

LAFAYETTE PARISH SHERIFF
FINANCIAL REPORT AND
SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2011

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 JAN 18 2012

TABLE OF CONTENTS

	Page
INDEPENDENT AUDITORS' REPORT	1-2
MANAGEMENT'S DISCUSSION AND ANALYSIS	3-12
BASIC FINANCIAL STATEMENTS	
GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)	
Statement of Net Assets	15
Statement of Activities	16
FUND FINANCIAL STATEMENTS (FFS)	
FUND DESCRIPTIONS	
Balance Sheet - Governmental Funds	19
Reconciliation of Total Governmental Fund Balance to Net Assets of Governmental Activities	20
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	21
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	22
Agency Funds:	
Statement of Assets and Liabilities	23
Notes to Financial Statements	24-46
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of Revenues, Expenditures and Changes in Fund Balance- Budget and Actual (GAAP Basis)	48
Schedule of Funding Progress for OPEB Plan	49
OTHER SUPPLEMENTARY INFORMATION	
Statement of Revenues Compared to Budget (GAAP Basis)-General Fund	51
Statement of Expenditures Compared to Budget (GAAP Basis)-General Fund	52
Special Revenue Fund Inmate Welfare Fund:	
Statement of Revenues, Expenditures and Changes in Fund Balance- Budget (GAAP Basis) and Actual	53

TABLE OF CONTENTS (CONTINUED)

	<u>Page</u>
FIDUCIARY FUND TYPE - AGENCY FUNDS	
Combining Balance Sheet	55
Tax Collector Affidavit	56
COMPLIANCE AND INTERNAL CONTROL	
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	58-59
Schedule of Current Year Findings	60
Schedule of Prior Year Findings	61

WRIGHT, MOORE, DeHART, DUPUIS & HUTCHINSON, L.L.C.

Certified Public Accountants
100 Petroleum Drive, 70508
P. O. Box 80569 • Lafayette, Louisiana 70598-0569
(337) 232-3637 • FAX (337) 235-8557
www.wmdh.com

INDEPENDENT AUDITORS' REPORT

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

** A PROFESSIONAL CORPORATION
** A LIMITED LIABILITY COMPANY

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

+RETIRED



STEPHANIE A. BLANK, CPA
ROBERT T. DUCHARME, II, CPA
JUDITH FAULK, CPA
STUART FLEMING, CPA
MARY PATRICIA KEELEY, CPA
JOAN MARTIN, CPA, CVA, CFE, DABFA
TANYA L. MIGUES, CPA
WENDY ORTEGO, CPA
ROBIN G. STOCKTON, CPA
BRIDGET B. TILLEY, CPA, MT
ABBY T. TRAHAN, CPA, MS
TINA B. VIATOR, CPA

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

We have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Lafayette Parish Sheriff, as of and for the year then ended June 30, 2011, 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and the aggregate remaining fund information of the Lafayette Parish Sheriff, as of June 30, 2011, 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 5, 2011 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, 48 and 49 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 5, 2011

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, 2011. 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 \$8,348,387 (net assets) for the fiscal year reported.

Total net assets are comprised of the following:

1. Capital assets, net of related debt, of \$8,301,547 represents property and equipment, net of accumulated depreciation, reduced by outstanding debt related to the purchase of capital assets.
2. Unrestricted net assets of \$46,840, represents 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 \$22,472,802 this year. This compares to the prior year ending fund balance of \$23,368,547 showing a decrease of \$895,745 during the current year.

At the end of the current fiscal year, unassigned fund balance for the General Fund was \$21,628,975, or 43% of total General Fund expenditures and 44% of total General Fund revenues. This represents a decrease in General Fund unassigned fund balance of \$792,802.

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.

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.

Lafayette Parish Sheriff
Lafayette, Louisiana

Management's Discussion and Analysis

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.

Lafayette Parish Sheriff
Lafayette, Louisiana

Management's Discussion and Analysis

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

The basic agency fund financial 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 54.

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 47 of this report.

In addition, more detailed general fund budget information is presented as supplementary information and can be found on page 51 and 52 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.

The Sheriff's net assets at fiscal year-end are \$8,348,387. The following table provides a summary of the Sheriff's net assets:

**Lafayette Parish Sheriff
Lafayette, Louisiana**

Management's Discussion and Analysis

Summary of Net Assets

	2011		2010	
Assets:				
Current and Other Assets	\$ 24,685,075	75%	\$ 25,056,279	77%
Capital Assets Net of Accumulated Depreciation	8,301,547	25%	7,351,945	23%
Total Assets	\$ 32,986,622	100%	\$ 32,408,224	100%
 Liabilities:				
Current liabilities	\$ 2,212,273	9%	\$ 1,687,732	9%
Non-current liabilities	22,425,962	91%	16,644,718	91%
Total Liabilities	\$ 24,638,235	100%	\$ 18,332,450	100%
 Net Assets:				
Investment in Capital Assets Net of Related Debt	\$ 8,301,547	99%	\$ 7,351,945	52%
Unrestricted	46,840	1%	6,723,829	48%
Total Net Assets	\$ 8,348,387	100%	\$ 14,075,774	100%
Total Liabilities and Net Assets	\$ 32,986,622		\$ 32,408,224	

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

The Sheriff reported positive balances in net assets for governmental activities. The general fund reported a decrease in fund balance of \$829,940. This decrease was mostly a result of non-recurring capital expenditures related to design of the Sheriff's new Public Safety Complex.

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

Lafayette Parish Sheriff
Lafayette, Louisiana

Management's Discussion and Analysis

**Summary of Changes in Net Assets
From Governmental Activities**

Revenues	<u>2011</u>		<u>2010</u>	
Program:				
Charges for Services	\$11,994,982	24%	\$ 12,588,395	26%
Operating Grants and Contributions	1,345,797	3%	1,765,900	4%
General:				
Property Taxes	27,177,254	55%	26,326,886	54%
Sales Taxes	5,267,003	11%	4,777,734	10%
State Revenue Sharing	813,187	2%	813,806	2%
State Supplemental Pay	2,143,734	4%	2,082,295	4%
Investment Earnings	120,766	0%	125,471	0%
Gain on Sale of Assets	34,033	0%	41,504	0%
Other General Revenues	<u>644,673</u>	1%	<u>621,382</u>	1%
Total General Revenues	<u>49,541,429</u>	100%	<u>49,143,373</u>	100%
Program Expenses				
Public Safety	55,268,816	100%	51,684,205	100%
Interest on Long Term Debt	<u>-</u>	0%	<u>-</u>	0%
Total Expenses	<u>55,268,816</u>	100%	<u>51,684,205</u>	100%
Change in Net Assets	<u>(5,727,387)</u>		<u>(2,540,832)</u>	
Beginning Net Assets	<u>14,075,774</u>		<u>16,616,606</u>	
Ending Net Assets	<u>\$ 8,348,387</u>		<u>\$ 14,075,774</u>	

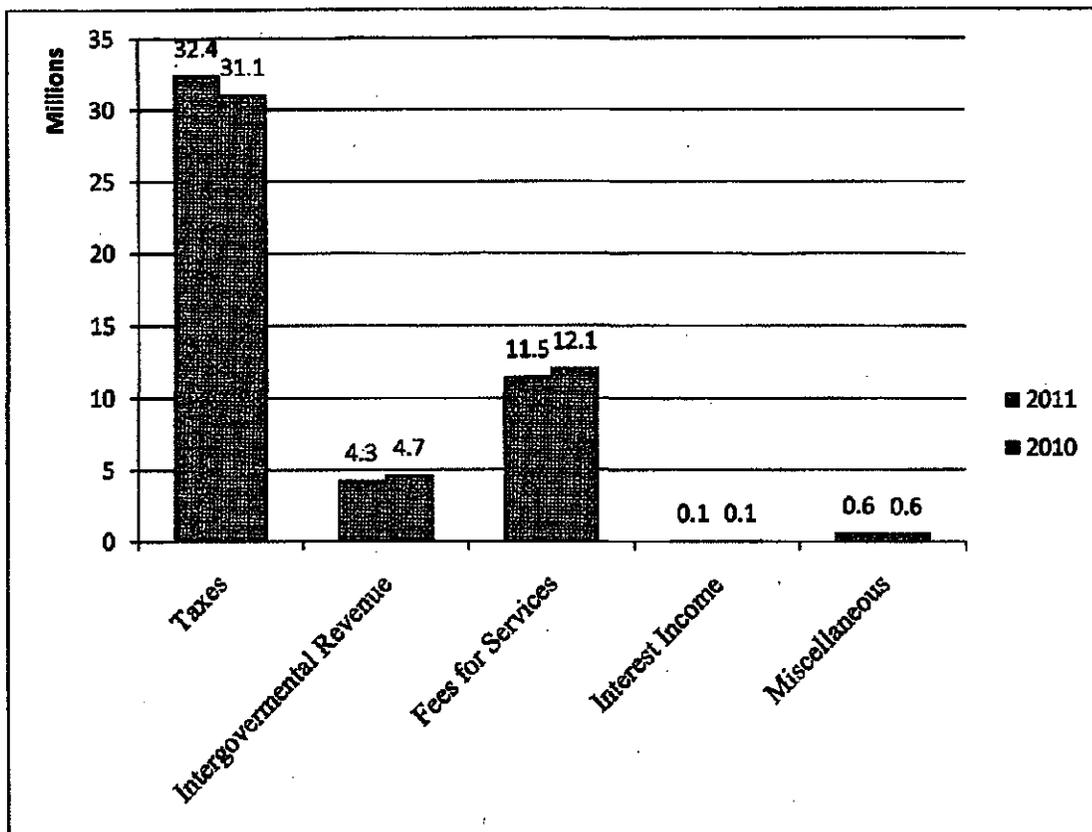
GOVERNMENTAL REVENUES

The Sheriff relies upon sales and property taxes to support its operations. These taxes provided 66% of the Sheriff's total revenues. Because of the Sheriff's financial position, \$120,766 in interest was earned to help support governmental activities. Also, note that program revenues offset 24% of governmental operating expenses. Therefore, the Sheriff's other general revenue and taxes fund 76% of operations.

Lafayette Parish Sheriff
Lafayette, Louisiana

Management's Discussion and Analysis

Revenues by Source



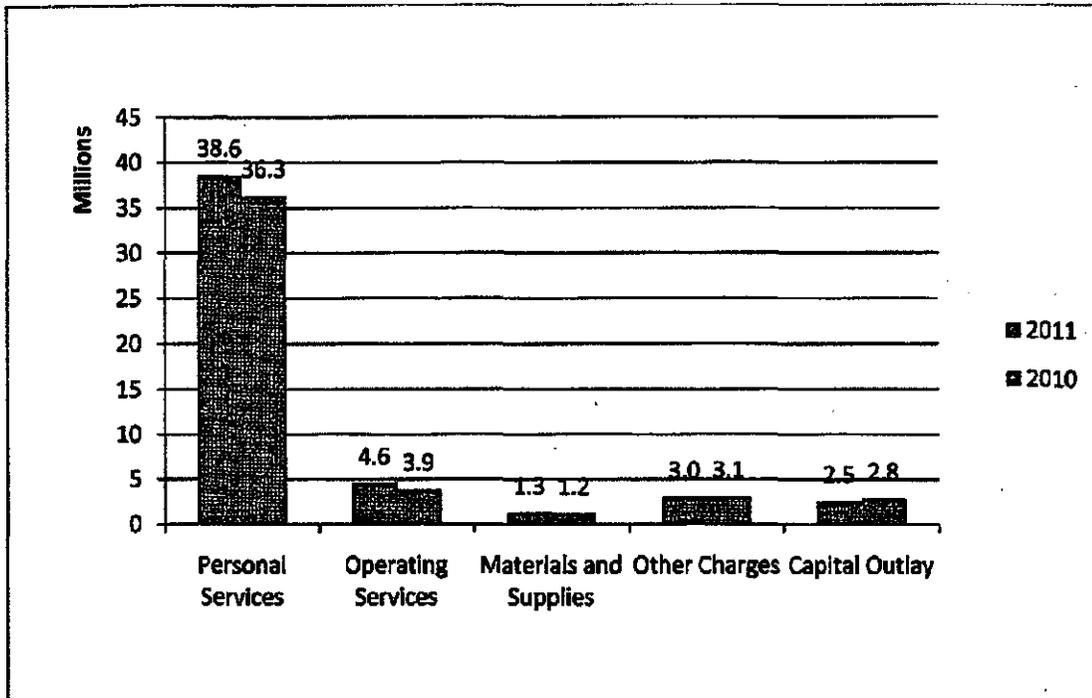
GOVERNMENTAL FUNCTIONAL EXPENSES

The total function of the Sheriff's office is public safety activities. Of the total costs, depreciation on buildings, equipment and vehicles was \$1,586,445 or 2.87% of total expenses.

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 \$22,472,802, a decrease of \$895,745 from last year. Of this total, \$580,742 is reported as nonspendable because it represents amounts for inventory and prepaid expenses, with the remainder available for continuing Sheriff's activities.

MAJOR GOVERNMENTAL FUNDS

The General Fund is the Sheriff's primary operating fund and the largest source of day-to-day service delivery. The General Fund's fund balance decreased by \$829,940 from the prior year.

Operating expenditures were approximately \$49.8m, an increase of 5% from fiscal 2010. The vast majority of the increase can be attributed to an increase in personal services of \$2.25m. 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.

**Lafayette Parish Sheriff
Lafayette, Louisiana**

Management's Discussion and Analysis

BUDGETARY HIGHLIGHTS

General Fund

The General Fund final budgeted revenue were less than the original budgeted amounts by approximately 2% or \$1,079,465. Some variances of note:

- o Sales tax revenue of \$1m greater than expected. Prior year sales tax revenue and poor projections led to very conservative budgeting.
- o Contractual Arrangements did not meet expectations and were down \$392k.
- o An increase in fees generated through the Civil department of \$300k.

The final budget reflects a 9% increase in expenditures over the original budget. This variance is attributable to:

- o Personal Services
 - o Several new programs were begun which required additional staff as well as annual pay increases contributed to an increase in salary cost of \$1m.
- o Operating Services
 - o Operating services increased by 24% or \$900k. This increase was in the area of fuel, maintenance and legal expenses.
- o Capital Outlay
 - o In 2011, the Sheriff purchased several upgraded systems. A new phone system was replaced which will reduce operating costs moving forward, an upgraded time and attendance system was purchased, and architectural design fees, part of a construction in progress project, were paid for with reserve funds.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Long-Term Debt

At the end of the fiscal year, the Sheriff had debt in the form of claims payable, OPEB Liability (see below), medical claims payable, and compensated absences. The total obligation for these liabilities is \$23.2m, of which \$801k 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, 2011 is \$20m. 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 \$5.6m. 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. Plans are currently being discussed to limit the benefits afforded to future retirees, which will require a change to state statute.

Lafayette Parish Sheriff
Lafayette, Louisiana

Management's Discussion and Analysis

Capital Assets

The Sheriff's investment in capital assets, net of accumulated depreciation for the most part held steady from 2010 to 2011.

	<u>Governmental Activities</u>	
	<u>2011</u>	<u>2010</u>
Capital Assets		
Depreciable Assets		
Buildings and Improvements	\$ 8,050,650	\$ 7,974,807
Equipment and Furniture	9,395,235	8,271,101
Vehicles	4,966,541	4,890,625
Constructin in Progress	<u>1,101,247</u>	<u>129,909</u>
Total Depreciable Assets	23,513,673	21,266,442
Less Accumulated Depreciation	<u>15,212,126</u>	<u>13,914,497</u>
Book Value - depreciable assets	<u>\$ 8,301,547</u>	<u>\$ 7,351,945</u>
Percentage depreciated	<u>65%</u>	<u>65%</u>

At June 30, 2011, the depreciable capital assets for governmental activities were 65% depreciated, the same as in the prior year.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Many factors were taken into consideration when preparing the fiscal 2012 budget. Most revenues are expected to remain steady. A modest increase is still expected in property tax revenue while sales taxes which were down in 2010 have shown a modest improvement in 2011.

The Work Release program was initiated on July 1, 2004 and after years of steady growth, a decline in activity caused by factors controlled by the State Department of Corrections is expected. Also, jail overcrowding has forced the Corrections Division to transfer more state inmates, making the pool from which to draw work release inmates even smaller. 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.

As reported last year, the Sheriff 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. Construction of the new facility will begin in 2012, however at budget time, it was not known if and when the facility would be built. Financing and construction costs have not been factored into the 2012 budget.

**Lafayette Parish Sheriff
Lafayette, Louisiana**

Management's Discussion and Analysis

Projections for 2012 show a modest increase in revenue, basically from sales tax, property tax, program revenue and inmate per diem. It is expected that construction on the new facility discussed in the preceding paragraph should begin mid to late fiscal 2012, and be complete at or near the end of fiscal 2013. The Sheriff has been authorized by the Louisiana State Bond Commission to sell and issue up to \$23m in Tax Revenue Bonds to pay for construction of the facility. As also previously stated, architectural fees of approximately \$1.4m have been paid out of operating funds and a contract is expected to be awarded in January or February of 2012.

The majority of other revenues and expenditures are expected to remain fairly constant in fiscal year 2012 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, 2011

	<u>GOVERNMENTAL ACTIVITIES</u>
LIABILITIES AND NET ASSETS	
LIABILITIES	
Current Liabilities:	
Accounts Payable	\$ 769,086
Accrued Expenses	159,768
Due to Other Governmental Units	481,931
Claims Payable - Current	708,761
Current Portion-Compensated Absences	<u>92,727</u>
Total Current Liabilities	<u>2,212,273</u>
Non-current Liabilities:	
Other Post Employment Benefits	20,053,857
Accrued Compensated Absences	<u>2,372,105</u>
Total Noncurrent Liabilities	<u>22,425,962</u>
TOTAL LIABILITIES	<u>24,638,235</u>
NET ASSETS	
Invested in Capital Assets, Net of Related	
Debt	8,301,547
Unrestricted	<u>46,840</u>
TOTAL NET ASSETS	<u>8,348,387</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 32,986,622</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, 2011

	Program Revenues		Net (Expenses) Revenues and Changes in Net Assets
	Charges for Services	Operating Grants and Contributions	
Governmental Activities			
Public Safety	<u>\$ 55,268,816</u>	<u>\$ 1,345,797</u>	<u>\$ (41,928,037)</u>
Total Governmental Activities	<u>\$ 55,268,816</u>	<u>\$ 1,345,797</u>	<u>(41,928,037)</u>

General Revenues:
 Property Taxes 27,177,254
 Sales Taxes 5,267,003
 State Revenue Sharing 813,187
 State Supplemental Pay 2,143,734
 Investment Earnings 120,766
 Gain on Sale of Assets 34,033
 Other General Revenues 644,673
Total General Revenues 36,200,650

Change in Net Assets (5,727,387)

Net Assets-Beginning 14,075,774

Net Assets-Ending \$ 8,348,387

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, 2011

	General Fund	Special Revenue Fund Non-Major	Total Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash	\$ 112,844	\$ -	\$ 112,844
Interest-Bearing Deposits	19,360,473	215,042	19,575,515
Investments	1,328,894	-	1,328,894
Prepaid Expenses	489,587	-	489,587
Inventory	-	91,155	91,155
Receivables:			
Due From Other Governmental Units	2,899,182	36,742	2,935,924
Due From Other Funds	9,522	20	9,542
Other	<u>126,547</u>	<u>24,609</u>	<u>151,156</u>
 Total Assets	 <u>\$ 24,327,049</u>	 <u>\$ 367,568</u>	 <u>\$ 24,694,617</u>
 LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable	\$ 768,811	\$ 275	\$ 769,086
Due to Other Governmental Units	481,931	-	481,931
Due to Other Funds	20	9,522	9,542
Other Accrued Liabilities	<u>957,725</u>	<u>3,531</u>	<u>961,256</u>
Total Liabilities	<u>2,208,487</u>	<u>13,328</u>	<u>2,221,815</u>
 Fund Balances:			
Nonspendable	489,587	91,155	580,742
Restricted	-	263,085	263,085
Unassigned	<u>21,628,975</u>	<u>-</u>	<u>21,628,975</u>
Total Fund Balances	<u>22,118,562</u>	<u>354,240</u>	<u>22,472,802</u>
 Total Liabilities and Fund Equity	 <u>\$ 24,327,049</u>	 <u>\$ 367,568</u>	 <u>\$ 24,694,617</u>

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

LAFAYETTE PARISH SHERIFF

**RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE
TO NET ASSETS OF GOVERNMENTAL ACTIVITIES**

JUNE 30, 2011

Total Governmental Fund Balances	\$ 22,472,802
<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.	8,301,547
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	<u>(22,425,962)</u>
<i>Net Assets of Governmental Activities</i>	<u>\$ 8,348,387</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, 2011**

	General Fund	Special Revenue Fund Non-Major	Total Governmental Funds
Revenues:			
Ad Valorem Taxes	\$ 27,177,254	\$ -	\$ 27,177,254
Sales Tax Revenue	5,267,003	-	5,267,003
Intergovernmental Revenues -			
Federal Grants	182,767	-	182,767
State Revenue Sharing (Net)	813,187	-	813,187
State Supplemental Pay	2,143,734	-	2,143,734
State, City and Parish Grants	1,163,030	-	1,163,030
Fees, Charges, and Commissions for Services -			
Civil and Criminal Fees	2,794,217	-	2,794,217
Court Attendance	29,200	-	29,200
Feeding and Keeping Prisoners	3,743,463	-	3,743,463
Commissary Commission Income	-	281,607	281,607
Product Sales	-	210,966	210,966
Community Corrections	1,730,007	-	1,730,007
Interest Income	119,215	1,551	120,766
Contractual Arrangements	3,205,522	-	3,205,522
Miscellaneous	640,343	4,330	644,673
Total Revenues	<u>49,008,942</u>	<u>498,454</u>	<u>49,507,396</u>
Expenditures:			
Current -			
Public Safety:			
Personal Services and Related Benefits	38,572,387	49,142	38,621,529
Operating Services	4,562,763	160,543	4,723,306
Materials and Supplies	1,257,578	323,307	1,580,885
Other Charges	2,972,090	3,317	2,975,407
Capital Outlay	2,516,929	27,950	2,544,879
Total Expenditures	<u>49,881,747</u>	<u>564,259</u>	<u>50,446,006</u>
Deficiency of Revenues Over Expenditures	<u>(872,805)</u>	<u>(65,805)</u>	<u>(938,610)</u>
Other Financing Sources (Uses):			
Sale of Assets	42,865	-	42,865
Deficiency of Revenues and Other Sources Over Expenditures and Other Uses	(829,940)	(65,805)	(895,745)
Fund Balances, Beginning	<u>22,948,502</u>	<u>420,045</u>	<u>23,368,547</u>
Fund Balances, Ending	<u>\$ 22,118,562</u>	<u>\$ 354,240</u>	<u>\$ 22,472,802</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, 2011**

Net Change in Fund Balances - Total Governmental Funds \$ (895,745)

*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. 958,434

Some expenses 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. (5,781,244)

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. (8,832)

Change in Net Assets of Governmental Activities \$ (5,727,387)

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

LAFAYETTE PARISH SHERIFF

**STATEMENT OF ASSETS AND LIABILITIES
AGENCY FUNDS
JUNE 30, 2011**

	<u>Total Agency Funds</u>
Assets:	
Cash and Interest Bearing Deposits	\$ 5,126,676
Total Assets	<u>\$ 5,126,676</u>
Liabilities:	
Due to Taxing Bodies and Others	\$ 4,845,852
Due to Prisoners	<u>280,824</u>
Total Liabilities	<u>\$ 5,126,676</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, 2011

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 licenses, state revenue sharing funds, 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, et cetera, that are controlled by the Sheriff as an independently elected parish official. As an independently elected parish official, the Sheriff is solely responsible for the operations of his office, which include the hiring and retention of employees, authority over budgeting, responsibility for deficits, and the receipt and disbursement of funds. Other than certain operating expenditures of the Sheriff's office that are paid or provided by the parish council 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, 2011

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, 2011

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, 2011**

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, 2011

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, 2011, the Sheriff's investments in LAMP, which are stated at fair value based on quoted market rates, amounted to \$1,328,894.

LAFAYETTE PARISH SHERIFF

NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDED JUNE 30, 2011

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.

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. All accumulated annual leave, as of June 30th of each year, that exceeds the employee's annual earned allowance is converted to extended sick leave. Extended sick leave may be accumulated up to a maximum of 960 hours. Accumulated sick leave is paid only to employees who retire from the Sheriff's Pension and Relief Fund upon termination of employment with the Lafayette Parish Sheriff's Office. The amount of sick leave paid is prorated on a sliding scale based upon years of service to Lafayette Parish. At June 30, 2011, 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, 2011

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, 2011, 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, 2011 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, 2011.
- 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. The Sheriff elected to implement GASB No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, in fiscal year 2011. In the fund financial statements, the governmental fund reports the following classifications of fund balance:

- a. Nonspendable – includes amounts that cannot be spent because they are either not spendable in form or legally or contractually required to be maintained intact. All amounts reported as nonspendable at June 30, 2011, by the Sheriff are nonspendable in form. The Sheriff has not reported any amounts that are legally or contractually required to be maintained intact.
- b. Restricted – includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provisions or enabling legislation.

LAFAYETTE PARISH SHERIFF

**NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDED JUNE 30, 2011**

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

11. Equity Classifications - continued

- c. Committed – includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to directives of the Sheriff who has the highest level of decision making authority. Commitments may be modified or rescinded only through actions of the Sheriff.
- d. Assigned – includes amounts that the Sheriff intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. The Sheriff or his designee may assign amounts to this classification.
- e. Unassigned – includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the General Fund. The Sheriff reports all amounts that meet the unrestricted General Fund Balance Policy described below as unassigned.

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

12. Prepaid Items

Insurance payments made to insurance agencies that will benefit periods beyond June 30, 2011 are recorded as prepaid items.

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."

LAFAYETTE PARISH SHERIFF

**NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDED JUNE 30, 2011**

**B. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS -
continued**

The details of this difference are as follows:

Capital Outlay	\$ 2,544,879
Depreciation	<u>(1,586,445)</u>

Net Adjustment to Increase Net Changes in Fund Balances -

Total Governmental Funds to Arrive at Changes in Net Assets of Governmental Activities	<u>\$ 958,434</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, 2011, the Sheriff has cash and interest-bearing deposits (book balances) totaling \$24,815,035 of which \$5,126,676 is attributable to fiduciary funds, which are not presented in the statement of net assets.

Custodial Credit Risk Relating to Deposits

Custodial credit risk is the risk that, in the event of bank failure, the Sheriff's deposits might not be recovered. The Sheriff does not have a policy for custodial credit risk, however, under state law, these deposits, (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank.

The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

As of June 30, 2011, \$25,299,017 of the Sheriff's bank balances of \$25,549,017 was exposed to custodial credit risk as follows:

Bank Balances	<u>\$ 25,549,017</u>
Federal Deposit Insurance	\$ 250,000
Pledged Securities (Category 3)	<u>25,299,017</u>
 Total	 <u>\$ 25,549,017</u>

LAFAYETTE PARISH SHERIFF

**NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDED JUNE 30, 2011**

C. CASH AND INTEREST-BEARING DEPOSITS - continued

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

D. INVESTMENTS

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

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

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LSA - R.S. 33:2955. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U. S. Treasury, the U. S. Government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities.

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

The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool shares.

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

LAFAYETTE PARISH SHERIFF

**NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDED JUNE 30, 2011**

D. INVESTMENTS - continued

At June 30, 2011, the Sheriff's investments totaled \$1,328,894 as follows:

<u>Description</u>	<u>Category</u>	<u>Interest Rate</u>	<u>Carrying Amount/ Amortized Cost</u>	<u>Approximate Fair Market Value</u>
Louisiana Asset Management Pool (LAMP)	N/A	variable	\$ <u>1,328,894</u>	\$ <u>1,328,894</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, 2011, 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 \$1,975,116,139. 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 2010 were \$27,358,236.

F. 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	\$ 61,275
Finished Goods	<u>29,880</u>
Total	<u>\$ 91,155</u>

LAFAYETTE PARISH SHERIFF

**NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDED JUNE 30, 2011**

G. DUE FROM OTHER GOVERNMENTAL UNITS

A summary of due from other governmental units of \$2,935,924 at June 30, 2011 follows:

Sales Tax Revenue	\$	979,128
Interest on Taxes		10,681
Ad Valorem Tax Revenue		278,209
Intergovernmental Revenues -		
Federal Grants		14,035
State, City, and Parish Grants		294,268
Food Service Contracts		7,364
Fees, Charges and Commissions for Services -		
Civil and Criminal Fees		40,997
Court Attendance		4,825
Licenses		31,166
Forfeitures		15,210
Telephone		28,859
Transporting Prisoners		15,902
Product Sales		36,742
Feeding and Keeping Prisoners -		
Parish Government		217,359
State Government		534,491
Other Contracts		258,217
Miscellaneous		<u>168,471</u>
 Total	 \$	 <u>2,935,924</u>

H. INTERFUND TRANSACTIONS

Purpose	Receivable Fund	Payable Fund	Amount
Due to/From:			
Repayment of Commissions	General	Special Revenue	\$ <u>9,522</u>
Repayment of Credit Card Receipts	Special Revenue	General	\$ <u>20</u>

LAFAYETTE PARISH SHERIFF
NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDED JUNE 30, 2011

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, 2011 and 2010 amounted to \$427,214 and \$428,834, 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 12% 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, 2011, 2010, and 2009 were \$4,553,970, \$4,073,803 and \$3,572,006, respectively.

LAFAYETTE PARISH SHERIFF
NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDED JUNE 30, 2011

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, 2010, follows. There have been no significant changes in the number covered or the types of coverage since that date.

Active Employees	603
Retired Employees	104
Spouses of Retired Employees	<u>62</u>
Total	<u>769</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, 2011, the Sheriff's annual OPEB cost (i.e., expense) of \$6,720,211 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 \$1,070,229 for retirees and their beneficiaries, the result was an increase in the Net OPEB Obligation of \$5,649,982 for the year ended June 30, 2011.

LAFAYETTE PARISH SHERIFF
NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDED JUNE 30, 2011

J. OTHER POST EMPLOYMENT BENEFITS - continued

Benefit Obligations and Normal Costs

Actuarial Accrued Liability (AAL)	
Retired Employees	\$ 22,960,638
Active Employees	<u>33,940,333</u>
Unfunded Actuarial Accrued Liability (UAAL)	<u>\$ 56,900,971</u>
Normal Cost at Beginning of Year	\$ 3,405,386
Amortization Factor based on 30 years	16.9828
Annual Covered Payroll	27,728,133
UAAL as % of Covered Payroll	205.21%

Level Dollar Amortization

Calculation of ARC under Projected Unit Credit Method

ARC Normal Cost with Interest to End of Year	\$ 3,541,601
Amortization of UAAL with Interest to End of Year	<u>3,484,526</u>
Annual Required Contribution (ARC)	7,026,127
Interest on Net OPEB Obligation	576,155
Adjustment to ARC	<u>(882,071)</u>
Annual OPEB Cost (Expense)	6,720,211
Contribution for the Fiscal Year	<u>(1,070,229)</u>
Increase in Net OPEB Obligation	5,649,982
Net OPEB Obligation - Beginning of Year	<u>14,403,875</u>
Net OPEB Obligation - End of Year	<u>\$ 20,053,857</u>
Percent of Annual OPEB Cost Contributed	<u>15.9%</u>

LAFAYETTE PARISH SHERIFF
NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDED JUNE 30, 2011

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, 2011 and the preceding two years were as follows:

Year Ended	Annual OPEB Cost	Percentage Contributed	Net OPEB Obligation
6/30/2011	\$ 6,720,211	15.9%	\$ 20,053,857
6/30/2010	\$ 5,920,461	14.7%	\$ 14,403,875
6/30/2009	\$ 5,608,981	9.3%	\$ 9,354,279

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, 2011 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 12.77% healthcare cost trend increase (including 5.67% dental) for fiscal year 2011-12, 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, 2011 and 2010 was \$48,771 and \$46,920, respectively.

LAFAYETTE PARISH SHERIFF
NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDED JUNE 30, 2011

L. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2011 was as follows:

	<u>Balance</u> <u>July 1, 2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2011</u>
Governmental Activities:				
Building and Improvements	\$ 7,974,807	\$ 75,843	\$ -	\$ 8,050,650
Equipment and Furniture	8,271,101	1,134,634	10,500	9,395,235
Vehicles	4,890,625	363,064	287,148	4,966,541
Construction in Progress	<u>129,909</u>	<u>971,338</u>	<u>-</u>	<u>1,101,247</u>
Total	<u>21,266,442</u>	<u>2,544,879</u>	<u>297,648</u>	<u>23,513,673</u>
Less: Accumulated Depreciation				
Building and Improvements	3,342,026	267,052	-	3,609,078
Equipment and Furniture	6,835,667	623,747	10,500	7,448,914
Vehicles	<u>3,736,804</u>	<u>695,646</u>	<u>278,316</u>	<u>4,154,134</u>
Total	<u>13,914,497</u>	<u>1,586,445</u>	<u>288,816</u>	<u>15,212,126</u>
Net Capital Assets	<u>\$ 7,351,945</u>	<u>\$ 958,434</u>	<u>\$ 8,832</u>	<u>\$ 8,301,547</u>

Depreciation expense for the year ended June 30, 2011 was \$1,586,445 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, 2011, include \$430,968 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, 2011**

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, 2011:

	Claims Payable	Other Post Employment Benefits	Compensated Absences	Total
Long-Term Obligations Payable at June 30, 2010	\$ 629,985	\$ 14,403,875	\$ 2,337,599	\$ 17,371,459
Additions	78,776	5,649,982	127,233	5,855,991
Deductions	-	-	-	-
Long-Term Obligations Payable at June 30, 2011	<u>\$ 708,761</u>	<u>\$ 20,053,857</u>	<u>\$ 2,464,832</u>	<u>\$ 23,227,450</u>
Current Portion				<u>\$ 801,488</u>

O. LITIGATION AND CLAIMS

At June 30, 2011, 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 \$57,500. Those classified as "reasonably possible" are estimated not to exceed \$211,275.

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, 2011

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 Plan. The cost of health insurance is accounted for in the General Fund. 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 \$5,308,948 and \$4,690,479 for the fiscal years ended June 30, 2011 and 2010, respectively. The Sheriff purchased commercial insurance for claims in excess of coverage provided by the Fund. The Plan operates on a calendar year.

The claims liability of \$708,761 reported in the General Fund at June 30, 2011 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 2011 and 2010 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, 2010	\$ 674,797	\$ 4,645,667	\$ 4,690,479	\$ 629,985
June 30, 2011	\$ 629,985	\$ 5,387,724	\$ 5,308,948	\$ 708,761

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, 2011

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, 2011. For the year ended December 31, 2010, the Task Force reported a deficiency of revenues over expenditures in its General Fund of \$(40,663), and an ending fund balance of \$431,786. 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, 2011, the Sheriff paid \$30,000 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. This lease was renewed on August 1, 2011 for an additional three (3) years.

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

June 30,	
2012	\$ 28,400
2013	28,400
2014	28,400
2015	4,400
2016	2,200
2017-2021	11,400
2022-2026	12,524
2027-2029	<u>7,986</u>
Total	<u>\$123,710</u>

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

LAFAYETTE PARISH SHERIFF

**NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDED JUNE 30, 2011**

T. EX-OFFICIO TAX COLLECTOR

The amount of cash on hand in the tax collector accounts at June 30, 2011 consists of:

Interest and other taxes	\$	1,303,149
Ad valorem taxes paid under protest		
These funds are held pending resolution of the protest.		<u>430,968</u>
Cash on hand at June 30, 2011	\$	<u>1,734,117</u>

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

Lafayette Parish Consolidated Government	\$	3,164,777
Lafayette Parish Courthouse and Jail		3,737,298
Lafayette Parish Roads/Highways/Bridges		11,451,466
Lafayette Parish Library		10,413,332
Lafayette Parish Health Unit		1,581,184
Lafayette Parish Detention and Correctional Facility		3,290,102
Lafayette Parish Juvenile and Rehab		1,868,661
Lafayette Parish Mosquito Abatement and Control		2,395,877
Lafayette Parish Airport Regional		2,731,112
Lafayette Parish Economic Development Authority		3,066,496
Lafayette Parish Assessment District		2,491,526
Lafayette Parish Law Enforcement District		26,815,817
Lafayette Parish Bayou Vermilion District		1,517,394
Lafayette Parish School Board		53,599,830
Lafayette Parish Drainage District		5,334,434
Lafayette Parish Teche-Vermilion Freshwater District		2,012,399
Lafayette Parish Downtown Development Commission		356,166
Other Municipalities		<u>1,202,750</u>
Total	\$	<u>137,030,621</u>

LAFAYETTE PARISH SHERIFF
NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDED JUNE 30, 2011

T. EX-OFFICIO TAX COLLECTOR - continued

The amount of taxes assessed and uncollected, and the reason for failure to do so is as follows:

Lafayette Parish Consolidated Government	\$ 70,091
Lafayette Parish Courthouse and Jail	78,450
Lafayette Parish Roads/Highways/Bridges	240,371
Lafayette Parish Library	218,582
Lafayette Parish Health Unit	33,187
Lafayette Parish Detention and Correctional Facility	69,060
Lafayette Parish Juvenile and Rehab	39,221
Lafayette Parish Mosquito Abatement and Control	50,290
Lafayette Parish Airport Regional	57,325
Lafayette Parish Economic Development Authority	64,370
Lafayette Parish Assessment District	52,301
Lafayette Parish Law Enforcement District	562,868
Lafayette Parish Bayou Vermilion District	31,846
Lafayette Parish School Board	1,125,058
Lafayette Parish Drainage District	111,968
Lafayette Parish Teche-Vermilion Freshwater District	42,243
Lafayette Parish Downtown Development Commission	4,549
Other Municipalities	<u>20,154</u>
Total	<u>\$ 2,871,934</u>

These taxes were adjudications and reductions to the tax rolls.

U. DISTRIBUTION OF STATE REVENUE SHARING FUNDS

State revenue sharing funds provided by Act 956 of 1991 to the Tax Collector Agency Fund were distributed as follows:

Lafayette Parish:	
Council	\$ 1,051,378
School Board	1,953,003
Airport District	45,392
Teche-Vermilion Fresh Water District	48,883
Economic Development Authority	111,733
Bayou Vermilion District	43,649
Sheriff	813,188
Special Assessment District	90,783
Pension Funds	<u>57,405</u>
Total	<u>\$ 4,215,414</u>

LAFAYETTE PARISH SHERIFF
NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDED JUNE 30, 2011

V. SUBSEQUENT EVENT

The Sheriff has evaluated subsequent events through December 5, 2011, the date which these financial statements were available to be issued.

**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, 2011**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Self-generated Fees, Services, Ad Valorem Taxes and Sales Taxes	\$ 43,441,100	\$ 42,432,435	\$ 43,946,666	\$ 1,514,231
Federal, State and Parish Appropriations	4,414,000	4,264,953	4,302,718	37,765
Other Revenues	562,400	640,647	759,558	118,911
Total Revenues	48,417,500	47,338,035	49,008,942	1,670,907
Expenditures:				
Current -				
Public Safety:				
Personal Services and Related Benefits	36,549,282	37,326,458	38,572,387	(1,245,929)
Operating Services	3,667,120	4,653,640	4,562,763	90,877
Materials and Supplies	936,905	1,151,075	1,257,578	(106,503)
Other Charges	2,997,730	2,662,884	2,972,090	(309,206)
Capital Outlay	1,594,623	2,290,862	2,516,929	(226,067)
Total Expenditures	45,745,660	48,084,919	49,881,747	(1,796,828)
Excess (Deficiency) of Revenues Over Expenditures	2,671,840	(746,884)	(872,805)	(125,921)
Other Financing Sources (Uses):				
Sale of Assets	-	-	42,865	42,865
Total Other Financing Sources (Uses)	-	-	42,865	42,865
Excess of Revenues and Other Sources Over Expenditures and Other Uses	2,671,840	(746,884)	(829,940)	(83,056)
Fund Balance, Beginning	22,948,502	22,948,502	22,948,502	-
Fund Balance, Ending	\$ 25,620,342	\$ 22,201,618	\$ 22,118,562	\$ (83,056)

LAFAYETTE PARISH SHERIFF

**SCHEDULE OF FUNDING PROGRESS OF OPEB PLAN-
FOR THE YEAR ENDED JUNE 30, 2011**

<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]
7/1/2008	\$ -	\$ 46,236,238	\$ 46,236,238	-	\$ 24,092,372	191.91%
7/1/2009	\$ -	\$ 48,653,685	\$ 48,653,685	-	\$ 26,647,062	182.59%
7/1/2010	\$ -	\$ 56,900,971	\$ 56,900,971	-	\$ 27,728,133	205.21%

**OTHER SUPPLEMENTARY
INFORMATION**

LAFAYETTE PARISH SHERIFF

GENERAL FUND

STATEMENT OF REVENUES COMPARED TO BUDGET (GAAP BASIS)
YEAR ENDED JUNE 30, 2011

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Self-generated Fees, Services, Ad Valorem				
Taxes and Sales Taxes:				
Ad Valorem Taxes	\$ 27,295,000	\$ 26,996,564	\$ 27,177,254	\$ 180,690
Sales Tax Revenue	4,200,000	4,578,730	5,267,003	688,273
Civil and Criminal Fees	2,491,500	2,460,130	2,794,217	334,087
Court Attendance	30,000	25,928	29,200	3,272
Feeding and Keeping Prisoners	3,987,100	3,490,393	3,743,463	253,070
Community Corrections	1,839,500	1,689,496	1,730,007	40,511
Contractual Arrangements	3,598,000	3,191,194	3,205,522	14,328
Total Self-generated Fees, Services, Ad Valorem Taxes and Sales Taxes	43,441,100	42,432,435	43,946,666	1,514,231
Federal, State and Parish Appropriations:				
Federal Grants	400,000	146,290	182,767	36,477
State Revenue Sharing (Net)	810,000	813,063	813,187	124
State Supplemental Pay	2,100,000	2,126,025	2,143,734	17,709
State, City and Parish Grants	1,104,000	1,179,575	1,163,030	(16,545)
Total Federal, State and Parish Appropriations	4,414,000	4,264,953	4,302,718	37,765
Other Revenues:				
Interest Income	75,400	80,914	119,215	38,301
Miscellaneous	487,000	559,733	640,343	80,610
Total Other Revenues	562,400	640,647	759,558	118,911
Total Revenues	\$ 48,417,500	\$ 47,338,035	\$ 49,008,942	\$ 1,670,907

LAFAYETTE PARISH SHERIFF

GENERAL FUND

STATEMENT OF EXPENDITURES COMPARED TO BUDGET (GAAP BASIS)
YEAR ENDED JUNE 30, 2011

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Current:				
Public Safety -				
Personal Services and Related Benefits:				
Sheriff Salary	\$ 130,000	\$ 128,773	\$ 131,998	\$ (3,225)
Deputies Salaries	26,620,999	26,482,263	27,596,135	(1,113,872)
Pension and Payroll Taxes	4,646,683	4,859,141	5,057,888	(198,747)
Sheriff's Expense Allowance	13,000	11,292	13,173	(1,881)
Hospitalization Insurance	5,022,100	5,741,115	5,671,829	69,286
Other Employee Expenses	116,500	103,874	101,364	2,510
Total Personal Services and Related Benefits	<u>36,549,282</u>	<u>37,326,458</u>	<u>38,572,387</u>	<u>(1,245,929)</u>
Operating Services:				
Auto and Liability Insurance	1,544,200	1,992,061	1,687,181	304,880
Leases	186,130	182,673	208,298	(25,625)
Telephone and Utilities	379,675	418,724	491,471	(72,747)
Fuel and Oil	636,165	726,661	879,260	(152,599)
Maintenance and Repairs	625,900	841,860	823,920	17,940
Legal and Professional Fees	295,050	491,661	472,633	19,028
Total Operating Services	<u>3,667,120</u>	<u>4,653,640</u>	<u>4,562,763</u>	<u>90,877</u>
Materials and Supplies:				
Uniforms	190,370	187,471	214,272	(26,801)
Small Equipment and Supplies	375,247	497,481	543,124	(45,643)
Ordinance	62,000	2,185	54,347	(52,162)
Office Expense	273,125	444,524	420,592	23,932
Publications	36,163	19,414	25,243	(5,829)
Total Materials and Supplies	<u>936,905</u>	<u>1,151,075</u>	<u>1,257,578</u>	<u>(106,503)</u>
Other Charges:				
Prisoner Feeding and Maintenance	2,669,200	2,144,881	2,462,271	(317,390)
Criminal Investigation Expense	1,300	138,967	149,422	(10,455)
Training, Travel and Conventions	223,650	223,834	232,652	(8,818)
Dues	35,080	93,776	74,822	18,954
Juvenile Programs	1,500	1,806	1,900	(94)
Canine	12,000	23,509	26,023	(2,514)
Other Expenses	5,000	-	-	-
Appropriation to Parish Government -				
Metro Narcotics	50,000	36,111	25,000	11,111
Total Other Charges	<u>2,997,730</u>	<u>2,662,884</u>	<u>2,972,090</u>	<u>(309,206)</u>
Capital Outlay	<u>1,594,623</u>	<u>2,290,862</u>	<u>2,516,929</u>	<u>(226,067)</u>
Total Expenditures	<u>\$45,745,660</u>	<u>\$48,084,919</u>	<u>\$49,881,747</u>	<u>\$ (1,796,828)</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, 2011**

	<u>Budget</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Revenues:				
Self Generated Commissions and Sales	\$ 483,750	\$ 441,014	\$ 494,124	\$ 53,110
Other	<u>6,675</u>	<u>3,601</u>	<u>4,330</u>	<u>729</u>
Total Revenues	<u>490,425</u>	<u>444,615</u>	<u>498,454</u>	<u>53,839</u>
Expenditures:				
Current -				
Personal Services and Related Benefits	52,000	42,428	49,142	(6,714)
Operating Services	184,611	149,393	160,543	(11,150)
Materials and Supplies	229,210	298,672	323,307	(24,635)
Prisoner Maintenance and Other Charges	3,225	4,241	3,317	924
Capital Outlay	<u>28,000</u>	<u>27,950</u>	<u>27,950</u>	<u>-</u>
Total Expenditures	<u>497,046</u>	<u>522,684</u>	<u>564,259</u>	<u>(41,575)</u>
Excess (Deficiency) of Revenues over Expenditures	(6,621)	(78,069)	(65,805)	12,264
Fund Balance, Beginning	<u>420,045</u>	<u>420,045</u>	<u>420,045</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 413,424</u>	<u>\$ 341,976</u>	<u>\$ 354,240</u>	<u>\$ 12,264</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, 2011**

	Sheriff's Fund	Tax Collector Fund	Deputy Fund	Bond Fund	Prison Inmate Fund	Evidence Fund	Juvenile Day Reporting Fund	Total
Cash	\$ -	\$ -	\$ -	\$ 200	\$ 200	\$ 181,095	\$ -	\$ 181,495
Interest-Bearing Deposits	1,085,341	1,734,117	11,622	1,815,298	298,672	-	131	4,945,181
Total Assets	<u>\$1,085,341</u>	<u>\$ 1,734,117</u>	<u>\$ 11,622</u>	<u>\$ 1,815,498</u>	<u>\$ 298,872</u>	<u>\$ 181,095</u>	<u>\$ 131</u>	<u>\$ 5,126,676</u>
LIABILITIES								
Due to Taxing Bodies and Others	\$1,085,341	\$ 1,734,117	\$ 11,622	\$ 1,815,498	\$ 18,048	\$ 181,095	\$ 131	\$ 4,845,852
Due to Prisoners	-	-	-	-	280,824	-	-	280,824
Total Liabilities	<u>\$1,085,341</u>	<u>\$ 1,734,117</u>	<u>\$ 11,622</u>	<u>\$ 1,815,498</u>	<u>\$ 298,872</u>	<u>\$ 181,095</u>	<u>\$ 131</u>	<u>\$ 5,126,676</u>

STATE OF LOUISIANA, PARISH OF LAFAYETTE

AFFIDAVIT

Michael W. Neustrom, Sheriff of Lafayette Parish

BEFORE ME, the undersigned authority, personally came and appeared, Michael W. Neustrom, the sheriff of Lafayette Parish, State of Louisiana, who after being duly sworn, deposed and said:

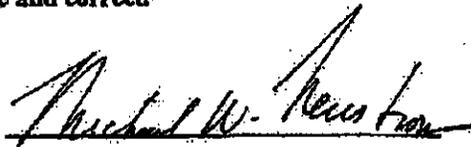
The following information is true and correct:

\$1,734,117 is the amount of cash on hand in the tax collector accounts on June 30, 2011;

He further deposed and said:

All itemized statements of the amounts of taxes collected for the tax year 2010, by taxing authority, are true and correct.

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



Sheriff of Lafayette

SWORN to and subscribed before me, Notary, this 28th day of November 2011, in my office in the City of Lafayette, Louisiana.



(Signature)
KEITH J. SIBILLE (Print), # 83142
Notary Public

(Commission)

COMPLIANCE
AND
INTERNAL CONTROL

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

Certified Public Accountants
100 Petroleum Drive, 70508
P.O. Box 80569 • Lafayette, Louisiana 70598-0569
(337) 232-3637 • FAX (337) 235-8557
www.wmdh.com

JOHN W. WRIGHT, CPA *
JAMES H. DUPUIS, CPA, CFP *
JAN H. COWEN, CPA *
LANCE E. CRAFFELL, CPA *
MICHAEL R. VIDRINE, CPA *
TRAVIS M. BRINSKO, CPA *
RICK L. STUTES, CPA, CVA / ABV, APA *
CHRISTINE R. DUNN, CPA **
DAMIAN H. SPIESS, CPA, CFP **

** A PROFESSIONAL CORPORATION
** A LIMITED LIABILITY COMPANY

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

+ RETIRED

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

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, 2011, which collectively comprise the Lafayette Parish Sheriff's basic financial statements and have issued our report thereon dated December 5, 2011. 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.

Internal Control Over Financial Reporting

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.



STEPHANIE A. BLANK, CPA
ROBERT T. DUCHARME, II, CPA
JUDITH FAULK, CPA
STUART FLEMING, CPA
MARY PATRICIA KEELEY, CPA
JOAN MARTIN, CPA, CVA, CFP, DABFA
TANYA L. MIGUES, CPA
WENDY ORTEGO, CPA
ROBIN G. STOCKTON, CPA
BRIDGET B. TILLEY, CPA, MT
ABBY T. TRAHAN, CPA, MS
TINA B. VIATOR, CPA

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 instance of noncompliance that is required to be reported under *Government Auditing Standards*. However, an instance of noncompliance with Louisiana Revised Statutes was noted and is described in the accompanying schedule of findings and questioned costs as item 2011-1.

The Sheriff's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the Lafayette Parish Sheriff's response and accordingly, we express no opinion on it.

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. However, 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

Lafayette, Louisiana
December 5, 2011

LAFAYETTE PARISH SHERIFF

SCHEDULE OF CURRENT YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2011

We have audited the financial statements of the Lafayette Parish Sheriff as of and for the year ended June 30, 2011, and have issued our report thereon dated December 5, 2011. 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, 2011 resulted in an unqualified opinion.

Section I - Summary of Auditors' Reports

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

Internal Control

Material Weaknesses ___ Yes X No
Significant Deficiencies ___ Yes X No

Compliance

Compliance Material to Financial Statements ___ Yes X No

Section II - Financial Statement Findings

2011-1 Budget Amendments

Statement of Condition:

Management did not properly amend the budgets for the General Fund and Special Revenue Fund to insure compliance with the applicable laws.

Criteria:

Louisiana Revised Statute 39:1310 requires that budgets be adopted for General and Special Revenue funds and that amendments be made and properly adopted when variance to budget amounts are in excess of five (5) percent. The Sheriff failed to adequately amend the budgeted expenditures for the General and Special Revenue Fund.

Effect of Condition:

The condition has no effect on the financial statements of the Lafayette Parish Sheriff.

Cause of Condition:

Management did not properly project expenditures when preparing the amendments to the budget thus causing a budget variance of greater than five (5) percent.

Recommendation:

We recommend that management implement procedures to monitor budget to actual comparisons and amend budgets as necessary to comply with the Louisiana Local Government Budget Act.

Management's Response:

Management has implemented procedures to monitor expenditures more closely to ensure that budgets are properly amended to remain in compliance with the Louisiana Local Government Budget Act.

Section III - Federal Award Findings and Questioned Costs

This section is not applicable for the current year.

LAFAYETTE PARISH SHERIFF
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2011

There were no prior year findings.