\$ 420,420</u>         | <u>\$ 2,152,823</u>             | <u>\$ 2,573,243</u> |
| Current Portion                                   |                           |                                 | <u>\$ 557,767</u>   |

**M. LITIGATION AND CLAIMS**

At June 30, 2007, the Sheriff was a defendant in lawsuits principally arising from the normal course of operations. The Sheriff's legal counsel has reviewed the Sheriff's claims and lawsuits, which are primarily personal injury claims, in order to evaluate the likelihood of an unfavorable outcome to the Sheriff and to arrive at an estimate, if any, of the amount or range of potential loss to the Sheriff. As a result of the review, the various claims and lawsuits have been categorized into "probable," "reasonably possible," or "remote," as defined by the Governmental Accounting Standards Board. The claims and lawsuits that have been classified as "probable" have been accrued into these financial statements in the amount of \$97,205. Those classified as "reasonably possible" are estimated not to exceed \$60,300.

**N. EXPENDITURES OF THE SHERIFF'S OFFICE PAID BY THE PARISH GOVERNMENT**

The Sheriff's administrative office and jail is 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.

**LAFAYETTE PARISH SHERIFF**

**NOTES TO FINANCIAL STATEMENTS  
FOR YEAR ENDED JUNE 30, 2007**

**O. RISK MANAGEMENT**

1. Commercial Insurance Coverage

The Sheriff is exposed to risks of loss in the areas of certain property coverage, general and auto liability, professional law enforcement liability, and public officials' liability. All of these risks are handled by purchasing commercial insurance coverage. There have been no significant reductions in the insurance coverage during the year.

2. Group Self-Insurance

During fiscal year ending June 30, 1993, the Sheriff established a Group Self-Insurance Fund (an internal service fund) to account for and finance the uninsured risk of loss for commercial group health insurance. The plan year ended on June 30, 2007, and is being administered by Great West Life and Annuity Company, Inc. (Great West). The fund provided coverage for specific claims for up to a maximum of \$150,000 for each employee or employee dependent and aggregate claims up to a maximum of \$4,073,120 and \$3,786,974 for the plan years ended June 30, 2007 and 2006, respectively. The Sheriff purchased commercial insurance for claims in excess of coverage provided by the Fund.

Payments made by the General Fund to the Group Self-Insurance Fund are based on amounts needed to pay prior and current year claims. The claims liability of \$420,420 reported in the fund at June 30, 2007 is based on Governmental Accounting Standards Board Statement No. 10. This statement requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the loss can be reasonably estimated.

Changes in the fund's claims liability amount in fiscal years 2007 and 2006 were:

| <u>Year Ended</u> | <u>Beginning of<br/>Fiscal Year<br/>Liability</u> | <u>Current-Year<br/>Claims and<br/>Changes in<br/>Estimates</u> | <u>Claim<br/>Payments</u> | <u>Balance at<br/>Fiscal<br/>Year End</u> |
|-------------------|---|---|---------------------------|---|
| June 30, 2006     | \$ 605,818  | \$ 3,850,967  | \$ 3,786,974              | \$ 669,811                                |
| June 30, 2007     | \$ 669,811  | \$ 3,823,729  | \$ 4,073,120              | \$ 420,420                                |

**LAFAYETTE PARISH SHERIFF**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR YEAR ENDED JUNE 30, 2007**

**P. JOINT VENTURE**

The Sheriff is a participant with the City-Parish Government of Lafayette, in a joint venture to perform investigations and analytical studies of controlled substances, and when necessary under lawful rules, take into custody all persons accused of committing criminal violations with the emphasis on controlled substances. The Lafayette Metro Narcotics Task Force (the Task Force) was formed under a joint powers agreement entered into by the two government units listed above on October 5, 2000. The Task Force is governed by a four-member board composed of two appointees from the Sheriff, and two appointees from the City-Parish of Lafayette. The Sheriff and the City-Parish of Lafayette have agreed to provide, for each calendar year, a minimum of Sixty-Five Thousand Dollars each, for the operation of the Task Force. The Sheriff and the City-Parish may mutually agree to provide a lesser amount. The Sheriff does not hold an equity interest in the Task Force at June 30, 2007. For the year ended December 31, 2006, the Task Force reported an excess of revenues over expenditures in its General Fund of \$52,543, and an ending fund balance of \$255,343. Complete financial statements for the Task Force can be obtained from the Lafayette Parish Sheriff's Department at 316 West Main Street, Lafayette, Louisiana.

For the year ended June 30, 2007, the Sheriff paid \$58,122 to the Lafayette Metro Narcotics Task Force.

**Q. OPERATING LEASES**

The Sheriff has entered into various operating leases for facilities and equipment. These leases are as follows:

- Lease of facility for ten years originally dated February 15, 1985 with renewal options that have been exercised. Current term expires in February 2010. Annual rental payment of \$1,082.
- Lease of facility for two years commencing March 1, 2001 with multiple renewal options for one-year terms. Rental payments of \$1,000 per month. This lease was renewed.
- Lease of facility for a two-year term with multiple renewal options dated October 1, 2001. The monthly rental payment is \$1,000. This lease was renewed.
- Copier lease dated June 10, 2002 for 54 months at a monthly base rental of \$389.39 plus usage charges calculated quarterly. This lease ended during the current fiscal year.

Future minimum lease payments related to these leases are as follows:

|               |                 |
|---------------|-----------------|
| June 30, 2008 | \$12,082        |
| June 30, 2009 | 1,082           |
| June 30, 2010 | <u>676</u>      |
| Total         | <u>\$13,840</u> |

Rental payments included in these financial statements relating to these leases totaled \$27,029.

**REQUIRED SUPPLEMENTARY  
INFORMATION**



LAFAYETTE PARISH SHERIFF

GENERAL FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-  
 BUDGET AND ACTUAL (GAAP BASIS)  
 YEAR ENDED JUNE 30, 2007

|  | Budget               |                      | Actual               | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|----------------------|----------------------|----------------------|---|
|  | Original             | Final                |                      |   |
| <b>Revenues:</b>   |                      |                      |                      |   |
| Self-generated Fees, Services, Ad Valorem Taxes<br>and Sales Taxes               | \$ 27,572,341        | \$ 31,663,099        | \$ 30,792,949        | \$ (870,150)  |
| Federal, State and Parish Appropriations   | 4,104,863            | 2,867,972            | 4,381,773            | 1,513,801   |
| Other Revenues   | 1,584,074            | 1,050,000            | 3,061,296            | 2,011,296   |
| <b>Total Revenues</b>  | <b>33,261,278</b>    | <b>35,581,071</b>    | <b>38,236,018</b>    | <b>2,654,947</b>  |
| <b>Expenditures:</b>   |                      |                      |                      |   |
| Current -  |                      |                      |                      |   |
| Public Safety:   |                      |                      |                      |   |
| Personal Services and Related Benefits   | 24,507,116           | 26,400,875           | 26,493,952           | (93,077)  |
| Operating Services   | 2,997,872            | 3,758,004            | 3,819,254            | (61,250)  |
| Materials and Supplies   | 830,396              | 955,831              | 1,036,475            | (80,644)  |
| Other Charges  | 1,875,294            | 2,520,197            | 2,499,185            | 21,012  |
| Capital Outlay   | 1,309,228            | 1,197,606            | 1,283,630            | (86,024)  |
| <b>Total Expenditures</b>  | <b>31,519,906</b>    | <b>34,832,513</b>    | <b>35,132,496</b>    | <b>(299,983)</b>  |
| <b>Excess of Revenues Over Expenditures</b>                                      | <b>1,741,372</b>     | <b>748,558</b>       | <b>3,103,522</b>     | <b>2,354,964</b>  |
| <b>Other Financing Sources (Uses):</b>   |                      |                      |                      |   |
| Sale of Assets   | -                    | -                    | 36,234               | 36,234  |
| <b>Total Other Financing Sources (Uses)</b>                                      | <b>-</b>             | <b>-</b>             | <b>36,234</b>        | <b>36,234</b>   |
| <b>Excess of Revenues and Other Sources<br/>Over Expenditures and Other Uses</b> | <b>1,741,372</b>     | <b>748,558</b>       | <b>3,139,756</b>     | <b>2,391,198</b>  |
| <b>Fund Balance, Beginning</b>   | <b>10,869,903</b>    | <b>10,869,903</b>    | <b>10,869,903</b>    | <b>-</b>  |
| <b>Fund Balance, Ending</b>  | <b>\$ 12,611,275</b> | <b>\$ 11,618,461</b> | <b>\$ 14,009,659</b> | <b>\$ 2,391,198</b>                                     |

**OTHER SUPPLEMENTARY  
INFORMATION**

LAFAYETTE PARISH SHERIFF

GENERAL FUND

STATEMENT OF REVENUES COMPARED TO BUDGET (GAAP BASIS)  
YEAR ENDED JUNE 30, 2007

|  | Budget               |                      | Actual               | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|----------------------|----------------------|----------------------|---|
|  | Original             | Final                |                      |   |
| <b>Revenues:</b>   |                      |                      |                      |   |
| Self-generated Fees, Services, Ad Valorem                                |                      |                      |                      |   |
| Taxes and Sales Taxes:   |                      |                      |                      |   |
| Ad Valorem Taxes   | \$ 16,538,990        | \$ 17,405,117        | \$ 18,095,401        | \$ 690,284  |
| Sales Tax Revenue  | 4,964,468            | 5,717,982            | 6,252,258            | 534,276   |
| Civil and Criminal Fees  | 1,536,493            | 1,865,000            | 2,031,421            | 166,421   |
| Court Attendance   | 26,202               | 25,000               | 28,450               | 3,450   |
| Transporting Prisoners   | 45,131               | -                    | 30,029               | 30,029  |
| Feeding and Keeping Prisoners  | 3,451,716            | 3,200,000            | 3,185,218            | (14,782)  |
| Community Corrections  | -                    | 1,375,000            | 90,231               | (1,284,769)   |
| Contractual Arrangements   | -                    | 2,075,000            | 1,079,941            | (995,059)   |
| OT Enforcement Services  | 1,009,341            | -                    | -                    | -   |
| Total Self-generated Fees, Services, Ad<br>Valorem Taxes and Sales Taxes | <u>27,572,341</u>    | <u>31,663,099</u>    | <u>30,792,949</u>    | <u>(870,150)</u>  |
| Federal, State and Parish Appropriations:                                |                      |                      |                      |   |
| Federal Grants   | 314,640              | 130,000              | 214,118              | 84,118  |
| State Revenue Sharing (Net)  | 742,500              | 768,000              | 768,461              | 461   |
| State Supplemental Pay   | 1,072,909            | 1,069,972            | 1,077,757            | 7,785   |
| State, City and Parish Grants  | 1,974,814            | 900,000              | 2,321,437            | 1,421,437   |
| Total Federal, State and Parish<br>Appropriations                        | <u>4,104,863</u>     | <u>2,867,972</u>     | <u>4,381,773</u>     | <u>1,513,801</u>  |
| Other Revenues:  |                      |                      |                      |   |
| Work Release Revenue   | 593,211              | -                    | 1,580,662            | 1,580,662   |
| Interest Income  | 293,322              | 525,000              | 784,328              | 259,328   |
| Miscellaneous  | 697,541              | 525,000              | 696,306              | 171,306   |
| Total Other Revenues   | <u>1,584,074</u>     | <u>1,050,000</u>     | <u>3,061,296</u>     | <u>2,011,296</u>  |
| Total Revenues   | <u>\$ 33,261,278</u> | <u>\$ 35,581,071</u> | <u>\$ 38,236,018</u> | <u>\$ 2,654,947</u>                                     |

LAFAYETTE PARISH SHERIFF

GENERAL FUND

STATEMENT OF EXPENDITURES COMPARED TO BUDGET (GAAP BASIS)  
YEAR ENDED JUNE 30, 2007

|   | Budget              |                     | Actual              | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|---------------------|---------------------|---------------------|---|
|   | Original            | Final               |                     |   |
| <b>Current:</b>                                     |                     |                     |                     |   |
| <b>Public Safety -</b>                              |                     |                     |                     |   |
| <b>Personal Services and Related Benefits:</b>      |                     |                     |                     |   |
| Sheriff Salary                                      | \$ -                | \$ 104,312          | \$ 110,100          | \$ (5,788)  |
| Deputies Salaries                                   | 17,787,902          | 18,592,001          | 18,524,788          | 67,213  |
| Pension and Payroll Taxes                           | 2,079,843           | 2,794,157           | 3,119,409           | (325,252)   |
| Sheriff's Expense Allowance                         | 10,072              | 10,405              | 10,930              | (525)   |
| Hospitalization Insurance                           | 4,564,681           | 4,900,000           | 4,644,456           | 255,544   |
| Other Employee Expenses                             | 64,618              | -                   | 84,269              | (84,269)  |
| <b>Total Personal Services and Related Benefits</b> | <u>24,507,116</u>   | <u>26,400,875</u>   | <u>26,493,952</u>   | <u>(93,077)</u>   |
| <b>Operating Services:</b>                          |                     |                     |                     |   |
| Auto and Liability Insurance                        | 1,326,249           | 1,516,105           | 1,493,340           | 22,765  |
| Leases  | 121,554             | 175,000             | 188,775             | (13,775)  |
| Telephone and Utilities                             | 323,085             | 391,190             | 415,538             | (24,348)  |
| Fuel and Oil  | 493,405             | 525,384             | 591,736             | (66,352)  |
| Maintenance and Repairs                             | 494,186             | 865,325             | 822,056             | 43,269  |
| Legal and Professional Fees                         | 239,393             | 285,000             | 307,809             | (22,809)  |
| <b>Total Operating Services</b>                     | <u>2,997,872</u>    | <u>3,758,004</u>    | <u>3,819,254</u>    | <u>(61,250)</u>   |
| <b>Materials and Supplies:</b>                      |                     |                     |                     |   |
| Uniforms  | 173,604             | 139,004             | 159,438             | (20,434)  |
| Small Equipment and Supplies                        | 324,898             | 457,675             | 514,213             | (56,538)  |
| Office Expense                                      | 281,817             | 247,152             | 246,520             | 632   |
| Publications  | 40,079              | 62,000              | 68,007              | (6,007)   |
| Deputy Supplies                                     | 9,998               | 50,000              | 48,297              | 1,703   |
| <b>Total Materials and Supplies</b>                 | <u>830,396</u>      | <u>955,831</u>      | <u>1,036,475</u>    | <u>(80,644)</u>   |
| <b>Other Charges:</b>                               |                     |                     |                     |   |
| Prisoner Feeding and Maintenance                    | 1,536,478           | 2,075,000           | 2,203,302           | (128,302)   |
| Criminal Investigation Expense                      | 2,537               | 7,000               | 6,379               | 621   |
| Training, Travel and Conventions                    | 158,061             | 262,525             | 188,230             | 74,295  |
| Dues  | 18,405              | 25,000              | 23,803              | 1,197   |
| Juvenile Programs                                   | 14,062              | 9,215               | 8,413               | 802   |
| Canine  | 5,151               | 11,274              | 10,936              | 338   |
| <b>Appropriation to Parish Government -</b>         |                     |                     |                     |   |
| Metro Narcotics                                     | 60,600              | 62,183              | 58,122              | 4,061   |
| Crime Lab   | 80,000              | 68,000              | -                   | 68,000  |
| <b>Total Other Charges</b>                          | <u>1,875,294</u>    | <u>2,520,197</u>    | <u>2,499,185</u>    | <u>21,012</u>   |
| <b>Capital Outlay</b>                               | <u>1,309,228</u>    | <u>1,197,606</u>    | <u>1,283,630</u>    | <u>(86,024)</u>   |
| <b>Total Expenditures</b>                           | <u>\$31,519,906</u> | <u>\$34,832,513</u> | <u>\$35,132,496</u> | <u>\$ (299,983)</u>                                     |

**LAFAYETTE PARISH SHERIFF**

**SPECIAL REVENUE FUND  
INMATE WELFARE FUND**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-  
BUDGET (GAAP BASIS) AND ACTUAL  
YEAR ENDED JUNE 30, 2007**

|  | Budget            |                   | Actual            | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|-------------------|-------------------|-------------------|---|
|  | Original          | Final             |                   |   |
| <b>Revenues:</b>   |                   |                   |                   |   |
| Telephone and Commissary   |                   |                   |                   |   |
| Commission Income  | \$ 300,000        | \$ 254,986        | \$ 323,968        | \$ 68,982   |
| Product Sales  | 4,000             | -                 | -                 | -   |
| Miscellaneous  | 23,000            | 15,539            | 28,517            | 12,978  |
| Total Revenues   | <u>327,000</u>    | <u>270,525</u>    | <u>352,485</u>    | <u>81,960</u>   |
| <b>Expenditures:</b>   |                   |                   |                   |   |
| Current -  |                   |                   |                   |   |
| Personal Services and Related Benefits   | 50,000            | 44,466            | 53,025            | (8,559)   |
| Operating Services:  |                   |                   |                   |   |
| Purchase of Commissary Goods   | 75,000            | -                 | -                 | -   |
| Supplies   | 71,000            | 146,647           | 115,454           | 31,193  |
| Payments to Inmate Work  |                   |                   |                   |   |
| Crews and Indigent Inmates   | 90,000            | 49,600            | 59,588            | (9,988)   |
| Miscellaneous  | 26,300            | 16,441            | 45,182            | (28,741)  |
| Total Operating Services   | <u>262,300</u>    | <u>212,688</u>    | <u>220,224</u>    | <u>(7,536)</u>  |
| Capital Outlay   | 5,000             | 35,305            | 27,256            | 8,049   |
| Total Expenditures   | <u>317,300</u>    | <u>292,459</u>    | <u>300,505</u>    | <u>(8,046)</u>  |
| Excess (Deficiency) of Revenues<br>over Expenditures                                     | 9,700             | (21,934)          | 51,980            | 73,914  |
| Excess (Deficiency) of Revenues<br>and Other Sources Over<br>Expenditures and Other Uses | 9,700             | (21,934)          | 51,980            | 73,914  |
| Fund Balance, Beginning  | <u>234,658</u>    | <u>234,658</u>    | <u>234,658</u>    | -   |
| Fund Balance, Ending   | <u>\$ 244,358</u> | <u>\$ 212,724</u> | <u>\$ 286,638</u> | <u>\$ 73,914</u>  |

## **FIDUCIARY FUND TYPE - 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 receipt and subsequent disbursement of commissions received from vending machine sales, fees received for a benefit golf tournament and other deputy activities.

### **Bond Fund**

To account for the collection of bonds, fines, and costs and payment of these collections to the Sheriff's General Fund and other recipients in accordance with applicable laws.

### **Prison Inmate Fund**

To account for the deposits made by, and for, inmates to their individual accounts and the appropriate disbursements to these inmates.

### **Juvenile Day Reporting Fund**

To account for deposits made by the participants in the program and record amounts to fund activities of these participants.

LAFAYETTE PARISH SHERIFF

FIDUCIARY FUND TYPE - AGENCY FUNDS

COMBINING BALANCE SHEET  
JUNE 30, 2007

|                                    | Sheriff's<br>Fund | Tax<br>Collector<br>Fund | Deputy<br>Fund   | Bond<br>Fund      | Prison<br>Inmate<br>Fund | Juvenile<br>Day Reporting<br>Fund | Total               |
|------------------------------------|-------------------|--------------------------|------------------|-------------------|--------------------------|-----------------------------------|---------------------|
| <b>ASSETS</b>                      |                   |                          |                  |                   |                          |                                   |                     |
| Cash                               | \$ -              | \$ -                     | \$ -             | \$ 200            | \$ -                     | \$ -                              | \$ 200              |
| Interest-Bearing Deposits          | 210,630           | 440,614                  | 23,162           | 970,027           | 563,244                  | 2,203                             | 2,209,880           |
| Total Assets                       | <u>\$ 210,630</u> | <u>\$ 440,614</u>        | <u>\$ 23,162</u> | <u>\$ 970,227</u> | <u>\$ 563,244</u>        | <u>\$ 2,203</u>                   | <u>\$ 2,210,080</u> |
| <b>LIABILITIES</b>                 |                   |                          |                  |                   |                          |                                   |                     |
| Due to Taxing Bodies and<br>Others | \$ 210,630        | \$ 440,614               | \$ 23,162        | \$ 970,227        | \$ 23,983                | \$ 2,203                          | \$ 1,670,819        |
| Due to Prisoners                   | -                 | -                        | -                | -                 | 539,261                  | -                                 | 539,261             |
| Total Liabilities                  | <u>\$ 210,630</u> | <u>\$ 440,614</u>        | <u>\$ 23,162</u> | <u>\$ 970,227</u> | <u>\$ 563,244</u>        | <u>\$ 2,203</u>                   | <u>\$ 2,210,080</u> |

**COMPLIANCE  
AND  
INTERNAL CONTROL**



# WRIGHT, MOORE, DEHART, DUPUIS & HUTCHINSON, L.L.C.

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## 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*

JOHN W. WRIGHT, CPA \*  
JAMES H. DUPUIS, CPA, CFP \*  
JAN H. COWEN, CPA \*  
LANCE E. CRAPPELL, CPA \*  
MICAH R. VIDRINE, CPA \*  
TRAVIS M. BRINSKO, CPA \*  
RICK L. STUTES CPA, CVA / ABV, APA \*

\* A PROFESSIONAL CORPORATION

JOE D. HUTCHINSON, CPA \*  
M. TROY MOORE, CPA \* +  
MICHAEL G. DEHART, CPA, CVA, MBA \* +  
+RETIRED

The Honorable Michael W. Neustrom  
Lafayette Parish Sheriff  
Lafayette, Louisiana

We have audited the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Lafayette Parish Sheriff as of and for the year ended June 30, 2007, which collectively comprise the Lafayette Parish Sheriff's basic financial statements and have issued our report thereon dated December 17, 2007. 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 and the provisions of Louisiana Revised Statutes 24:513 and the Louisiana Governmental Audit Guide.



### Internal Control Over Financial Reporting

KRISTIE C. BOUDREAUX, CPA  
SHEP E. COMEAUX, CPA, MBA  
ROBERT T. DUCHARME, II, CPA  
CHRISTINE R. DUNN, CPA  
DANE F. FALGOUT, CPA  
MARY PATRICIA KEELEY, CPA  
WENDY ORTEGO, CPA  
KYLE L. ROBICHEAUX, CPA  
DAMIAN H. SPIESS, CPA, CFP  
ROBIN G. STOCKTON, CPA  
BRIDGET B. TILLEY, CPA, MT  
PATRICK E. WAGUESPACK, CPA

In planning and performing our audit, we considered the Lafayette Parish Sheriff's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Lafayette Parish Sheriff's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Lafayette Parish Sheriff's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of deficiencies, that adversely affects the Lafayette Parish Sheriff's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Lafayette Parish Sheriff's financial statements that is more than inconsequential will not be prevented or detected by the Lafayette Parish Sheriff's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Lafayette Parish Sheriff's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Lafayette Parish 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 is required to be reported under *Government Auditing Standards* which is described in the accompanying Schedule of Findings and Questioned Costs as item 2007-1.

This report is intended for the information and use of management, others within the organization, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Although the intended use of this report may be limited, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor of the State of Louisiana as a public document.

*Wright, Moore, DeHart,  
Dupuis & Hutchinson, LLC*

WRIGHT, MOORE, DeHART,  
DUPUIS & HUTCHINSON, L.L.C.  
Certified Public Accountants

December 17, 2007

LAFAYETTE PARISH SHERIFF

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2007

We have audited the financial statements of the Lafayette Parish Sheriff as of and for the year ended June 30, 2007, and have issued our report thereon dated December 17, 2007. 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 Comptroller General of the United States and the provisions of Louisiana Revised Statutes 24:513 and the Louisiana Governmental Audit Guide. Our audit of the financial statements of June 30, 2007 resulted in an unqualified opinion.

*Section I - Summary of Auditors' Reports*

A. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weaknesses        \_\_\_ Yes                      x   No  
Significant Deficiencies    \_\_\_ Yes                      x   No

Compliance

Compliance Material to Financial Statements      x   Yes                    \_\_\_ No

*Section II - Financial Statement Findings*

2007-1 Budget Amendments

*Finding:*

Louisiana Revised Statute 39:1310 requires that budgets be adopted for General Fund and amendments be made and properly adopted when variances to the budget amounts are in excess of five (5) percent. The Sheriff's Office failed to adequately amend the budget for the General Fund.

*Recommendation:*

We recommend the Sheriff's Office implement procedures to monitor budget to actual comparisons and amend as necessary in order to comply with the Louisiana Local Government Budget Act.

*Section III - Federal Award Findings and Questioned Costs*

This section is not applicable for the current year.

**LAFAYETTE PARISH SHERIFF**  
**SCHEDULE OF PRIOR YEAR FINDINGS**  
**FOR THE YEAR ENDED JUNE 30, 2007**

***Section I. Internal Control and Compliance Material to the Financial Statements***

There were no findings relating to this section for the year ended June 30, 2006.

***Section II. Internal Control and Compliance Material to Federal Awards.***

There were no findings relating to this section for the year ended June 30, 2006.

***Section III. Management Letter***

***2006ML-01: AGENCY FUND RECONCILIATIONS***

During the course of performing audit procedures on the liability accounts for the Bond Fund it was noted that the amounts due to others is not being reconciled on a monthly basis to the amounts available for disbursement. Additionally, the current software is not accurate as it relates to the tracking of cash bonds. Procedures should be implemented to insure that the amounts collected each month are reconciled to the cash receipts in the bond fund for each type of collection (cash bond, bond premium, fees and fines). In addition, a month end reconciliation should be performed to insure that the cash bonds outstanding report reconciles to the amounts available for disbursement in the cash bond account.

***Follow Up:***

This issue was resolved in the current year.

## CORRECTIVE ACTION PLAN

JUNE 30, 2007

### Louisiana Legislative Auditor

The Lafayette Parish Sheriff respectfully submits the following corrective action plan for the year ended June 30, 2007.

#### Finding No. 2007-1

*Recommendation:* The Sheriff's Office should continue to monitor the budget to actual comparisons for the General Fund and amend the budget as necessary.

*Action Taken:* Management has implemented procedures to monitor expenditures more closely to insure that budgets are properly amended to remain in compliance with all applicable state statutes. During the current year, budget to actual analysis will be performed on an ongoing basis with budgets being amended as necessary.

If the Louisiana Legislative Auditor has questions regarding this plan, please call Keith Sibille, Chief Financial Officer of the Lafayette Parish Sheriff at (337) 232-9211.

Sincerely yours,

Michael Neustrom, Sheriff  
Lafayette Parish



## Lafayette Parish Sheriff's Office

Michael W. Neustrom, Sheriff

"Serving the community with courtesy, professionalism and respect"

[www.lafayettesheriff.com](http://www.lafayettesheriff.com)



### CORRECTIVE ACTION PLAN

JUNE 30, 2007

#### Louisiana Legislative Auditor

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#### Finding No. 2007-1

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If the Louisiana Legislative Auditor has questions regarding this plan, please call Keith Sibille, Chief Financial Officer of the Lafayette Parish Sheriff at (337) 232-9211.

Sincerely yours,

A handwritten signature in cursive script that reads "Michael Neustrom".

Michael Neustrom, Sheriff

Lafayette Parish

