

LAFAYETTE PARISH SHERIFF
FINANCIAL REPORT AND
SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2010

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 1/5/11

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INDEPENDENT AUDITORS' REPORT

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

* A PROFESSIONAL CORPORATION

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

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, 2010, 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.

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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, 2010, 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 16, 2010 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 and 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 considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and schedule of funding in progress of OPEB plan on pages 3 through 12, 44 and 45 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Lafayette Parish Sheriff's financial statements as a whole. 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 financial statements. Such information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

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

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

Lafayette, Louisiana
December 16, 2010

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, 2010. 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 \$14,075,774 (net assets) for the fiscal year reported.

Total net assets are comprised of the following:

1. Capital assets, net of related debt, of \$7,351,945, 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 \$6,723,829 represent the portion available to maintain the Sheriff's continuing obligations to citizens and creditors.

The Sheriff's governmental funds reported total ending fund balance of \$23,368,547 this year. This compares to the prior year ending fund balance of \$21,981,151 showing an increase of \$1,387,396 during the current year.

At the end of the current fiscal year, unreserved fund balance for the General Fund was \$22,421,777, or 47% of total General Fund expenditures and 46% of total General Fund revenues. This represents an increase in General Fund unreserved fund balance of \$1,274,086.

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 two 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.

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.

Lafayette Parish Sheriff
Lafayette, Louisiana

Management's Discussion and Analysis

The basic agency fund financial statement is presented on page 23 of this report in summary form for all agency funds. A more detailed breakdown of individual funds can be found in the section titled Required Supplementary Information beginning on page 51.

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 24 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 43 of this report.

In addition, more detailed general fund budget information is 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 \$14,075,774. The following table provides a summary of the Sheriff's net assets:

Summary of Net Assets

	<u>2010</u>		<u>2009</u>	
Assets:				
Current and Other Assets	\$ 25,056,279	77%	\$ 23,729,521	80%
Capital Assets Net of Accumulated Depreciation	<u>7,351,945</u>	23%	<u>5,991,952</u>	20%
Total Assets	<u>\$ 32,408,224</u>	100%	<u>\$ 29,721,473</u>	100%
 Liabilities				
Current liabilities	\$ 1,687,732	9%	\$ 1,748,370	13%
Non-current liabilities	<u>16,644,718</u>	91%	<u>11,356,497</u>	87%
Total Liabilities	<u>18,332,450</u>	100%	<u>13,104,867</u>	100%
 Net Assets				
Investment in Capital Assets Net of Related Debt	7,351,945	52%	5,991,952	36%
Unrestricted	<u>6,723,829</u>	48%	<u>10,624,654</u>	64%
Total Net Assets	<u>14,075,774</u>	100%	<u>16,616,606</u>	100%
Total Liabilities and Net Assets	<u>\$ 32,408,224</u>		<u>\$ 29,721,473</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 15 to 1 compared to last year's rate of 14 to 1.

The Sheriff reported positive balances in net assets for governmental activities. The general fund reported an increase in fund balance of \$1,342,375. Because of this surplus, the Sheriff is in a position to meet all short term cash requirements without the need for 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>2010</u>		<u>2009</u>	
Program:				
Charges for Services	\$12,588,395	26%	\$10,435,362	22%
Operating Grants and Contributions	1,765,900	4%	3,428,407	7%
General:				
Property Taxes	26,326,886	54%	24,985,177	52%
Sales Taxes	4,777,734	10%	6,079,553	13%
State Revenue Sharing	813,806	2%	836,942	2%
State Supplemental Pay	2,082,295	4%	1,622,855	3%
Investment Earnings	125,471	0%	199,948	0%
Gain on Sale of Assets	41,504	0%	26,721	0%
Other General Revenues	<u>621,382</u>	1%	<u>710,468</u>	1%
Total General Revenues	<u>49,143,373</u>	100%	<u>48,325,433</u>	100%
Program Expenses				
Public Safety	51,684,205	100%	48,742,604	100%
Interest on Long Term Debt	<u>-</u>	0%	<u>-</u>	0%
Total Expenses	<u>51,684,205</u>	100%	<u>48,742,604</u>	100%
 Change in Net Assets	 <u>(2,540,832)</u>		 <u>(417,171)</u>	
Beginning Net Assets	<u>16,616,606</u>		<u>17,033,777</u>	
Ending Net Assets	<u>\$14,075,774</u>		<u>\$16,616,606</u>	

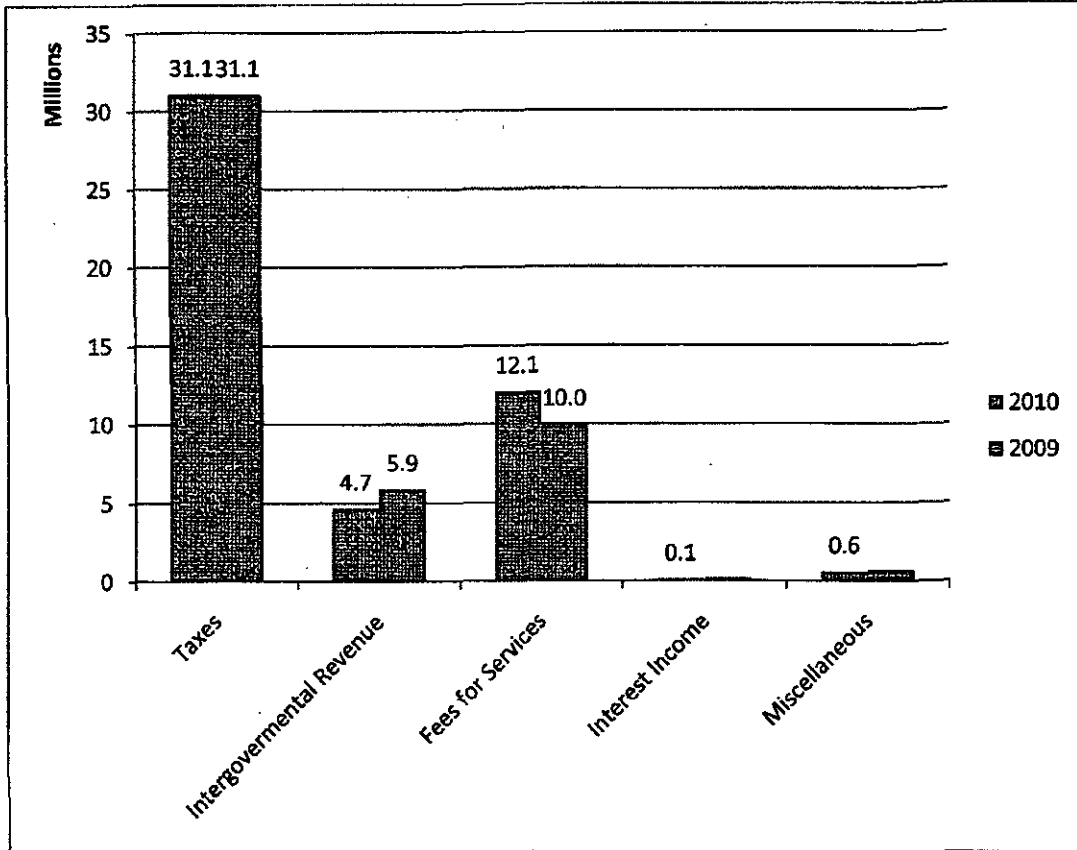
GOVERNMENTAL REVENUES

The Sheriff relies upon sales and property taxes to support its operations. These taxes provided 65% of the Sheriff's total revenues. Because of the Sheriff's financial position, \$197,050 in interest was earned to help support governmental activities. Also, note that program revenues offset 32% of governmental operating expenses. Therefore, the Sheriff's other general revenue and taxes fund 68% of operations.

Lafayette Parish Sheriff
Lafayette, Louisiana

Management's Discussion and Analysis

Revenues by Source



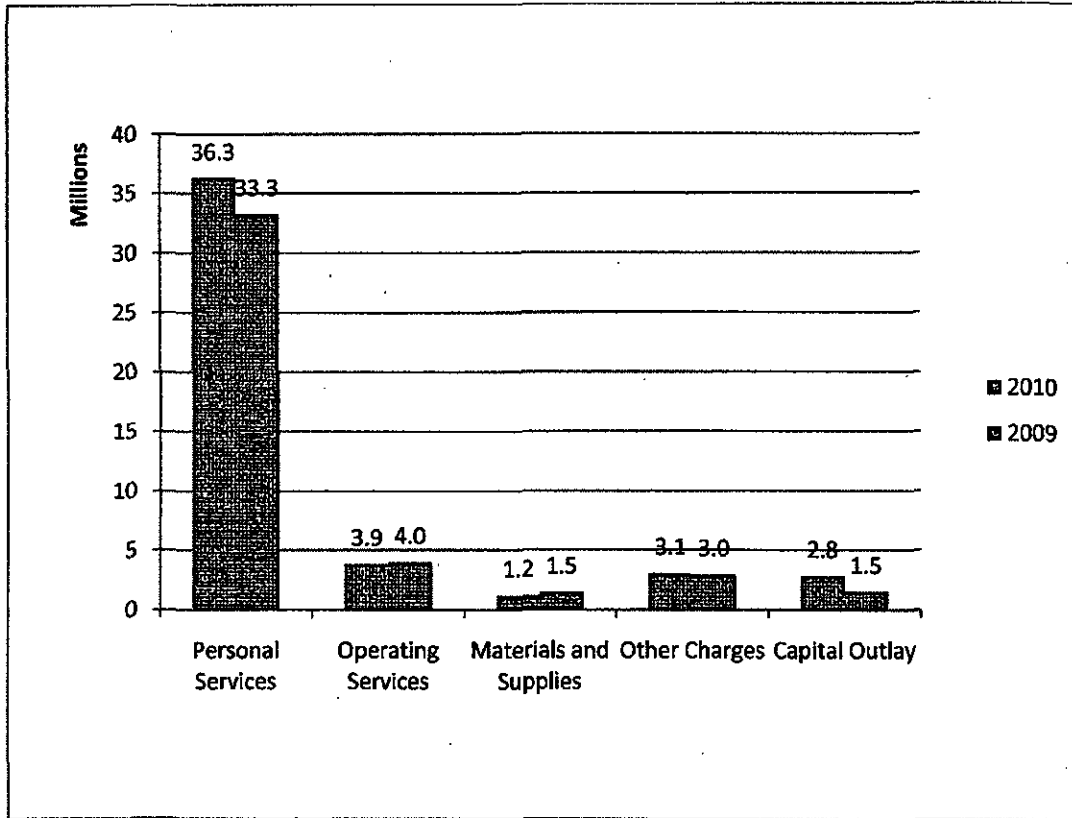
GOVERNMENTAL FUNCTIONAL EXPENSES

The total function of the Sheriff's office is public safety activities. Of the total costs, depreciation on equipment and vehicles was \$1.5m.

Lafayette Parish Sheriff
Lafayette, Louisiana

Management's Discussion and Analysis

Expenditures by Type



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 \$23,368,547, an increase of \$1,387,396 from last year. Of this total, \$621,255 is restricted for inventory and prepaid expenses, with the remainder available for continuing Sheriff's activities.

Lafayette Parish Sheriff
Lafayette, Louisiana

Management's Discussion and Analysis

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 \$1,342,375 from the prior year.

Operating expenditures were approximately \$47.3m or 9% more than fiscal 2009. The vast majority of the increase can be attributed to an increase in personal services of \$3m and a one-time capital expenditure of \$1.2m to purchase a tract of land. In an effort to remain competitive in the employer market, and to continue to attract the best candidates for employment, the Sheriff continues to adjust pay at all levels of the agency.

BUDGETARY HIGHLIGHTS

General Fund

The General Fund final budgeted revenue exceeded the original budgeted amount by 8% or \$3.6m. This can be attributed to the following:

- A \$1.5m increase in projected ad Valorem tax revenue. Due to the economic downturn, tax revenues were budgeted very conservatively.
- Civil fees for services were up 38% over budget or about \$750k.
- A large increase in supplemental pay voted on at the state level increased this revenue stream by about \$1m.

The final budget reflects an 8% increase in expenditures over the original budget. This variance is attributable to:

- Personal Services
 - A modest increase in salaries plus the additional \$1m in state supplemental pay.
- Operating Services
 - Operating services saw a modest decrease, about 1% or \$52k.
- Capital Outlay
 - In 2010, large purchases of a tract of land for the purpose of future expansion resulted in a *one-time expenditure of \$1.2m.*

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 2009 to 2010.

**Lafayette Parish Sheriff
Lafayette, Louisiana**

Management's Discussion and Analysis

Capital Assets

	<u>Governmental Activities</u>	
	<u>2010</u>	<u>2009</u>
Depreciable Assets		
Buildings and Improvements	\$ 7,974,807	\$ 6,569,919
Equipment and Furniture	8,271,101	7,731,995
Vehicles	4,890,625	4,561,635
Constructin in Progress	<u>129,909</u>	<u>-</u>
 Total Depreciable Assets	 21,266,442	 18,863,549
 Less Accumulated Depreciation	 <u>13,914,497</u>	 <u>12,871,597</u>
 Book Value - depreciable assets	 <u>\$ 7,351,945</u>	 <u>\$ 5,991,952</u>
 Percentage depreciated	 <u>65%</u>	 <u>68%</u>

At June 30, 2010, the depreciable capital assets for governmental activities were 65% depreciated versus 68% for the prior year.

Long-Term Debt

At the end of the fiscal year, the Sheriff had debt in the form of claims payable, OPEB Liability(see below), and compensated absences. The total obligation for these liabilities is \$17.4m, of which \$727k represents the current portion.

Beginning with the fiscal year ended June 30, 2008, the Sheriff is recognizing his future OPEB (Other Post Employment Benefits) obligations as required by GASB Statement number 45. The actuarial unfunded liability at June 30, 2010 is \$14.4m. GASB 45 attempts to record future costs for post retirement benefits in the periods in which they are earned, as opposed to when actually paid. This represents an increase in OPEB liability of \$5m. As the unfunded actuarial accrued liability continues to be amortized along with current costs, the accumulated liability will eventually cause a negative balance in the government wide statement of net assets, if no changes are made to the benefits afforded to retirees of The Lafayette Parish Sheriff's Office.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Many factors were taken into consideration when preparing the fiscal 2011 budget. Most revenues are expected to remain steady. A modest increase is still expected in property tax revenue while sales taxes, while down from the post Katrina years, are holding steady based on more reasonable projections

The Work Release program was initiated on July 1, 2004 and after years of steady growth, a decline in activity cause by factors controlled by the State Department of Corrections is expected. To counter this, the Sheriff has entered into an agreement with the State to begin several offender pilot programs similar to Work Release that will offset some of this lost revenue.

Lafayette Parish Sheriff
Lafayette, Louisiana

Management's Discussion and Analysis

As reported last year, the Sheriff, in early 2010, purchased a tract of land on which he plans to build a new Work Release center thereby increasing capacity. This facility will replace the outdated and inefficient current location as well as provide housing for outside workers with the future added potential of housing federal inmates.

Due to economic uncertainty, a level revenue is projected in 2011. As of yet, the Sheriff has been somewhat immune to economic conditions, however, as sales taxes continue to fall, this trend will begin to affect all forms of government. As discussed in the preceding paragraph, the Sheriff purchased a tract of land for needed expansion. This purchase was paid for out of cash reserves, however the Sheriff has received authorization to issue up to \$20m in Tax Revenue Bonds to pay for construction of the facilities. In 2010, the Sheriff is paying out of reserves, approximately \$1.5m in architecture fees to design the project however, construction and the related costs are not expected to begin until fiscal year 2012.

The majority of other revenues and expenditures are expected to remain fairly constant in fiscal year 2011 with the exceptions of those noted above.

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, 2010

	<u>GOVERNMENTAL ACTIVITIES</u>
ASSETS	
Current Assets:	
Cash and Cash Equivalents	\$ 20,550,993
Investments	1,326,515
Other Receivables	33,004
Due From Other Governmental Units	2,524,512
Inventory	94,530
Prepays	<u>526,725</u>
Total Current Assets	25,056,279
Non-current Assets:	
Capital Assets, Net of Accumulated Depreciation	<u>7,351,945</u>
 TOTAL ASSETS	 <u>\$ 32,408,224</u>

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

LAFAYETTE PARISH SHERIFF

STATEMENT OF NET ASSETS

JUNE 30, 2010

	<u>GOVERNMENTAL ACTIVITIES</u>
LIABILITIES AND NET ASSETS	
LIABILITIES	
Current Liabilities:	
Accounts Payable	\$ 372,782
Accrued Expenses	587,496
Due to Other Governmental Units	713
Claims Payable - Current	629,985
Current Portion-Compensated Absences	<u>96,756</u>
Total Current Liabilities	<u>1,687,732</u>
Non-current Liabilities:	
Other Post Employment Benefits	14,403,875
Accrued Compensated Absences	<u>2,240,843</u>
Total Noncurrent Liabilities	<u>16,644,718</u>
TOTAL LIABILITIES	<u>18,332,450</u>
NET ASSETS	
Invested in Capital Assets, Net of Related Debt	7,351,945
Unrestricted	<u>6,723,829</u>
TOTAL NET ASSETS	<u>14,075,774</u>
 TOTAL LIABILITIES AND NET ASSETS	 \$ <u>32,408,224</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, 2010**

	<u>Program Revenues</u>		<u>Net (Expenses) Revenues and Changes in Net Assets</u>
	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>
Governmental Activities			
Public Safety	<u>\$ 51,684,205</u>	<u>\$ 1,765,900</u>	<u>\$ (37,329,910)</u>
Total Governmental Activities	<u>\$ 51,684,205</u>	<u>\$ 1,765,900</u>	<u>(37,329,910)</u>
General Revenues:			
Property Taxes			26,326,886
Sales Taxes			4,777,734
State Revenue Sharing			813,806
State Supplemental Pay			2,082,295
Investment Earnings			125,471
Gain on Sale of Assets			41,504
Other General Revenues			<u>621,382</u>
Total General Revenues			<u>34,789,078</u>
Change in Net Assets			<u>(2,540,832)</u>
Net Assets-Beginning			<u>16,616,606</u>
Net Assets-Ending			<u>\$ 14,075,774</u>

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 sales of commissary goods as well as the operations of the inmate industries program - LAPPCORR. 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.

LAFAYETTE PARISH SHERIFF
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2010

	General Fund	Special Revenue Fund Non-Major	Total Governmental Funds
ASSETS			
Cash	\$ 90,221	\$ -	\$ 90,221
Interest-Bearing Deposits	20,171,488	289,284	20,460,772
Investments	1,326,515	-	1,326,515
Prepaid Expenses	526,725	-	526,725
Inventory	-	94,530	94,530
Receivables:			
Due From Other Governmental Units	2,505,841	18,671	2,524,512
Due From Other Funds	4,505	60	4,565
Other	8,987	24,017	33,004
Total Assets	\$ 24,634,282	\$ 426,562	\$ 25,060,844
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable	\$ 372,782	\$ -	\$ 372,782
Due to Other Governmental Units	713	-	713
Due to Other Funds	60	4,505	4,565
Other Accrued Liabilities	1,312,225	2,012	1,314,237
Total Liabilities	1,685,780	6,517	1,692,297
Fund Balances:			
Reserved for Prepays	526,725	-	526,725
Reserved for Inventory	-	94,530	94,530
Unreserved, Undesignated	22,421,777	325,515	22,747,292
Total Fund Balances	22,948,502	420,045	23,368,547
Total Liabilities and Fund Equity	\$ 24,634,282	\$ 426,562	\$ 25,060,844

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, 2010

Total Governmental Fund Balances	\$ 23,368,547
<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.	7,351,945
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	<u>(16,644,718)</u>
<i>Net Assets of Governmental Activities</i>	<u>\$ 14,075,774</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, 2010**

	General Fund	Special Revenue Fund Non-Major	Total Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
Revenues:			
Ad Valorem Taxes	\$ 26,326,886	\$ -	\$ 26,326,886
Sales Tax Revenue	4,777,734	-	4,777,734
Intergovernmental Revenues -			
Federal Grants	577,698	-	577,698
State Revenue Sharing (Net)	813,806	-	813,806
State Supplemental Pay	2,082,295	-	2,082,295
State, City and Parish Grants	1,188,202	-	1,188,202
Fees, Charges, and Commissions for Services -			
Civil and Criminal Fees	2,787,451	-	2,787,451
Court Attendance	27,450	-	27,450
Feeding and Keeping Prisoners	3,953,828	-	3,953,828
Commissary Commission Income	-	301,298	301,298
Product Sales	-	208,239	208,239
Community Corrections	2,058,179	-	2,058,179
Interest Income	123,894	1,577	125,471
Contractual Arrangements	3,251,950	-	3,251,950
Miscellaneous	604,230	17,154	621,384
Total Revenues	<u>48,573,603</u>	<u>528,268</u>	<u>49,101,871</u>
Expenditures:			
Current -			
Public Safety:			
Personal Services and Related Benefits	36,313,761	53,349	36,367,110
Operating Services	3,851,898	429,898	4,281,796
Materials and Supplies	1,203,440	-	1,203,440
Other Charges	3,060,295	-	3,060,295
Capital Outlay	2,844,199	-	2,844,199
Total Expenditures	<u>47,273,593</u>	<u>483,247</u>	<u>47,756,840</u>
Excess of Revenues Over Expenditures	<u>1,300,010</u>	<u>45,021</u>	<u>1,345,031</u>
Other Financing Sources (Uses):			
Sale of Assets	42,365	-	42,365
Excess of Revenues and Other Sources Over Expenditures and Other Uses	1,342,375	45,021	1,387,396
Fund Balances, Beginning	<u>21,606,127</u>	<u>375,024</u>	<u>21,981,151</u>
Fund Balances, Ending	<u>\$ 22,948,502</u>	<u>\$ 420,045</u>	<u>\$ 23,368,547</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, 2010**

Net Change in Fund Balances - Total Governmental Funds \$ 1,387,396

*Amounts reported for governmental activities in the
Statement of Activities are different because:*

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period. 1,360,856

Some expense reported in the Statement of Activities, such as compensated absences and other post employment benefits, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. (5,288,221)

In the statement of activities, only the gain on sale of assets is reported, whereas in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund balance by the difference. (863)

Change in Net Assets of Governmental Activities \$(2,540,832)

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

LAFAYETTE PARISH SHERIFF

**STATEMENT OF ASSETS AND LIABILITIES
AGENCY FUNDS
JUNE 30, 2010**

	<u>Total Agency Funds</u>
Assets:	
Cash and Interest Bearing Deposits	\$ 3,139,912
Total Assets	<u>\$ 3,139,912</u>
Liabilities:	
Due to Taxing Bodies and Others	\$ 2,743,490
Due to Prisoners	<u>396,422</u>
Total Liabilities	<u>\$ 3,139,912</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, 2010

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, 2010

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.

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, 2010

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.

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.

LAFAYETTE PARISH SHERIFF

**NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDED JUNE 30, 2010**

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

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.

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.

LAFAYETTE PARISH SHERIFF

NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDED JUNE 30, 2010

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

4. Budget and Budgetary Accounting

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

- a. The chief financial officer 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, 2010, the Sheriff's investments in LAMP, which are stated at fair value based on quoted market rates, amounted to \$1,326,515.

LAFAYETTE PARISH SHERIFF
NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDED JUNE 30, 2010

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

7. 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.

8. 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

9. 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, 2010, the Sheriff has accrued vested leave benefits as required to be reported in accordance with GASB statement No. 16, "Accounting for Compensated Absences."

LAFAYETTE PARISH SHERIFF
NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDED JUNE 30, 2010

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

10. 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, 2010, 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, 2010 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.

11. 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, 2010.
- 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.

12. Prepaid Items

Insurance payments made to insurance agencies that will benefit periods beyond June 30, 2010 are recorded as prepaid items.

LAFAYETTE PARISH SHERIFF
NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDED JUNE 30, 2010

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

13. 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	\$ 2,844,199
Depreciation	<u>(1,483,343)</u>
Net Adjustment to Increase Net Changes in Fund Balances -	
Total Governmental Funds to Arrive at Changes in Net Assets	
of Governmental Activities	<u>\$ 1,360,856</u>

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, 2010, the Sheriff has cash and interest-bearing deposits (book balances) totaling \$23,690,905 of which \$3,139,912 is attributable to fiduciary funds, which are not presented in the statement of net assets.

LAFAYETTE PARISH SHERIFF

NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDED JUNE 30, 2010

C. CASH AND INTEREST-BEARING DEPOSITS - continued

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, 2010, \$23,759,121 of the Sheriff's bank balances of \$24,009,121 was exposed to custodial credit risk as follows:

Bank Balances	\$ 24,009,121
Federal Deposit Insurance	\$ 250,000
Pledged Securities (Category 3)	<u>23,759,121</u>
Total	<u>\$ 24,009,121</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 I50.165, the investment in Louisiana Asset Management Pool (LAMP) is not categorized in the three risk categories provided by GASB Codification Section I50.164 because the investment is in the pool of funds and thereby not evidenced by securities that exist in physical or book entry form.

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.

LAFAYETTE PARISH SHERIFF

**NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDED JUNE 30, 2010**

D. INVESTMENTS - continued

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, 2010, the Sheriff's investments totaled \$1,326,515 as follows:

<u>Description</u>	<u>Category</u>	<u>Interest Rate</u>	<u>Carrying Amount/ Amortized Cost</u>	<u>Approximate Fair Market Value</u>
<i>Louisiana Asset</i>				
Management Pool (LAMP)	N/A	variable	<u>\$ 1,326,515</u>	<u>\$ 1,326,515</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.

Ad valorem taxes are budgeted and recorded in the year levied and billed. For the year ended June 30, 2010, 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 \$1,919,805,776. 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 2019 and an 8.03 mills tax now authorized by L.R.S 33:9003A.

Total law enforcement taxes levied during 2009 were \$26,534,457.

LAFAYETTE PARISH SHERIFF

**NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDED JUNE 30, 2010**

F. DUE FROM OTHER GOVERNMENTAL UNITS

A summary of due from other governmental units of \$2,524,512 at June 30, 2010 follows:

Sales Tax Revenue	\$	834,421
Interest on Taxes		1,451
Ad Valorem Tax Revenue		80,616
Intergovernmental Revenues -		
Federal Grants		24,354
State Supplemental Pay		182,289
State, City, and Parish Grants		332,596
Food Service Contracts		8,392
Fees, Charges and Commissions for Services -		
Civil and Criminal Fees		90,055
Court Attendance		7,050
Licenses		58,339
Forfeitures		25,145
Inmate Work Crews		45,173
Non Support from Clerk		3,086
Telephone		35,963
Transporting Prisoners		8,639
Product Sales		18,671
Feeding and Keeping Prisoners -		
Parish Government		101,109
State Government		468,871
Other Contracts		168,456
Miscellaneous		<u>29,836</u>
 Total	\$	<u><u>2,524,512</u></u>

G. INTERFUND TRANSACTIONS

Purpose	Receivable Fund	Payable Fund	Amount
Due to/From:			
Repayment of Commissions	General	Special Revenue	\$ <u>4,505</u>
Repayment of Credit Card Receipts	Special Revenue	General	\$ <u>60</u>

LAFAYETTE PARISH SHERIFF
NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDED JUNE 30, 2010

H. INVENTORY

Inventory is valued at average cost which approximates market. Inventory in the Special Revenue Fund consists of the raw materials necessary to make bags for resale to include the boxes for packaging. Inventory at year end consists of the following:

Raw Material	\$	30,163
Finished Goods		64,367
Total	\$	94,530

I. 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, 2010 and 2009 amounted to \$428,834 and \$390,061, 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, 2010, 2009, and 2008 were \$4,073,803, \$3,572,006 and \$3,224,391, respectively.

LAFAYETTE PARISH SHERIFF
NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDED JUNE 30, 2010

J. OTHER POST EMPLOYMENT BENEFITS

From an accrual accounting perspective, the cost of postemployment healthcare benefits, like the cost of pension benefits, should be associated with the periods in which the cost occurs, rather than in the future year when it will be paid. In adopting the requirements of GASB Statement No. 45 during the year ended June 30, 2008, the Sheriff recognizes the cost of postemployment healthcare in the year when employee services are received, reports the accumulated liability from prior years, and provides information useful in assessing potential demands on the Sheriff's future cash flows. Because the Sheriff is adopting the requirements of GASB Statement No. 45 prospectively, recognition of the liability accumulated from prior years will be phased in over 30 years, commencing with the 2008 liability.

Plan Description

Employees who retire under the Sheriff's Pension and Relief Fund are eligible to elect to continue coverage upon retirement. The Sheriff absorbs the full cost of premiums for health, dental, vision and \$10,000 of life insurance coverage for any deputy who, upon retirement, has attained the age of 55 with at least 15 years experience or has retired with 30 years of service at any age. Retirees may choose to continue coverage for his/her spouse at his/her own expense.

Benefits are administered by CIGNA Health Care as the third party administration for the health plan. No separate financial statements are issued.

The number of participants as of July 1, 2009, follows. There have been no significant changes in the number covered or the types of coverage since that date.

Active Employees	628
Retired Employees	101
Spouses of Retired Employees	<u>30</u>
Total	<u>759</u>

Funding Policy

The Sheriff currently pays for postemployment healthcare benefits on a pay-as-you-go basis. Although the Sheriff is studying the establishment of trusts to accumulate and invest assets necessary to pay for the accumulated liability, these financial statements assume the pay-as-you-go funding will continue.

Annual Other Postemployment Benefit Cost

For the fiscal year ended June 30, 2010, the Sheriff's annual OPEB cost (i.e., expense) of \$5,920,461 is equal to the Annual Required Contributions. Considering the Sheriff's annual OPEB cost as well as the payment of current health insurance premiums, which totaled \$870,865 for retirees and their beneficiaries, the result was an increase in the Net OPEB Obligation of \$5,049,596 for the year ended June 30, 2010.

LAFAYETTE PARISH SHERIFF
NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDED JUNE 30, 2010

J. OTHER POST EMPLOYMENT BENEFITS - continued

Benefit Obligations and Normal Costs

Actuarial Accrued Liability (AAL)	
Retired Employees	\$ 18,396,907
Active Employees	<u>30,256,778</u>
Unfunded Actuarial Accrued Liability (UAAL)	<u>\$ 48,653,685</u>
Normal Cost at Beginning of Year	\$ 2,953,147
Amortization Factor based on 30 years	17.3296
Annual Covered Payroll	26,647,062
UAAL as % of Covered Payroll	182.59%

Level Dollar Amortization

Calculation of ARC under Projected Unit Credit Method

ARC Normal Cost with Interest to End of Year	\$ 3,156,034
Amortization of UAAL with Interest to End of Year	<u>2,919,850</u>
Annual Required Contribution (ARC)	6,075,884
Interest on Net OPEB Obligation	374,171
Adjustment to ARC	<u>(529,594)</u>
Annual OPEB Cost (Expense)	5,920,461
Contribution for the Fiscal Year	<u>(870,865)</u>
Increase in Net OPEB Obligation	5,049,596
Net OPEB Obligation June 30, 2008	<u>9,354,279</u>
Net OPEB Obligation June 30, 2009	<u>\$ 14,403,875</u>
Percent of Annual OPEB Cost Contributed	<u>14.7%</u>

LAFAYETTE PARISH SHERIFF
NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDED JUNE 30, 2010

J. OTHER POST EMPLOYMENT BENEFITS - continued

The Sheriff's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the year ended June 30, 2010 and the preceding two years were as follows:

Year Ended	Annual OPEB Cost	Percentage Contributed	Net OPEB Obligation
6/30/2010	\$ 5,920,461	14.7%	\$ 5,049,596
6/30/2009	\$ 5,608,981	9.3%	\$ 5,090,069
6/30/2008	\$ 4,995,662	14.6%	\$ 4,264,210

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point. The unfunded actuarial accrued liability is being amortized over 30 years on a level dollar open basis.

The projection of future benefits for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of future events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the June 30, 2010 actuarial valuation, the liabilities were computed using the projected unit credit method and level dollar amortization. The actuarial assumptions utilized a 4% discount rate. Because the plan is unfunded, reference to the general assets, which are short-term in nature (such as money market funds), was considered in the selection of the 4% rate. The valuation assumes a 12.37% healthcare cost trend increase (including 5.8% dental) for fiscal year 2010-11, reduced by varying decrements in each subsequent year.

K. 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. During the fiscal year ended June 30, 2008, the Sheriff began matching the employees' deferred compensation amounts at a rate of 50 cents for every dollar contributed by the employee not to exceed two percent of annual gross pay. The total amount contributed for the years ended June 30, 2010 and 2009 was \$46,920 and \$43,005, respectively.

LAFAYETTE PARISH SHERIFF
NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDED JUNE 30, 2010

L. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2010 was as follows:

	Balance July 1, 2009	Additions	Deletions	Balance June 30, 2010
Governmental Activities:				
Building and Improvements	\$ 6,569,919	\$ 1,404,888	\$ -	\$ 7,974,807
Equipment and Furniture	7,731,995	543,079	3,973	8,271,101
Vehicles	4,561,635	766,323	437,333	4,890,625
Construction in Progress	-	129,909	-	129,909
Total	<u>18,863,549</u>	<u>2,844,199</u>	<u>441,306</u>	<u>21,266,442</u>
Less: Accumulated Depreciation				
Building and Improvements	3,082,276	259,750	-	3,342,026
Equipment and Furniture	6,345,664	493,976	3,973	6,835,667
Vehicles	3,443,657	729,617	436,470	3,736,804
Total	<u>12,871,597</u>	<u>1,483,343</u>	<u>440,443</u>	<u>13,914,497</u>
Net Capital Assets	<u>\$ 5,991,952</u>	<u>\$ 1,360,856</u>	<u>\$ 863</u>	<u>\$ 7,351,945</u>

Depreciation expense for the year ended June 30, 2010 was \$1,483,343 and is charged to the public safety function.

M. TAXES PAID UNDER PROTEST

The unsettled balances due to taxing bodies and others in the agency funds at June 30, 2010, include \$382,373 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.

N. CHANGES IN GENERAL LONG-TERM OBLIGATIONS

The Sheriff's long-term debt is attributable to governmental activities and includes compensated absences, claims payable and other post employment benefits. This debt will be liquidated by the general fund.

LAFAYETTE PARISH SHERIFF
NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDED JUNE 30, 2010

N. CHANGES IN GENERAL LONG-TERM OBLIGATIONS -continued

The following is a summary of the long-term obligations transactions of the Lafayette Parish Sheriff for the year ended June 30, 2010:

	Claims Payable	Other Post Employment Benefits	Compensated Absences	Total
Long-Term Obligations Payable at June 30, 2009	\$ 674,797	\$ 9,354,279	\$ 2,122,890	\$ 12,151,966
Additions	-	5,049,596	214,709	5,264,305
Deductions	<u>44,812</u>	<u>-</u>	<u>-</u>	<u>44,812</u>
Long-Term Obligations Payable at June 30, 2010	<u>\$ 629,985</u>	<u>\$ 14,403,875</u>	<u>\$ 2,337,599</u>	<u>\$ 17,371,459</u>
Current Portion				<u>\$ 726,741</u>

O. LITIGATION AND CLAIMS

At June 30, 2010, 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 \$16,746. Those classified as "reasonably possible" are estimated not to exceed \$234,630.

P. 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, 2010**

Q. 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. On July 1, 2007, the Sheriff elected to terminate the Group Self-Insurance Fund and begin accounting for the cost of health insurance in the General Fund.

During the current fiscal year, the Sheriff changed the plan year end date to December 31 from the prior June 30 plan year end date. This has no effect on the reporting for the health plan. The Plan is being administered by CIGNA Life and Annuity Company, Inc. (CIGNA). The plan 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 \$4,690,479 and \$4,634,409 for the plan years ended June 30, 2010 and 2009, respectively. The Sheriff purchased commercial insurance for claims in excess of coverage provided by the Fund.

The claims liability of \$629,985 reported in the General Fund at June 30, 2010 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 2010 and 2009 were:

<u>Year Ended</u>	<u>Beginning of Fiscal Year Liability</u>	<u>Current-Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Balance at Fiscal Year End</u>
June 30, 2009	\$ 498,591	\$ 4,810,615	\$ 4,634,409	\$ 674,797
June 30, 2010	\$ 674,797	\$ 4,645,667	\$ 4,690,479	\$ 629,985

R. 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.

LAFAYETTE PARISH SHERIFF
NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDED JUNE 30, 2010

R. JOINT VENTURE - continued

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, 2010. For the year ended December 31, 2009, the Task Force reported a deficiency of revenues over expenditures in its General Fund of \$(84,690), and an ending fund balance of \$472,449. 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, 2010, the Sheriff paid \$50,000 to the Lafayette Metro Narcotics Task Force.

S. OPERATING LEASES

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

- Lease of land for twenty years dated February 15, 2010. Annual rental payments of \$2,000 for years one through five, \$2,200 for years six through ten, \$2,420 for years 11 through 15 and \$2,662 for years 16-20.
- Lease of facility for three years commencing August 1, 2008 with rental payments of \$2,200 per month.

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

June 30,	
2011	\$ 4,200
2012	2,000
2013	2,000
2014	2,000
2015	2,200
2016-2020	11,220
2021-2025	12,342
2026-2029	<u>10,648</u>
Total	<u>\$46,610</u>

Rental payments included in these financial statements relating to these leases totaled \$28,400.

T. SUBSEQUENT EVENT

On October 21, 2010, the Sheriff received approval from the Louisiana State Bond Commission to issue up to \$20 million of Limited Tax Revenue Bonds to fund expansions of facilities and equipment.

**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, 2010

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Self-generated Fees, Services, Ad Valorem Taxes and Sales Taxes	\$ 41,008,804	\$ 43,460,344	\$ 43,183,478	\$ (276,866)
Federal, State and Parish Appropriations	3,226,901	4,561,500	4,662,001	100,501
Other Revenues	660,125	646,063	728,124	82,061
Total Revenues	44,895,830	48,667,907	48,573,603	(94,304)
Expenditures:				
Current -				
Public Safety:				
Personal Services and Related Benefits	33,637,758	36,323,149	36,313,761	9,388
Operating Services	3,904,657	4,164,756	3,851,898	312,858
Materials and Supplies	1,391,071	1,475,430	1,203,440	271,990
Other Charges	2,960,568	3,059,070	3,060,295	(1,225)
Capital Outlay	1,600,324	2,856,000	2,844,199	11,801
Total Expenditures	43,494,378	47,878,405	47,273,593	604,812
Excess of Revenues Over Expenditures	1,401,452	789,502	1,300,010	510,508
Other Financing Sources (Uses):				
Sale of Assets	-	-	42,365	42,365
Total Other Financing Sources (Uses)	-	-	42,365	42,365
Excess of Revenues and Other Sources Over Expenditures and Other Uses	1,401,452	789,502	1,342,375	552,873
Fund Balance, Beginning	21,606,127	21,606,127	21,606,127	-
Fund Balance, Ending	\$ 23,007,579	\$ 22,395,629	\$ 22,948,502	\$ 552,873

LAFAYETTE PARISH SHERIFF

**SCHEDULE OF FUNDING PROGRESS OF OPEB PLAN-
FOR THE YEAR ENDED JUNE 30, 2010**

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL) Projected Unit Cost</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
	(a)	(b)	(b-a)	(a/b)	(c)	[(b-a)/c]
7/1/2007	\$ -	\$ 41,623,202	\$ 41,623,202	-	\$ 21,586,197	192.82%
7/1/2008	\$ -	\$ 46,236,238	\$ 46,236,238	-	\$ 24,092,372	191.91%
7/1/2009	\$ -	\$ 48,659,685	\$ 48,659,685	-	\$ 26,647,062	182.61%

**OTHER SUPPLEMENTARY
INFORMATION**

LAFAYETTE PARISH SHERIFF

GENERAL FUND

STATEMENT OF REVENUES COMPARED TO BUDGET (GAAP BASIS)
YEAR ENDED JUNE 30, 2010

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Self-generated Fees, Services, Ad Valorem				
Taxes and Sales Taxes:				
Ad Valorem Taxes	\$ 24,832,635	\$ 26,900,000	\$ 26,326,886	\$ (573,114)
Sales Tax Revenue	4,800,000	4,571,304	4,777,734	206,430
Civil and Criminal Fees	2,014,230	2,608,615	2,787,451	178,836
Court Attendance	44,987	25,800	27,450	1,650
Feeding and Keeping Prisoners	3,747,839	4,004,792	3,953,828	(50,964)
Community Corrections	2,202,561	1,908,752	2,058,179	149,427
Contractual Arrangements	3,366,552	3,441,081	3,251,950	(189,131)
Total Self-generated Fees, Services, Ad Valorem Taxes and Sales Taxes	41,008,804	43,460,344	43,183,478	(276,866)
Federal, State and Parish Appropriations:				
Federal Grants	273,218	613,974	577,698	(36,276)
State Revenue Sharing (Net)	844,138	814,000	813,806	(194)
State Supplemental Pay	938,226	2,068,576	2,082,295	13,719
State, City and Parish Grants	1,171,319	1,064,950	1,188,202	123,252
Total Federal, State and Parish Appropriations	3,226,901	4,561,500	4,662,001	100,501
Other Revenues:				
Interest Income	249,255	103,631	123,894	20,263
Miscellaneous	410,870	542,432	604,230	61,798
Total Other Revenues	660,125	646,063	728,124	82,061
Total Revenues	\$ 44,895,830	\$ 48,667,907	\$ 48,573,603	\$ (94,304)

LAFAYETTE PARISH SHERIFF

GENERAL FUND

STATEMENT OF EXPENDITURES COMPARED TO BUDGET (GAAP BASIS)
YEAR ENDED JUNE 30, 2010

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Current:				
Public Safety -				
Personal Services and Related Benefits:				
Sheriff Salary	\$ 116,085	\$ 126,219	\$ 125,205	\$ 1,014
Deputies Salaries	24,842,794	26,426,092	26,521,857	(95,765)
Pension and Payroll Taxes	4,096,584	4,530,159	4,577,331	(47,172)
Sheriff's Expense Allowance	12,429	12,622	12,520	102
Hospitalization Insurance	4,466,613	5,110,724	4,939,520	171,204
Other Employee Expenses	103,253	117,333	137,328	(19,995)
Total Personal Services and Related Benefits	<u>33,637,758</u>	<u>36,323,149</u>	<u>36,313,761</u>	<u>9,388</u>
Operating Services:				
Auto and Liability Insurance	1,321,925	1,444,382	1,342,807	101,575
Leases	173,528	185,982	191,942	(5,960)
Telephone and Utilities	503,269	484,500	477,368	7,132
Fuel and Oil	669,102	677,992	718,609	(40,617)
Maintenance and Repairs	846,282	861,900	726,947	134,953
Legal and Professional Fees	390,551	510,000	394,225	115,775
Total Operating Services	<u>3,904,657</u>	<u>4,164,756</u>	<u>3,851,898</u>	<u>312,858</u>
Materials and Supplies:				
Uniforms	211,502	258,060	209,810	48,250
Small Equipment and Supplies	548,598	617,100	542,242	74,858
Ordinance	113,824	100,980	62,157	38,823
Office Expense	493,658	448,800	350,206	98,594
Publications	23,489	50,490	39,025	11,465
Total Materials and Supplies	<u>1,391,071</u>	<u>1,475,430</u>	<u>1,203,440</u>	<u>271,990</u>
Other Charges:				
Prisoner Feeding and Maintenance	2,596,410	2,677,500	2,670,834	6,666
Criminal Investigation Expense	5,842	2,342	54,171	(51,829)
Training, Travel and Conventions	186,500	199,778	190,444	9,334
Dues	107,702	90,400	72,516	17,884
Juvenile Programs	2,508	1,196	1,180	16
Canine	11,606	22,793	23,251	(458)
Other Expenses	-	-	7,899	(7,899)
Appropriation to Parish Government - Metro Narcotics	50,000	65,061	40,000	25,061
Total Other Charges	<u>2,960,568</u>	<u>3,059,070</u>	<u>3,060,295</u>	<u>(1,225)</u>
Capital Outlay	<u>1,600,324</u>	<u>2,856,000</u>	<u>2,844,199</u>	<u>11,801</u>
Total Expenditures	<u>\$43,494,378</u>	<u>\$47,878,405</u>	<u>\$47,273,593</u>	<u>\$ 604,812</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, 2010**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Commissary Commission Income	\$ 270,000	\$ 300,000	\$ 301,298	\$ 1,298
Product Sales	156,500	190,000	208,239	18,239
Interest	1,500	1,200	1,577	377
Miscellaneous	48,394	4,925	17,154	12,229
Total Revenues	<u>476,394</u>	<u>496,125</u>	<u>528,268</u>	<u>32,143</u>
Expenditures:				
Current -				
Personal Services and Related Benefits	50,567	52,000	53,349	(1,349)
Operating Services:				
Cost of Goods Sold	129,250	165,000	144,831	20,169
Supplies	75,195	125,350	108,975	16,375
Payments to Inmate Work				
Crews and Indigent Inmates	97,670	130,000	122,834	7,166
Miscellaneous	41,200	55,315	53,258	2,057
Total Operating Services	<u>343,315</u>	<u>475,665</u>	<u>429,898</u>	<u>45,767</u>
Capital Outlay	<u>50,008</u>	-	-	-
Total Expenditures	<u>443,890</u>	<u>527,665</u>	<u>483,247</u>	<u>44,418</u>
Excess (Deficiency) of Revenues over Expenditures	32,504	(31,540)	45,021	76,561
Fund Balance, Beginning	<u>375,024</u>	<u>375,024</u>	<u>375,024</u>	-
Fund Balance, Ending	<u>\$ 440,032</u>	<u>\$ 311,944</u>	<u>\$ 465,066</u>	<u>\$ 153,122</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.

Evidence Fund

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

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, 2010

	Sheriff's Fund	Tax Collector Fund	Deputy Fund	Bond Fund	Prison Inmate Fund	Evidence Fund	Juvenile Day Reporting Fund	Total
ASSETS								
Cash	\$ -	\$ -	\$ -	\$ 200	\$ -	\$ 176,593	\$ -	\$ 176,793
Interest-Bearing Deposits	448,346	954,145	8,948	1,121,964	429,585	-	131	2,963,119
Total Assets	<u>\$ 448,346</u>	<u>\$ 954,145</u>	<u>\$ 8,948</u>	<u>\$ 1,122,164</u>	<u>\$ 429,585</u>	<u>\$ 176,593</u>	<u>\$ 131</u>	<u>\$ 3,139,912</u>
LIABILITIES								
Due to Taxing Bodies and Others	\$ 448,346	\$ 954,145	\$ 8,948	\$ 1,122,164	\$ 33,163	\$ 176,593	\$ 131	\$ 2,743,490
Due to Prisoners	-	-	-	-	396,422	-	-	396,422
Total Liabilities	<u>\$ 448,346</u>	<u>\$ 954,145</u>	<u>\$ 8,948</u>	<u>\$ 1,122,164</u>	<u>\$ 429,585</u>	<u>\$ 176,593</u>	<u>\$ 131</u>	<u>\$ 3,139,912</u>

**COMPLIANCE
AND
INTERNAL CONTROL**

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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*

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

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

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, 2010, which collectively comprise the Lafayette Parish Sheriff's basic financial statements and have issued our report thereon dated December 16, 2010. 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

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BRIDGET B. TILLEY, CPA, MT
ABBY T. TRAHAN, CPA, MS
TENA B. VIATOR, 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 *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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 16, 2010

LAFAYETTE PARISH SHERIFF

**SCHEDULE OF CURRENT YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2010**

We have audited the financial statements of the Lafayette Parish Sheriff as of and for the year ended June 30, 2010, and have issued our report thereon dated December 16, 2010. 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, 2010 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 No
Significant Deficiencies Yes No

Compliance

Compliance Material to Financial Statements Yes No

Section II - Financial Statement Findings

There were no findings in the current year.

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, 2010

There were no prior year findings.