

08 DEC 2005 11:03

LAFAYETTE PARISH SHERIFF
FINANCIAL REPORT AND
SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2005

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

Release Date

1/25/06

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
Internal Service Fund:	
Group Self-Insurance Fund-Governmental Activities:	
Statement of Net Assets	23
Statement of Revenues, Expenses and Changes in Net Assets	24
Statement of Cash Flows	25-26
Agency Funds:	
Statement of Assets and Liabilities	27
Notes to Financial Statements	28-43
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of Revenues, Expenditures and Changes in Fund Balance- Budget and Actual (GAAP Basis)	45

TABLE OF CONTENTS (CONTINUED)

	<u>Page</u>
OTHER SUPPLEMENTARY INFORMATION	
Statement of Expenditures Compared to Budget (GAAP Basis)-General Fund	47
Special Revenue Fund Inmate Welfare Fund: Statement of Revenues, Expenditures and Changes in Fund Balance- Budget (GAAP Basis) and Actual	48
FIDUCIARY FUND TYPE - AGENCY FUNDS	
Combining Balance Sheet	50
COMPLIANCE AND INTERNAL CONTROL	
Independent Auditors' Report on Compliance and On Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with <u>Government Auditing Standards</u>	52-53
Schedule of Findings and Questioned Costs	54
Schedule of Prior Year Findings	55
Corrective Action Plan	56-57

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.wmddh.com

JOHN W. WRIGHT, CPA*
JAMES H. DUPUIS, CPA, CFP*
JOE D. HUTCHINSON, CPA*
JAN H. COWEN, CPA*
LANCE E. CRAPPELL, CPA*
PAT BAHAM DOUGHT, CPA*
MICAHA R. VIDRINE, CPA*
TRAVIS M. BRINSKO, CPA*
RICK STUTES, CPA, CVA

CHRISTINE R. DUNN, CPA
ANDRÉ D. BROUSSARD, CPA
MARY PATRICIA KEELEY, CPA
KRISTIE C. BOUDREAUX, CPA
BRIDGET B. TILLEY, CPA, MT
DAMIAN H. SPIESS, CPA, CFP
TASHA A. RALEY, CPA
PATRICK WAGUESPACK, CPA
CHIP CANTRELL, CPA
DANE P. FALGOUT, CPA
ROBIN G. STOCKTON, CPA

* A PROFESSIONAL CORPORATION

INDEPENDENT AUDITOR'S REPORT

RETIRED

M. TROY MOORE, CPA*
MICHAEL G. DeHART, CPA, CVA, MBA*

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

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Lafayette Parish Sheriff, as of and for the year then ended June 30, 2005, which collectively comprise the Sheriff's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Lafayette Parish Sheriff. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and the provisions of Louisiana Revised Statutes 24:513 and the Louisiana Governmental Audit Guide. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Lafayette Parish Sheriff, as of June 30, 2005, 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 November 23, 2005 on our consideration of the Lafayette Parish Sheriff's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance as the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

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

WMDDH

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Lafayette Parish Sheriff's basic financial statements. The introductory section, and the combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Information contained in the combining and individual nonmajor fund financial statements has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Wright, Moore, DeHart,
Dupuis & Hutchinson, LLC*
WRIGHT, MOORE, DeHART,
DUPUIS & HUTCHINSON, L.L.C.
Certified Public Accountants

November 23, 2005

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, 2005. 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 \$10,715,993 (net assets) for the fiscal year reported.

Total net assets are comprised of the following:

1. Capital assets, net of related debt, of \$4,739,172 include property and equipment, net of accumulated depreciation, and reduced for outstanding debt related to the purchase of capital assets.
2. Unrestricted net assets of \$5,976,821 represent the portion available to maintain the Sheriff's continuing obligations to citizens and creditors.

The Sheriff's government funds reported total ending fund balance of \$7,576,479 this year. This compares to the prior year ending fund balance of \$6,311,611 showing an increase of \$1,264,868 during the current year.

At the end of the current fiscal year, unreserved fund balance for the General Fund was \$6,407,978, or 21% of total General Fund expenditures and 21% of total General Fund revenues including transfers. This represents an increase in General Fund unreserved fund balance of \$481,497.

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

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide Financial Statements

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

Lafayette Parish Sheriff
Lafayette, Louisiana

Management's Discussion and Analysis

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

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

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

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

Fund Financial Statements

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

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

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

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

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

Lafayette Parish Sheriff
Lafayette, Louisiana

Management's Discussion and Analysis

In the *fiduciary funds*, the Sheriff is the trustee, or Fiduciary, for 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. He is also responsible for deposits held pending court action and the individual prison inmate accounts. 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 27 of this report.

Finally, the Sheriff maintains an *internal service fund* (a proprietary fund) to account for monies accumulated to provide group insurance coverage to employees. Employer and employee contributions are used to purchase insurance, pay claims and pay the third party administrator for administration of the program. Due to the nature of this internal service fund, it is eliminated into the governmental fund types in the government-wide statements.

The internal service fund financial statements are presented on pages 23 through 26.

Notes to the basic financial statements

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

Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Sheriff's budget presentations. Budgetary comparison statements are included as "required supplementary information" for the general fund and as other supplementary information for 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 on page 45 of this report.

In addition, more detailed general fund budget information and details of the individual agency funds are presented as supplementary information and can be found presented on pages 47 -50 of this report.

Lafayette Parish Sheriff
Lafayette, Louisiana

Management's Discussion and Analysis

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 \$10,715,993. The following table provides a summary of the Sheriff's net assets:

	<u>2005</u>		<u>2004</u>	
Assets:				
Current and Other Assets	\$ 9,577,592	67%	\$ 8,296,207	63%
Capital assets net of accumulated depreciation	<u>4,739,172</u>	33%	<u>4,959,898</u>	37%
Total Assets	<u>\$ 14,316,764</u>	100%	<u>\$ 13,256,105</u>	100%
 Liabilities				
Current liabilities	\$ 1,759,512	49%	\$ 1,829,322	51%
Non-current liabilities	<u>1,841,259</u>	51%	<u>1,768,533</u>	49%
Total Liabilities	<u>3,600,771</u>	100%	<u>3,597,855</u>	100%
 Net Assets				
Investment in Capital Assets net of Related Debt	4,739,172	44%	4,775,932	49%
Unrestricted	<u>5,976,821</u>	56%	<u>4,882,318</u>	51%
Total Net Assets	<u>10,715,993</u>	100%	<u>9,658,250</u>	100%
Total Liabilities and Net Assets	<u>\$ 14,316,764</u>		<u>\$ 13,256,105</u>	

The Sheriff continues to maintain a better than average current ratio. The current ratio compares current assets to current liabilities and is an indication of the ability to pay current obligations. The current ratio for governmental activities is 5.4 to 1.

Lafayette Parish Sheriff
Lafayette, Louisiana

Management's Discussion and Analysis

The Sheriff reported positive balances in net assets for governmental activities. The general fund reported an increase in fund balance of \$1,110,461.

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

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

Revenues	<u>2005</u>		<u>2004</u>	
Program:				
Charges for Services	\$ 5,912,889	18%	\$ 5,944,738	20%
Operating Grants and Contributions	2,218,989	7%	2,104,949	7%
General:				
Property Taxes	15,609,477	49%	13,938,968	47%
Sales Taxes	4,853,110	15%	4,226,707	14%
State Revenue Sharing	764,387	2%	759,314	3%
State Supplemental Pay	1,093,708	3%	1,146,421	4%
Investment Earnings	242,452	1%	193,207	1%
Gain on Sale of Assets	36,225	0%	32,828	0%
Other General Revenues	<u>1,316,777</u>	4%	<u>1,138,524</u>	4%
Total General Revenues	<u>32,048,014</u>	100%	<u>29,485,656</u>	100%
Program Expenses				
Public Safety	30,978,555	100%	31,033,036	100%
Interest on Long Term Debt	<u>11,716</u>	0%	<u>22,731</u>	0%
Total Expenses	<u>30,990,271</u>	100%	<u>31,055,767</u>	100%
Change in Net Assets	1,057,743		(1,570,111)	
Beginning Net Assets	<u>11,228,361</u>		<u>11,228,361</u>	
Ending Net Assets	<u>\$12,286,104</u>		<u>\$ 9,658,250</u>	

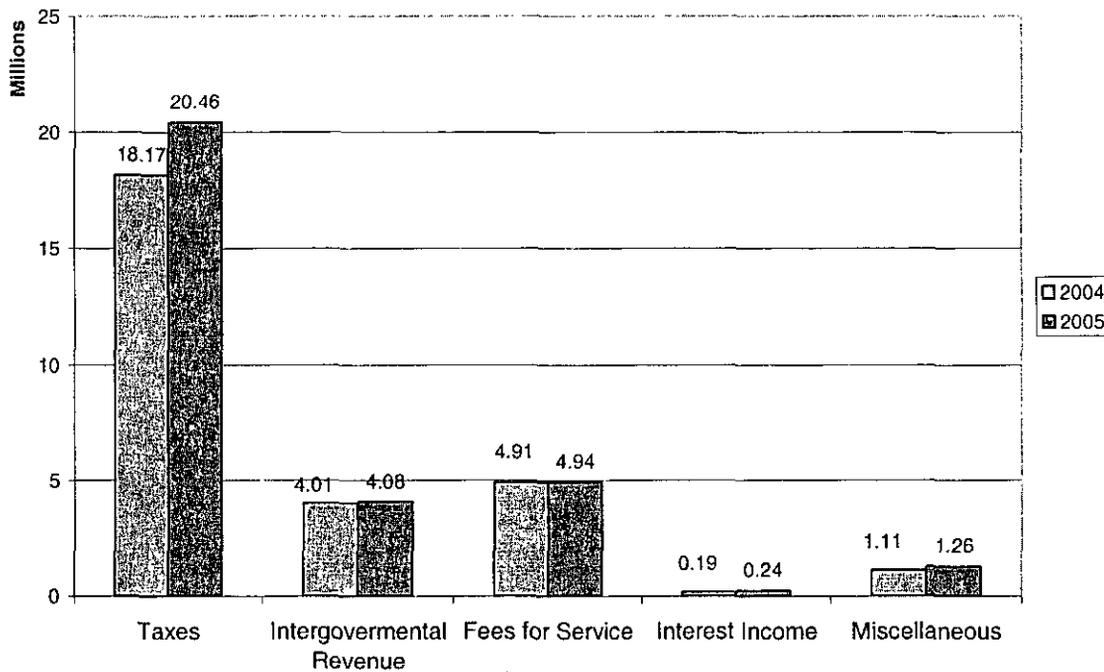
Lafayette Parish Sheriff
Lafayette, Louisiana

Management's Discussion and Analysis

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, \$237,025 in interest was earned to help support governmental activities, despite low prevailing interest rates. Also, note that program revenues offset 26% of governmental operating expenses. Therefore, the Sheriff's other general revenue and taxes fund 74% of operations.

Revenue by Source



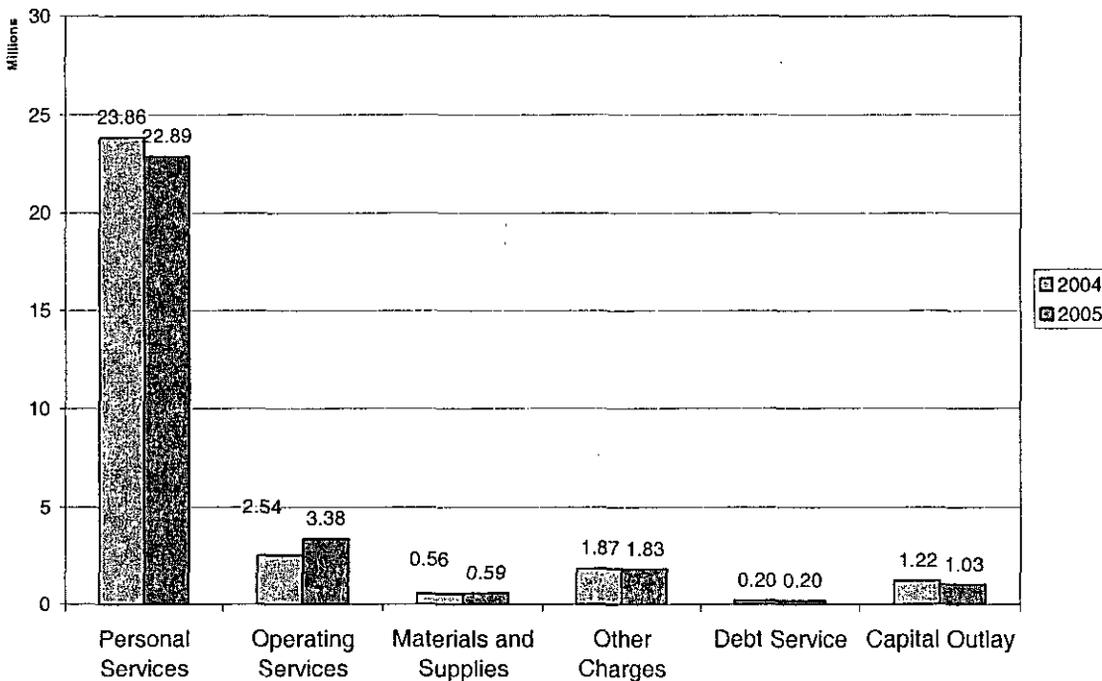
Lafayette Parish Sheriff
Lafayette, Louisiana

Management's Discussion and Analysis

GOVERNMENTAL FUNCTIONAL EXPENSES

The total function of the Sheriff's office is public safety activities. The only other non-functional cost is interest expense related to the outstanding capital lease obligation. Of the total costs, depreciation on equipment and vehicles was \$1.2m or 4% of total expenses.

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 \$7,576,479, an increase of \$1,264,868 from last year. No portion of this balance is reserved or restricted and is available for continuing Sheriff's activities.

Major Governmental Funds

The General Fund is the Sheriff's primary operating fund and the largest source of day-to-day service delivery. The General Fund's fund balance increased by \$1,110,461 from the prior year.

Lafayette Parish Sheriff
Lafayette, Louisiana

Management's Discussion and Analysis

Operating expenditures were approximately \$29.9 million or 1% less than fiscal 2004. A stabilization in the health care costs as well as an employee workforce reduction in the early part of the fiscal year contributed to a reduction in Personal Services and Related Benefits of approximately \$1m.

The ending fund balance of 7,576,479 for all governmental funds at year-end represents approximately 25% of annual operating expenses.

BUDGETARY HIGHLIGHTS

General Fund

The General Fund's original budget varied only slightly from the original projected amounts. The total final budgeted revenues were 3% greater than the original budget. This can be attributed to the following:

- A \$1.2 increase in ad valorem tax revenue. Fiscal year 2005 was a reassessment year. The results of this reassessment were not known until well after the start of the fiscal year.
- A 1% sales tax, voted on in October of 2002 was conservatively projected at \$4m. This tax yielded actual revenue of \$4.8m. As this tax is economically driven, and not as reliable as ad valorem taxes, conservative budgeting is called for.
- Federal Grants was grossly understated. A grant program was started and completed in this fiscal year however, the program was originally slated to last for 2 years.
- Civil fees were understated. Activities in this area are driven by forces outside of the Sheriff's Office, and the greater activity could not be foreseen.
- Revenue generated from Feeding and Keeping prisoners continue to fall. As the Correctional Facility continues to make room for local un-sentenced inmates, State and Federal inmates are forced to be moved to other facilities. These are the inmates that generate the revenue used to help offset the cost of running the correctional center.
- The work release program was started in fiscal year 2005 and nothing had been budgeted prior to the start of the year.

The final budget reflects an 11% increase in expenditures over the original budget. Some of the major contributing factors of this increase are:

- In the past, health insurance costs have been on the rise. The projections that caused the increase in the budget never materialized and the actual expenses were closely in line to the original budgeted amount.
- An approximate 8% increase in premiums, coupled with several settlements of prior outstanding claims caused an increase in liability insurance expense.
- Rising market conditions caused a sharp increase in expected costs throughout the agency.
- Office expense reflects expenditures used to fund a grant program which was not anticipated at the beginning of the fiscal year.
- The expenditures for the Crime Lab was an unanticipated shortfall experienced by the Acadiana Crime Lab that was assessed to the various agencies that utilize the services of the lab.

Lafayette Parish Sheriff
Lafayette, Louisiana

Management's Discussion and Analysis

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The Sheriff's investment in capital assets, net of accumulated depreciation for the most part held steady from 2004 to 2005. See "Note I" for additional information about changes in capital assets during the fiscal year and outstanding at the end of the year.

Capital Assets

Governmental Activities

	<u>2005</u>	<u>2004</u>
Depreciable Assets		
Buildings and Improvements	\$ 5,063,552	\$ 5,040,422
Equipment and Furniture	5,496,250	4,801,281
Vehicles	<u>3,159,013</u>	<u>3,086,011</u>
 Total Depreciable Assets	 \$ 13,718,815	 \$12,927,714
 Less: Accumulated Depreciation	 <u>8,979,643</u>	 <u>7,967,816</u>
 Book Value - depreciable assets	 <u>\$ 4,739,172</u>	 <u>\$ 4,959,898</u>
 Percentage depreciated	 <u>65%</u>	 <u>62%</u>

At June 30, 2005, the depreciable capital assets for governmental activities were 65% depreciated versus 62% for the prior year. This indicator suggests that assets are not being replaced at the same rate that they are being depreciated.

Long-Term Debt

At the end of the fiscal year, the Sheriff had debt in the form claims payable and compensated absences. The total obligation for these liabilities we \$2.5m in long term and \$755k represents the current portion. A capital lease was entered into in November of 2000 to purchase upgraded communications equipment. This debt was retired in fiscal year 2005, leaving only the estimated claims payable and compensated absences to make up long-term and current debt.

Lafayette Parish Sheriff
Lafayette, Louisiana

Management's Discussion and Analysis

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Many factors were taken into consideration when preparing the fiscal 2006 budget. Most revenues continue to hold steady with the exception of slightly falling jailer fees, which are generated from housing state and federal inmates. The major item of interest in revenue is an expected increase in property taxes of approximately \$1m. As reported last year, a new health insurance program was implemented in 2005 with the goal of reducing, or at worse, holding steady the rising cost of providing this benefit. The result was a reduction in health care costs to the Sheriff's office of 21%.

The Work Release program was initiated on July 1, 2004 and in the first year, generated an additional \$218k. This number should increase for fiscal year 2006 as the number of inmates participating in the plan has increased substantially. A plan to construct a new facility was discussed last year, however, as a result of Hurricane Katrina, the Sheriff was forced to find an emergency location for this program in order to make room for 150 additional inmates being displaced from Orleans Parish. The plan to purchase or build a facility is currently on hold.

Along with a steady sales tax revenue stream, the budget for 2006 is projecting revenues to exceed \$30m. With several new programs being brought on line, salaries will increase slightly and with the need to upgrade a vehicle fleet that is becoming costly to maintain, the Sheriff is still conservatively estimating an increase of \$225k in fund balance for 2006.

The majority of other revenues and expenditures are expected to remain fairly constant in fiscal year 2006.

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, 2005

	<u>GOVERNMENTAL ACTIVITIES</u>
LIABILITIES AND NET ASSETS	
LIABILITIES	
Current Liabilities	
Technical Overdraft	\$ 6,412
Accounts Payable	395,063
Accrued Expenses	602,851
Claims Payable - Current	506,218
Current Portion-Compensated Absences	<u>248,968</u>
Total Current Liabilities	<u>1,759,512</u>
Noncurrent Liabilities	
Claims Payable - Long Term	99,598
Accrued Compensated Absences	<u>1,741,661</u>
Total Noncurrent Liabilities	<u>1,841,259</u>
TOTAL LIABILITIES	<u>3,600,771</u>
NET ASSETS	
Invested in Capital Assets, Net of Related Debt	4,739,172
Unrestricted	<u>5,976,821</u>
TOTAL NET ASSETS	<u>10,715,993</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 14,316,764</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, 2005**

	<u>Program Revenues</u>		
	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Net (Expenses) Revenues and Changes in Net Assets</u>
Governmental Activities			
Public Safety	\$ 30,978,555	\$ 2,218,989	\$ (22,846,677)
Interest on Long-Term Debt	<u>11,716</u>	<u>-</u>	<u>(11,716)</u>
Total Governmental Activities	<u>\$ 30,990,271</u>	<u>\$ 2,218,989</u>	<u>(22,858,393)</u>
General Revenues:			
Property Taxes			15,609,477
Sales Taxes			4,853,110
State Revenue Sharing			764,387
State Supplemental Pay			1,093,708
Investment Earnings			242,452
Gain on Sale of Assets			36,225
Other General Revenues			<u>1,316,777</u>
Total General Revenues			<u>23,916,136</u>
Change in Net Assets			1,057,743
Net Assets-Beginning			<u>9,658,250</u>
Net Assets-Ending			<u>\$ 10,715,993</u>

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

FUND FINANCIAL STATEMENTS (FFS)

FUND DESCRIPTIONS

GENERAL FUND

To account for resources traditionally associated with governments which are not required to be accounted for in another fund.

SPECIAL REVENUE FUND

Inmate Welfare Fund

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

INTERNAL SERVICE FUND

Group Self-Insurance Fund

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

LAFAYETTE PARISH SHERIFF
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2005

	General Fund	Special Revenue Fund Non-Major	Total Governmental Funds
ASSETS			
Cash	\$ 15,486	\$ -	\$ 15,486
Interest-Bearing Deposits	6,249,895	285,405	6,535,300
Investments	157,235	-	157,235
Prepaid Expenses	933,843	-	933,843
Receivables:			
Due From Other Governmental Units	1,815,472	-	1,815,472
Due From Other Funds	5,242	-	5,242
Other	-	41,938	41,938
Total Assets	<u>\$ 9,177,173</u>	<u>\$ 327,343</u>	<u>\$ 9,504,516</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Technical Overdraft	\$ 6,412	\$ -	\$ 6,412
Accounts Payable	307,620	87,443	395,063
Due to Other Funds	762,416	5,242	767,658
Other Accrued Liabilities	758,904	-	758,904
Total Liabilities	<u>1,835,352</u>	<u>92,685</u>	<u>1,928,037</u>
Fund Balances -			
Reserved for Prepays	933,843	-	933,843
Unreserved, Undesignated	6,407,978	234,658	6,642,636
Total Fund Balances	<u>7,341,821</u>	<u>234,658</u>	<u>7,576,479</u>
Total Liabilities and Fund Equity	<u>\$ 9,177,173</u>	<u>\$ 327,343</u>	<u>\$ 9,504,516</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, 2005

Total Governmental Fund Balances	\$ 7,576,479
<i>Amounts reported for governmental activities in the Statement of Net Assets are different because:</i>	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	4,739,172
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	(1,741,661)
Internal service fund is used by management to charge the costs of certain activities, such as insurance to individual funds. The assets and liabilities of the internal service fund is included in governmental activities in the statement of net assets.	<u>142,003</u>
<i>Net Assets of Governmental Activities</i>	<u>\$ 10,715,993</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, 2005**

	General Fund	Special Revenue Fund Non-Major	Total Governmental Funds
Revenues:			
Ad Valorem Taxes	\$ 15,609,477	\$ -	\$ 15,609,477
Sales Tax Revenue	4,853,110	-	4,853,110
Intergovernmental Revenues -			
Federal Grants	299,825	-	299,825
State Revenue Sharing (Net)	764,387	-	764,387
State Supplemental Pay	1,093,708	-	1,093,708
State, City and Parish Grants	1,919,164	-	1,919,164
Fees, Charges, and Commissions for Services -			
Civil and Criminal Fees	1,976,326	-	1,976,326
Court Attendance	28,150	-	28,150
Transporting Prisoners	52,252	-	52,252
Feeding and Keeping Prisoners	2,661,548	-	2,661,548
Work Release Program	218,309	-	218,309
Sales of Commissary Goods	-	77,315	77,315
Telephone Commission Income	-	304,048	304,048
Interest Income	237,025	-	237,025
Miscellaneous	1,262,045	54,732	1,316,777
Total Revenues	30,975,326	436,095	31,411,421
Expenditures:			
Current -			
 Public Safety:			
Personal Services and Related Benefits	22,887,695	9,785	22,897,480
Operating Services	3,377,663	271,903	3,649,566
Materials and Supplies	585,707	-	585,707
Other Charges	1,827,673	-	1,827,673
 Debt Service -			
Principal Retirement	183,966	-	183,966
Interest and Fiscal Charges	11,716	-	11,716
Capital Outlay	1,033,045	-	1,033,045
Total Expenditures	29,907,465	281,688	30,189,153
Excess of Revenues Over Expenditures	1,067,861	154,407	1,222,268
Other Financing Sources (Uses):			
Sale of Assets	42,600	-	42,600
Excess of Revenues and Other Sources Over Expenditures and Other Uses	1,110,461	154,407	1,264,868
Fund Balances, Beginning	6,231,360	80,251	6,311,611
Fund Balances, Ending	\$ 7,341,821	\$ 234,658	\$ 7,576,479

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, 2005

Net Change in Fund Balances - Total Governmental Funds \$ 1,264,868

*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 depreciation exceeded capital outlay in the current period. (214,351)

Repayment of capital lease obligation is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets. 183,966

Some expense reported in the Statement of Activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. (312,368)

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. (6,375)

The internal service fund is used by management to charge the costs of certain activities, such as insurance, to individual funds. The net revenues of the internal service fund is reported with the governmental activities. 142,003

Change in Net Assets of Governmental Activities \$ 1,057,743

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

LAFAYETTE PARISH SHERIFF
INTERNAL SERVICE FUND
GROUP SELF-INSURANCE FUND
GOVERNMENTAL ACTIVITIES
STATEMENT OF NET ASSETS
JUNE 30, 2005

ASSETS

Current Assets:		
Interest-Bearing Deposits		\$ 60,225
Investments		12,015
Receivables:		
Other		6,078
Due from Other Funds		<u>762,416</u>
Total Assets		<u>\$ 840,734</u>

LIABILITIES AND NET ASSETS

Current Liabilities:		
Claims Payable		\$ 605,818
Other Accrued Liabilities		<u>92,913</u>
Total Liabilities		698,731
Net Assets:		
Unrestricted		<u>142,003</u>
Total Liabilities and Net Assets		<u>\$ 840,734</u>

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

LAFAYETTE PARISH SHERIFF
INTERNAL SERVICE FUND
GROUP SELF-INSURANCE FUND
GOVERNMENTAL ACTIVITIES
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2005

Operating Revenues:	
Contributions - Employer	\$3,927,903
Contributions - Employees	490,770
Other	<u>104,171</u>
Total Operating Revenues	<u>4,522,844</u>
Operating Expenses:	
Administrative Fees and Insurance Premiums	959,343
Loss Fund Payments	<u>3,426,925</u>
Total Operating Expenses	<u>4,386,268</u>
Operating Income	136,576
Nonoperating Revenues:	
Interest Earned	<u>5,427</u>
Net Income	142,003
Net Assets, Beginning	<u>-</u>
Net Assets, Ending	<u>\$ 142,003</u>

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

LAFAYETTE PARISH SHERIFF
INTERNAL SERVICE FUND
GROUP SELF-INSURANCE FUND
GOVERNMENTAL ACTIVITIES
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2005

Cash Flows From Operating Activities:	
Cash received from other funds for services	\$ 3,927,903
Cash received from loss claim recoveries	42,201
Cash received from employees and other participants	555,717
Cash payments to suppliers for goods and services	(819,430)
Cash payments for loss claims	<u>(3,784,891)</u>
Cash Used In Operating Activities	(78,500)
Cash Flows From Investing Activities:	
Interest Earned	<u>5,427</u>
Decrease in Cash and Cash Equivalents	(73,073)
Cash and Cash Equivalents, Beginning of Year	<u>145,313</u>
Cash and Cash Equivalents, End of Year	<u>\$ 72,240</u>
Reconciliation of Income from Operations to Net Cash Used In	
Operating Activities:	
Operating Income	\$ 136,576
Adjustments to Reconcile Operating Income to Net Cash Used in	
Operating Activities -	
Changes in Assets and Liabilities:	
Decrease in Insurance Receivable	42,201
Increase in Other Receivables	(39,224)
Decrease in Premium Deposit	47,000
Decrease in Claims Payable	(357,966)
Increase in Other Accrued Liabilities	<u>92,913</u>
Net Cash Used in Operating Activities	<u>\$ (78,500)</u>

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

LAFAYETTE PARISH SHERIFF
INTERNAL SERVICE FUND
GROUP SELF-INSURANCE FUND
GOVERNMENTAL ACTIVITIES
STATEMENT OF CASH FLOWS-continued
YEAR ENDED JUNE 30, 2005

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

Cash and Cash Equivalents, Beginning of Period -	
Interest-Bearing Deposits	\$ 133,538
Investments	<u>11,775</u>
Total Cash and Cash Equivalents	<u>145,313</u>
 Cash and Cash Equivalents, End of Period -	
Interest-Bearing Deposits	60,225
Investments	<u>12,015</u>
Total Cash and Cash Equivalents	<u>72,240</u>
 Net Decrease	 <u>\$ (73,073)</u>

LAFAYETTE PARISH SHERIFF
STATEMENT OF ASSETS AND LIABILITIES
AGENCY FUNDS
JUNE 30, 2005

	<u>Total Agency Funds</u>
Assets:	
Cash and Interest Bearing Deposits	\$ 1,390,148
Total Assets	<u>\$ 1,390,148</u>
Liabilities:	
Due to Taxing Bodies and Others	\$ 1,285,335
Due to Prisoners	<u>104,813</u>
Total Liabilities	<u>\$ 1,390,148</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, 2005

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

The following is a summary of certain significant accounting policies:

1. Financial Reporting Entity

For financial reporting purposes, the Sheriff includes all funds, account groups, activities, etcetera, that are controlled by the Sheriff as an independently elected parish official. As an independently elected parish official, the Sheriff is solely responsible for the operations of his office, which include the hiring and retention of employees, authority over budgeting, responsibility for deficits, and the receipt and disbursement of funds. Other than certain operating expenditures of the Sheriff's office that are paid or provided by the parish council as required by Louisiana law, the Sheriff is financially independent. Accordingly, the Sheriff is a separate governmental reporting entity. Certain units of local government, over which the Sheriff exercises no oversight responsibility, such as the parish government, parish school board, other independently elected parish officials, and municipalities within the parish, are excluded from the accompanying financial statements. These units of government are considered separate reporting entities and issue financial statements separate from those of the parish Sheriff.

2. Basis of Presentation

The accompanying basic financial statements of the Lafayette Parish Sheriff have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement No. 34, "Basic Financial Statements and Management's Discussion and Analysis-for State and Local Governments", issued in June 1999.

LAFAYETTE PARISH SHERIFF

**NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDED JUNE 30, 2005**

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

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. Information contained in these statements reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets 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."

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

Internal service fund activity is eliminated to avoid "doubling up" revenues and expenses. Fiduciary funds are also excluded from the government-wide financial statements.

Fund Financial Statements (FFS)

The financial transactions of the Sheriff are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The following fund types are used by the Sheriff:

Governmental Funds –

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the Sheriff:

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.

LAFAYETTE PARISH SHERIFF

NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDED JUNE 30, 2005

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Special Revenue Funds

Special revenue funds are 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.

Proprietary Funds

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

Internal Service Fund

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

The emphasis on fund financial statements is on major funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the Sheriff or its total assets, liabilities, revenues, or expenditures of the individual governmental fund is at least ten percent of the corresponding total for all governmental funds. Nonmajor funds by category are summarized into a single column. GASB 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues, or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The nonmajor funds are combined in a column in the fund financial statements. The General Fund is the only fund of the Sheriff to be considered a major fund.

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

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.

LAFAYETTE PARISH SHERIFF

NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDED JUNE 30, 2005

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

3. Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

Accrual

Governmental activities in the government-wide financial statements and the proprietary and fiduciary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

Modified Accrual

The governmental funds financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year end. 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 are generally recognized under the modified accrual basis of accounting when the related liability is incurred, except that principal and interest on general long-term debt are recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. Purchases of various operating supplies are regarded as expenditures at the time purchased.

4. Budget and Budgetary Accounting

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

- a. The chief administrative deputy prepares a proposed budget and submits it to the Sheriff for the fiscal year no later than fifteen days prior to the beginning of each fiscal year.
- b. A summary of the proposed budget is published and the public is notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
- c. A public hearing is held on the proposed budget at least ten days after publication of the call for a hearing.
- d. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is legally adopted prior to the commencement of the fiscal year for which the budget is being adopted.

LAFAYETTE PARISH SHERIFF

**NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDED JUNE 30, 2005**

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

- 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.

6. Investments

Under state law, the Sheriff may deposit funds with a fiscal agent organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States. The Sheriff may invest in United States bonds, treasury notes and bills, government backed agency securities, or certificates and time deposits of state banks organized under Louisiana Law and national banks having principal offices in Louisiana. In addition, local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool (LAMP), a nonprofit corporation formed by the State Treasurer and organized under the laws of the State of Louisiana, which operates a local government investment pool. At June 30, 2005, the Sheriff's investments in LAMP, which are stated at amortized cost, amounted to \$169,250.

7. Statement of Cash Flows

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

8. Interfund Transactions

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

LAFAYETTE PARISH SHERIFF

NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDED JUNE 30, 2005

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

9. Vacation and Sick Leave

Full-time employees of the Sheriff's office earn from ten to sixteen hours of annual compensated leave per month depending on total years of service. Annual compensated leave shall be granted in lieu of vacation, sick leave, and family time. Part-time employees hired prior to December 31, 1992, earn five hours of annual compensated leave per month. Part-time employees hired subsequent to December 31, 1992 do not earn annual compensated leave. Prior to July 1, 1994, employees were allowed to carry forward a maximum of 480 hours of annual compensated leave beyond the end of the calendar year. Effective, July 1, 1994, accumulated annual leave must be converted to sick leave and family time in order to be carried forward subsequent to the fiscal year end. However, employees shall not be paid for accrued but unused sick leave and family time upon leaving the employ of the Sheriff's office. At June 30, 2005, the Sheriff has accrued vested leave benefits as required to be reported in accordance with GASB statement No. 16, "Accounting for Compensated Absences."

10. 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

11. Post-Employment Health Care and Life Insurance Benefits

- a. The Sheriff has no established policy regarding the payment or cost of providing continuing health care and life insurance benefits for retired employees. Should an officer become disabled in the line of duty, the Sheriff will waive one-half of the cost of the officer's health insurance. At June 30, 2005, four 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, 2005 was \$7,386.

LAFAYETTE PARISH SHERIFF

NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDED JUNE 30, 2005

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

- b. During the 2000 regular session of the Louisiana State Legislature, L.R.S. 33:1448(G) was enacted, requiring the Lafayette Parish Sheriff and others to pay certain premium costs of specified group insurance for certain retired employees. All expenses relating to these benefits are recorded in the financial statements.

12. Capitalization of Interest Expense

It is the policy of the Lafayette Parish Sheriff to capitalize material amounts of interest resulting from borrowings in the course of the construction of fixed assets.

13. Restricted Net Assets

For the government-wide statement of net assets, net assets are reported as restricted when constraints placed on net asset use are either:

- a. Externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; and
- b. Imposed by law through constitutional provisions or enabling legislation.

The net assets restricted for other purposes result from special revenue funds and the restrictions on their net asset use.

14. Prepaid Items

Insurance payments made to insurance agencies that will benefit periods beyond June 30, 2005 are recorded as prepaid items.

15. Fund Equity

- a. Reserves

Reserves represent those portions of fund equity not appropriable for expenditures or legally segregated for a specific future use.

- b. Designated Fund Balances

Designated fund balances represent tentative plans for future use of financial resources.

16. 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.

LAFAYETTE PARISH SHERIFF

NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDED JUNE 30, 2005

B. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets

The governmental fund balance sheet includes reconciliation between fund balance - total governmental funds and net assets - governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that "long-term liabilities are not due and payable in the current period and therefore are not reported in the funds." The details of that difference are as follows:

Compensated Absences	<u>\$ 1,741,661</u>
Net Adjustment to Reduce Fund Balance-Total Governmental Funds to Arrive at Net Assets-Governmental Activities	<u>\$ 1,741,661</u>

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances - total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of this difference are as follows:

Capital Outlay	\$ 1,033,045
Depreciation	<u>(1,247,396)</u>
Net Adjustment to Decrease Net Changes in Fund Balances - Total Governmental Funds to Arrive at Changes in Net Assets of Governmental Activities	<u>\$ (214,351)</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, 2005, the Sheriff has cash and interest-bearing deposits (book balances) totaling \$7,994,747 as follows:

Demand Deposits and Cash on Hand	\$ 15,686
Money Market Accounts	<u>7,979,061</u>
Total	<u>\$ 7,994,747</u>

LAFAYETTE PARISH SHERIFF

NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDED JUNE 30, 2005

C. CASH AND INTEREST-BEARING DEPOSITS - continued

These deposits are stated at cost, which approximates market. Under state law, these deposits, (or the resulting bank balances) must be secured by federal deposit insurance or 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. Deposit balances (bank balances) at June 30, 2005, are secured as follows:

Bank Balances	<u>\$ 9,005,550</u>
Federal Deposit Insurance	\$ 200,000
Pledged Securities (Category 3)	<u>26,345,135</u>
Total	<u>\$ 26,545,135</u>

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

D. INVESTMENTS

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

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

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.

LAFAYETTE PARISH SHERIFF

**NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDED JUNE 30, 2005**

D. INVESTMENTS - continued

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

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

At June 30, 2005, the Sheriff's investments totaled \$169,250 as follows:

<u>Description</u>	<u>Category</u>	<u>Interest Rate</u>	<u>Amount/ Amortized Cost</u>	<u>Fair Market Value</u>
Louisiana Asset Management Pool (LAMP)	N/A	variable	\$ 169,250	\$ 169,250

E. DUE FROM OTHER GOVERNMENTAL UNITS

A summary of due from other governmental units of \$1,815,472 at June 30, 2005 follows:

Sales Tax Revenue	\$ 799,635
Ad Valorem Tax Revenue	7,415
Intergovernmental Revenues -	
Federal Grants	185,724
State, City and Parish Grants	418,551
Food Service Contracts	6,706
Fees, Charges and Commissions for Services -	
Civil and Criminal Fees	39,403
Court Attendance	7,075
Forfeitures	29,717
Transporting Prisoners	4,876
Feeding and Keeping Prisoners -	
Parish Government	63,823
State Government	118,219
Federal Government	58,779
Other	46
Telephone Commissions	55,377
Miscellaneous	<u>20,126</u>
Total	<u>\$ 1,815,472</u>

LAFAYETTE PARISH SHERIFF

**NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDED JUNE 30, 2005**

F. INTERFUND TRANSACTIONS

<u>Purpose</u>	<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Due To/From:			
Advance in Anticipation of Receipts	Internal Service	General	\$ 762,416
Repayment of Telephone Commissions	General	Special Revenue	\$ 5,242

G. 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, 2005, 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 \$925,133,827. The 16.79 mills tax consists of an 8.76 mills tax for the purpose of providing funds for the Lafayette Parish Law Enforcement District approved by voters through the year 2009 and an 8.03 mills tax now authorized by L.R.S 33:9003A.

Total law enforcement taxes levied during 2004 were \$15,533,986.

H. RETIREMENT COMMITMENTS

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

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

Pertinent information relative to each plan follows:

1. Federal Social Security System

All employees who are not eligible to participate in the Louisiana Sheriffs' Pension and Relief Fund are members of the Federal Social Security System. The Sheriff and its employees contribute a percentage of each employee's compensation to the System (7.65% contributed by the Sheriff; 7.65% by the employee). The Sheriff's contributions during the years ended June 30, 2005 and 2004 amounted to \$239,871 and \$234,972, respectively.

LAFAYETTE PARISH SHERIFF
NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDED JUNE 30, 2005

H. RETIREMENT COMMITMENTS - continued

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 10.75% 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. The Lafayette Parish Sheriff's contributions to the Retirement System for the years ended June 30, 2005, 2004, and 2003 were \$1,511,855, \$1,410,871 and \$1,068,107, respectively.

I. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2005 was as follows:

	<u>Balance</u> <u>July 1, 2004</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2005</u>
Governmental Activities:				
Buildings and Improvements	\$ 5,040,422	\$ 23,130	\$ -	\$ 5,063,552
Equipment and Furniture	4,801,281	694,969	-	5,496,250
Vehicles	3,086,011	314,946	241,944	3,159,013
Total	<u>12,927,714</u>	<u>1,033,045</u>	<u>241,944</u>	<u>13,718,815</u>
Less: Accumulated Depreciation:				
Buildings and Improvements	2,107,414	173,707	-	2,281,121
Equipment and Furniture	3,379,591	712,067	1,125	4,090,533
Vehicles	2,480,811	361,622	234,444	2,607,989
Total	<u>7,967,816</u>	<u>1,247,396</u>	<u>235,569</u>	<u>8,979,643</u>
Net Capital Assets	<u>\$ 4,959,898</u>	<u>\$ (214,351)</u>	<u>\$ (6,375)</u>	<u>\$ 4,739,172</u>

Depreciation expense for the year ended June 30, 2005 was \$1,247,396 and is charged to the public safety function.

LAFAYETTE PARISH SHERIFF

**NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDED JUNE 30, 2005**

J. DEFERRED COMPENSATION PLAN

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

K. CHANGES IN GENERAL LONG-TERM OBLIGATIONS

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

The following is a summary of the long-term obligations transactions of the Lafayette Parish Sheriff for the year ended June 30, 2005.

	Claims Payable	Compensated Absences	Capital Lease Obligation	Total
Long-Term Obligations Payable at June 30, 2004	\$ 963,784	\$ 1,703,573	\$ 183,966	\$2,851,323
Additions	-	287,056	-	287,056
Deductions	357,968	-	183,966	541,934
Long-Term Obligations Payable at June 30, 2005	\$ 605,816	\$ 1,990,629	\$ -	\$2,596,445
Current Portion				\$ 755,186

Capital Lease Obligation consists of a lease for communications equipment entered into in November 2000, with Motorola, Inc. The total cost of the equipment is \$672,374 and is included in equipment. Accumulated depreciation relating to this asset at June 30, 2005 was \$537,899. The lease term is four years with annual payments of \$195,682, bearing interest at a rate of 6.19 percent per annum. The lease was paid out during the current year.

L. TAXES PAID UNDER PROTEST

The unsettled balances due to taxing bodies and others in the agency funds at June 30, 2005, include \$357,891 of taxes paid under protest plus interest earned to date on the investment of these funds. These funds are held pending resolution of the protest and are accounted for in the Tax Collector Agency Fund.

LAFAYETTE PARISH SHERIFF

**NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDED JUNE 30, 2005**

M. LITIGATION AND CLAIMS

At June 30, 2005, 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 \$12,500. Those classified as "reasonably possible" are estimated not to exceed \$210,000. Included in this amount is a judgment from the Third Circuit Court of Appeals awarding the plaintiff damages in the amount of \$175,000. The Sheriff originally prevailed in District Court on this matter and has subsequently filed a writ application with the State of Louisiana Supreme Court. Legal counsel believes that the Sheriff will ultimately prevail in this case and that the judgment will be dismissed. Consequently, no provision has been made in the accounts for any liability related to this matter.

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

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

O. RISK MANAGEMENT

1. Commercial Insurance Coverage

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

2. Group Self-Insurance

During fiscal year ending June 30, 1993, the Sheriff established a Group Self-Insurance Fund (an internal service fund) to account for and finance the uninsured risk of loss for commercial group health insurance. The plan year ended on June 30, 2005, and is being administered by Great West Life and Annuity Company, Inc. (Great West). The fund provided coverage for specific claims for up to a maximum of \$150,000 for each employee or employee dependent and aggregate claims up to a maximum of \$3,426,925 and \$4,920,938 for the plan years ended June 30, 2005 and 2004, respectively. The Sheriff purchased commercial insurance for claims in excess of coverage provided by the Fund.

LAFAYETTE PARISH SHERIFF

**NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDED JUNE 30, 2005**

O. RISK MANAGEMENT - continued

Payments made by the General Fund to the Group Self-Insurance Fund are based on amounts needed to pay prior and current year claims. The claims liability of \$605,818 reported in the fund at June 30, 2005 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 2005 and 2004 were:

<u>Year Ended</u>	<u>Fiscal Year Liability</u>	<u>Changes in Estimates</u>	<u>Claim Payments</u>	<u>Fiscal Year End</u>
June 30, 2004	\$ 452,737	\$ 5,431,985	\$ 4,920,938	\$ 963,784
June 30, 2005	\$ 963,784	\$ 3,068,959	\$ 3,426,925	\$ 605,818

P. JOINT VENTURE

The Sheriff is a participant with the City-Parish Government of Lafayette, in a joint venture to perform *investigations and analytical studies of controlled substances, and when necessary under lawful rules, take into custody all persons accused of committing criminal violations with the emphasis on controlled substances.* The Lafayette Metro Narcotics Task Force (the Task Force) was formed under a joint powers agreement entered into by the two government units listed above on October 5, 2000. The Task Force is governed by a four-member board composed of two appointees from the Sheriff, and two appointees from the City-Parish of Lafayette. The Sheriff and the City-Parish of Lafayette have agreed to provide, for each calendar year, a minimum of Sixty-Five Thousand Dollars each, for the operation of the Task Force. The Sheriff and the City-Parish may mutually agree to provide a lesser amount. The Sheriff does not hold an equity interest in the Task Force at June 30, 2005. For the year ended December 31, 2004, the Task Force reported a deficiency of revenues over expenditures in its General Fund of \$27,562, and an ending fund balance of \$218,715. 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, 2005, the Sheriff paid \$30,000 to the Lafayette Metro Narcotics Task Force.

Q. OPERATING LEASES

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

- Lease of facility for ten years originally dated February 15, 1985 with renewal options that have been exercised. Current term expires in February 2010. Annual rental payment of \$1,082.
- Lease of facility for two years commencing March 1, 2001 with multiple renewal options for one-year terms. Rental payments of \$1,000 per month. This lease was renewed.
- Lease of facility for a two-year term with multiple renewal options dated October 1, 2001. The monthly rental payment is \$1,000. This lease was renewed.

LAFAYETTE PARISH SHERIFF
NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDED JUNE 30, 2005

Q. OPERATING LEASES - continued

- Copier lease dated June 10, 2002 for 54 months at a monthly base rental of \$389.39 plus usage charges calculated quarterly.

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

June 30, 2006	\$16,755
June 30, 2007	3,029
June 30, 2008	1,082
June 30, 2009	1,082
June 30, 2010 and thereafter	<u>676</u>
Total	<u>\$22,624</u>

Rental payments included in these financial statements relating to these leases totaled \$29,755.

R. LINE OF CREDIT

On September 23, 2004 the Louisiana State Bond Commission approved the application of the Lafayette Parish Law Enforcement District to incur debt and borrow an amount not to exceed in the aggregate the sum of \$2,000,000, at an interest rate not to exceed 4.25 percent per annum, to be repaid on or before June 30, 2005. These funds are to be used for the purpose of meeting current cash requirements of the Sheriff. The Sheriff obtained the line of credit from Bank One. During the fiscal year ended June 30, 2005, the District borrowed the maximum of \$2,000,000. All amounts were repaid before June 30, 2005.

**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, 2005

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Ad Valorem Taxes	\$ 14,177,688	\$ 15,370,431	\$ 15,609,477	\$ 239,046
Sales Tax Revenue	4,076,718	4,828,634	4,853,110	24,476
Intergovernmental Revenues -				
Federal Grants	134,594	284,515	299,825	15,310
State Revenue Sharing (Net)	758,436	764,386	764,387	1
State Supplemental Pay	1,146,500	1,092,940	1,093,708	768
State, City and Parish Grants	1,979,019	1,781,954	1,919,164	137,210
Fees Charges and Commissions for Services -				
Civil and Criminal Fees	1,717,179	1,945,224	1,976,326	31,102
Court Attendance	40,657	10,375	28,150	17,775
Transporting Prisoners	57,128	45,920	52,252	6,332
Feeding and Keeping Prisoners	2,941,919	2,630,259	2,661,548	31,289
Work Release Revenue	-	212,509	218,309	5,800
Interest Income	73,637	172,724	237,025	64,301
Miscellaneous	1,042,430	1,297,451	1,262,045	(35,406)
Total Revenues	<u>28,145,905</u>	<u>30,437,322</u>	<u>30,975,326</u>	<u>538,004</u>
Expenditures:				
Current -				
Public Safety:				
Personal Services and Related Benefits	21,671,711	23,859,085	22,887,695	971,390
Operating Services	2,402,476	3,176,075	3,377,663	(201,588)
Materials and Supplies	524,578	587,307	585,707	1,600
Other Charges	1,727,756	1,860,496	1,827,673	32,823
Debt Service -				
Principal	-	-	183,966	(183,966)
Interest	-	-	11,716	(11,716)
Capital Outlay	1,285,899	1,271,591	1,033,045	238,546
Total Expenditures	<u>27,612,420</u>	<u>30,754,554</u>	<u>29,907,465</u>	<u>847,089</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>533,485</u>	<u>(317,232)</u>	<u>1,067,861</u>	<u>1,385,093</u>
Other Financing Sources (Uses):				
Sale of Assets	2,667	-	42,600	42,600
Total Other Financing Sources (Uses)	<u>2,667</u>	<u>-</u>	<u>42,600</u>	<u>42,600</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	536,152	(317,232)	1,110,461	1,427,693
Fund Balance, Beginning	<u>6,231,360</u>	<u>6,231,360</u>	<u>6,231,360</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 6,767,512</u>	<u>\$ 5,914,128</u>	<u>\$ 7,341,821</u>	<u>\$ 1,427,693</u>

**OTHER SUPPLEMENTARY
INFORMATION**

LAFAYETTE PARISH SHERIFF

GENERAL FUND

STATEMENT OF EXPENDITURES COMPARED TO BUDGET (GAAP BASIS)
YEAR ENDED JUNE 30, 2005

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Current:				
Public Safety -				
Personal Services and Related Benefits:				
Sheriff Salary	\$ 102,000	\$ 102,000	\$ 97,780	\$ 4,220
Deputies Salaries	16,506,756	17,122,996	17,023,295	99,701
Pension and Payroll Taxes	1,607,402	1,977,394	2,004,375	(26,981)
Sheriff's Expense Allowance	10,200	10,200	9,778	422
Hospitalization Insurance	3,445,353	4,646,495	3,752,467	894,028
Total Personal Services and Related Benefits	<u>21,671,711</u>	<u>23,859,085</u>	<u>22,887,695</u>	<u>971,390</u>
Operating Services:				
Auto and Liability Insurance	955,121	1,341,322	1,349,877	(8,555)
Leases	109,375	122,202	123,615	(1,413)
Telephone and Utilities	265,962	299,674	320,462	(20,788)
Fuel and Oil	262,696	361,360	413,864	(52,504)
Maintenance and Repairs	409,835	542,064	536,649	5,415
Legal and Professional Fees	232,143	176,762	250,096	(73,334)
Claims Paid	-	-	79,727	(79,727)
Office Expense	109,854	332,691	303,373	29,318
Tax Notices	57,490	-	-	-
Total Operating Services	<u>2,402,476</u>	<u>3,176,075</u>	<u>3,377,663</u>	<u>(201,588)</u>
Materials and Supplies:				
Uniforms	165,910	173,870	168,458	5,412
Small Equipment and Supplies	303,029	342,212	337,194	5,018
Publications	44,701	48,886	48,841	45
Deputy Supplies	10,938	22,339	31,214	(8,875)
Total Materials and Supplies	<u>524,578</u>	<u>587,307</u>	<u>585,707</u>	<u>1,600</u>
Other Charges:				
Prisoner Feeding and Maintenance	1,427,855	1,485,943	1,486,830	(887)
Extraditions	5,213	-	-	-
Criminal Investigation Expense	31,048	3,204	3,036	168
Training	119,169	111,722	102,546	9,176
Travel and Conventions	14,057	9,376	7,736	1,640
Dues	33,108	34,422	41,957	(7,535)
Juvenile Programs	17,484	20,846	19,290	1,556
Canine	4,055	16,788	12,855	3,933
Occupational Medical	25,767	68,912	45,630	23,282
Appropriation to Parish Government -				
Metro Narcotics	50,000	30,300	30,000	300
Crime Lab	-	78,983	77,793	1,190
Total Other Charges	<u>1,727,756</u>	<u>1,860,496</u>	<u>1,827,673</u>	<u>32,823</u>
Debt Service -				
Principal	-	-	183,966	(183,966)
Interest	-	-	11,716	(11,716)
Capital Outlay	<u>1,285,899</u>	<u>1,271,591</u>	<u>1,033,045</u>	<u>238,546</u>
Total Expenditures	<u>\$27,612,420</u>	<u>\$30,754,554</u>	<u>\$29,907,465</u>	<u>\$ 847,089</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, 2005

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Sales of Commissary Goods	\$ 70,000	\$ -	\$ 77,315	\$ 77,315
Telephone Commission Income	325,000	584,644	304,048	(280,596)
Miscellaneous	25,000	67,178	54,732	(12,446)
Total Revenues	<u>420,000</u>	<u>651,822</u>	<u>436,095</u>	<u>(215,727)</u>
Expenditures:				
Current -				
Personal Services and Related Benefits	-	-	9,785	(9,785)
Operating Services:				
Purchase of Commissary Goods	151,319	253,383	206,416	46,967
Supplies	25,000	29,738	8,035	21,703
Payments to Inmate Work				
Crews and Indigent Inmates	63,040	160,631	33,875	126,756
Miscellaneous	20,000	22,619	23,577	(958)
Total Operating Services	<u>259,359</u>	<u>466,371</u>	<u>271,903</u>	<u>194,468</u>
Capital Outlay	6,193	224	-	224
Total Expenditures	<u>265,552</u>	<u>466,595</u>	<u>281,688</u>	<u>184,907</u>
Excess of Revenues over Expenditures	154,448	185,227	154,407	(30,820)
Other Financing Sources (Uses):				
Operating Transfer Out	(150,000)	(245,455)	-	245,455
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	4,448	(60,228)	154,407	214,635
Fund Balance, Beginning	<u>80,251</u>	<u>80,251</u>	<u>80,251</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 84,699</u>	<u>\$ 20,023</u>	<u>\$ 234,658</u>	<u>\$ 214,635</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.

LAFAYETTE PARISH SHERIFF

FIDUCIARY FUND TYPE - AGENCY FUNDS

COMBINING BALANCE SHEET
JUNE 30, 2005

	Sheriffs Fund	Tax Collector Fund	Deputy Fund	Bond Fund	Prison Inmate Fund	Total
ASSETS						
Cash	\$ -	\$ -	\$ -	\$ 200	\$ -	\$ 200
Interest-Bearing Deposits	215,126	453,875	24,297	579,141	117,509	1,389,948
Total Assets	<u>\$ 215,126</u>	<u>\$ 453,875</u>	<u>\$ 24,297</u>	<u>\$ 579,341</u>	<u>\$ 117,509</u>	<u>\$ 1,390,148</u>
LIABILITIES						
Due to Taxing Bodies and Others	\$ 215,126	\$ 453,875	\$ 24,297	\$ 579,341	\$ 12,696	\$ 1,285,335
Due to Prisoners	-	-	-	-	104,813	104,813
Total Liabilities	<u>\$ 215,126</u>	<u>\$ 453,875</u>	<u>\$ 24,297</u>	<u>\$ 579,341</u>	<u>\$ 117,509</u>	<u>\$ 1,390,148</u>

**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.wmddh.com

JOHN W. WRIGHT, CPA*
JAMES H. DUPUIS, CPA, CFP*
JOE D. HUTCHINSON, CPA*
JAN H. COWEN, CPA*
LANCE E. CRAPPELL, CPA*
PAT BAHAM DOUGHT, CPA*
MICAH R. VIDRINE, CPA*
TRAVIS M. BRINSKO, CPA*
RICK STUTES, CPA, CVA

* A PROFESSIONAL CORPORATION

RETIRED

M. TROY MOORE, CPA*
MICHAEL G. DeHART, CPA, CVA, MBA*

CHRISTINE R. DUNN, CPA
ANDRÉ D. BROUSSARD, CPA
MARY PATRICIA KEELEY, CPA
KRISTIE C. BOUDREAUX, CPA
BRIDGET B. TILLEY, CPA, MT
DAMIAN H. SPIESS, CPA, CFP
TASHA A. RALEY, CPA
PATRICK WAGUESPACK, CPA
CHIP CANTRELL, CPA
DANE P. FALGOUT, CPA
ROBIN G. STOCKTON, CPA

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING 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, each major fund, and the aggregate remaining fund information of the Lafayette Parish Sheriff as of and for the year ended June 30, 2005, which collectively comprise the Lafayette Parish Sheriff's basic financial statements and have issued our report thereon dated November 23, 2005. 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 in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance

As part of obtaining reasonable assurance about whether the Lafayette Parish Sheriff's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that is required to be reported under Government Auditing Standards which is described in the accompanying Schedule of Findings and Questioned Costs as item 2005-1.



We also noted certain additional matters that we reported to management of the Lafayette Parish Sheriff in a separate letter dated November 23, 2005.

This report is intended for the information of management, and the Legislative Auditor of the State of Louisiana. However, this report is a matter of public record and its distribution is not limited.

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

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

November 23, 2005

LAFAYETTE PARISH SHERIFF

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2005

We have audited the financial statements of the Lafayette Parish Sheriff as of and for the year ended June 30, 2005, and have issued our report thereon dated November 23, 2005. 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. Our audit of the financial statements of June 30, 2005 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
Reportable Conditions ___ Yes x No

Compliance

Compliance Material to Financial Statements x Yes ___ No

Section II - Financial Statement Findings

2005-1 Budget Amendments

Finding:

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 variances to the budget amounts are in excess of five (5) percent. The Sheriff's Office failed to adequately amend the budgets for the General Fund and the Special Revenue Fund.

Recommendation:

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

Section III - Federal Award Findings and Questioned Costs

This section is not applicable for the year ended June 30, 2005.

LAFAYETTE PARISH SHERIFF

**SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2005**

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

2004-1 Budget Amendments

Finding:

The Sheriff failed to adequately amend the budgets for the General Fund and the Special Revenue Fund in accordance with state statute.

Follow Up:

Although the Lafayette Parish Sheriff's Office has made significant progress in amending their budgets, this finding is unresolved. See current year finding 2005-1.

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

This section was not applicable for the year ended June 30, 2004.

Section III. Management Letter

No management letter was issued for the year ended June 30, 2004.

CORRECTIVE ACTION PLAN

JUNE 30, 2005

Louisiana Legislative Auditor

The Lafayette Parish Sheriff respectfully submits the following corrective action plan for the year ended June 30, 2005.

The findings from the June 30, 2005 Schedule of Findings and Questioned Costs are discussed below. The findings are numbered consistently with the number assigned in the schedule.

Finding No. 2005-1 Budget Amendments

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

Action Taken: Management has implemented procedures to insure that budgets are properly amended to stay in compliance with all applicable state statutes. During the current year, budget to actual analysis was performed with the budgets amended as deemed necessary.

MANAGEMENT LETTER

2005ML-01 – CASH AND BANK RECONCILIATIONS

Recommendation: The Sheriff's Office should implement procedures to insure that deposits are made timely and that the daily cash receipts records be reconciled to the deposit slips by an individual outside of the funds' accounting function.

Action Taken: Management has implemented procedures to monitor these requirements on an ongoing basis.

2005ML-02 ACCOUNTING RECORDS

Recommendation: Management should develop a standard chart of accounts for the Inmate Welfare Fund for ease of coding and should implement procedures to insure transactions are processed and paid timely.

Action Taken: Management has implemented procedures to monitor these requirements on an ongoing basis.

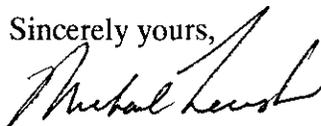
2005ML-03 RECORD RETENTION

Recommendation: The types of records generated by the Inmate Welfare Fund should be evaluated and a record retention policy developed to insure that all necessary documents are retained.

Action Taken: Management has implemented procedures to monitor these requirements on an ongoing basis.

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

Sincerely yours,



Michael Neustrom, Sheriff
Lafayette Parish

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.wmddh.com

JOHN W. WRIGHT, CPA*
JAMES H. DUPUIS, CPA, CFP*
JOE D. HUTCHINSON, CPA*
JAN H. COWEN, CPA*
LANCE E. CRAPPELL, CPA*
PAT BAHAM DOUGHT, CPA*
MICAH R. VIDRINE, CPA*
TRAVIS M. BRINSKO, CPA*

* A PROFESSIONAL CORPORATION

RETIRED

M. TROY MOORE, CPA*
MICHAEL G. DeHART, CPA, CVA, MBA*

CHRISTINE R. DUNN, CPA
RICK STUTES, CPA, CVA
ANDRÉ D. BROUSSARD, CPA
MARY PATRICIA KEELEY, CPA
KRISTIE C. BOUDREAUX, CPA
BRIDGET B. TILLEY, CPA, MT
DAMIAN H. SPIESS, CPA, CFP
TASHA A. RALEY, CPA
PATRICK WAGUESPACK, CPA
CHIP CANTRELL, CPA
DANE P. FALGOUT, CPA
ROBIN G. STOCKTON, CPA

The Honorable Michael Neustrom
Sheriff, Lafayette Parish

In planning and performing our audit of the financial statements of the Lafayette Parish Sheriff for the year ended June 30, 2005, we considered the Sheriff's internal control structure and compliance with laws and regulations to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on the internal control structure.

However, during our audit, we noted certain matters involving the internal control structure, compliance issues, and other operational matters that are presented for your consideration. We will review the status of these comments during our next audit engagement. Our comments and recommendations, all of which have been discussed with appropriate members of management, are intended to improve the internal control structure, compliance, or result in other operating efficiencies. We will be pleased to discuss these comments in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations. Our comments are summarized as follows:

CASH AND BANK RECONCILIATIONS

2005ML-01:

During the course of performing audit procedures on the bank accounts for the Inmate Welfare Fund, the Inmate Trust Fund and the Bond Fund, it was noted that on numerous occasions deposits were not made timely. Additionally, deposits were made into the wrong funds and not corrected timely, thus causing significant problems in reconciling the accounts. Procedures should be implemented to insure that deposits are made on a daily basis for each of these funds. Additionally, a person not involved in the daily activities of these funds should reconcile the daily cash receipts records to the deposit slips for each fund to insure that all monies are deposited into the proper funds. This would also insure that in the event of an error, a correction could be made timely, thus simplifying the bank reconciliations at month end.



ACCOUNTING RECORDS

2005ML-02:

During the current year, several issues were noted with the accounting for the Inmate Welfare Fund (a special revenue fund) including numerous instances of coding errors, requiring significant audit adjustments to be made. In addition, the fund is required to transfer incentive pay to the inmates on a monthly basis. During the year, the inmates were credited with their respective incentive pay on a monthly basis, however the funds were not transferred into the Inmate Trust Fund, again causing problems with reconciliations of accounts as well as bank reconciliations on both of these funds. It was also noted that vendors conducting business with the Inmate Welfare Fund were not being paid timely. Management should insure that staff utilizes the standard chart of accounts for the Inmate Welfare Fund to reduce instances of coding errors. Additionally, management should implement procedures to insure that incentive pay is transferred to the Inmate Trust Fund on a timely basis. Finally, vendor invoices should be paid within a reasonable amount of time to avoid the potential of interest charges, COD status or credit revocation from vendors.

RECORD RETENTION

2005ML-03:

During the current year, there were several instances noted where supporting documents for transactions could not be located by Inmate Welfare Fund staff thus hindering the ability for audit procedures to be performed. These include both invoices and deposit slips. The types of records generated by the Inmate Welfare Fund should be evaluated by management and a record retention policy developed to insure that all necessary documents are retained.

We wish to thank the entire staff of the Lafayette Parish Sheriff's Office for their support and assistance during our audit.

This report is intended for the information of management. However, this report is a matter of public record and its distribution is not limited.

*Wright, Moore, DeHart,
Dupuis & Hutchinson, LLC*
WRIGHT, MOORE, DEHART,
DUPUIS & HUTCHINSON, L.L.C.
Certified Public Accountants

November 23, 2005