

CALDWELL PARISH SHERIFF
Columbia, Louisiana

Financial Report
For the Year Ended June 30, 2019

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Recipient of Advanced Single Audit Certificate*

INDEPENDENT AUDITOR'S REPORT

Caldwell Parish Sheriff
Columbia, Louisiana

Report on Financial Statements

I have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Caldwell Parish Sheriff as of June 30, 2019, and the related notes to the financial statements, which collectively comprise the Sheriff's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Caldwell Parish Sheriff as of June 30, 2019, and the changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information. Accounting principles generally accepted in the United States of America require that budget information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The Caldwell Parish Sheriff has not presented Management's Discussion and Analysis that the Governmental Accounting Standards Board also determined is necessary to supplement, although not required to be part of, the basic financial statements.

Other Information. My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Sheriff's basic financial statements. The accompanying combining and individual nonmajor fund schedules and the schedules related to the Tax Collector Fund are presented for the purpose of additional analysis and are not a required part of the basic financial statements of the Caldwell Parish Sheriff.

The supplemental schedules are the responsibility of management and were derived and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, such information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued a report dated December 31, 2019, on my consideration of the Caldwell Parish Sheriff's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Board's internal control over financial reporting and compliance.

A handwritten signature in blue ink that reads "J. Aaron Cozart, CPA, LLC". The signature is written in a cursive, flowing style.

Jennings, Louisiana
December 31, 2019

GOVERNMENT-WIDE
FINANCIAL STATEMENTS (GWFS)

CALDWELL PARISH SHERIFF
Columbia, Louisiana

Statement of Net Position

June 30, 2019

	Governmental Activities	Business-Type Activities
ASSETS		
Cash and interest-bearing deposits	\$ 505,143	\$ 526,180
Receivables	130,705	480,491
Restricted deposits	-	182,485
Capital assets, net of accumulated depreciation	235,887	3,436,263
Total assets	871,735	4,625,419
DEFERRED OUTFLOWS		
Post retirement related deferrals	716,863	798,256
LIABILITIES		
Accounts payable	93,969	221,031
Salaries and benefits payable	157,280	199,958
Long-term liabilities:		
Due within one year	269,230	251,433
Due after one year	3,231,856	6,851,803
Total liabilities	3,752,335	7,524,225
DEFERRED INFLOWS		
Post retirement related deferrals	310,823	311,550
NET POSITION		
Investment in capital assets	235,887	996,263
Restricted for debt covenants	-	182,485
Unrestricted	(2,710,447)	(3,590,848)
Total net position	\$ (2,474,560)	\$ (2,412,100)

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

CALDWELL PARISH SHERIFF
Columbia, Louisiana

Statement of Activities

For the Year Ended June 30, 2019

Activities	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets		
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:						
Public safety	\$ 3,541,648	\$ 557,213	\$ 191,303	\$ (2,793,132)	\$ -	\$ (2,793,132)
Interest on long-term debt	1,597	-	-	(1,597)	-	(1,597)
Total governmental activities	3,543,245	557,213	191,303	(2,794,729)	-	(2,794,729)
Business-type activities	5,619,366	5,692,160	-	-	72,794	72,794
Total activities	\$ 9,162,611	\$ 6,249,373	\$ 191,303	(2,794,729)	72,794	(2,721,935)
General revenues:						
Taxes:						
Property taxes				1,812,699	-	1,812,699
State revenue sharing				45,973	-	45,973
Grants and contributions not restricted to specific programs:						
State sources				92,296	-	92,296
Local sources				2,050	-	2,050
Interest and investment earnings				125	-	125
Miscellaneous				55,815	59,382	115,197
Transfers				850,000	(850,000)	-
Total general revenues				2,858,958	(790,618)	2,068,340
Change in net position				64,229	(717,824)	(653,595)
Beginning net position				(2,538,789)	(1,694,276)	(4,233,065)
Ending net position				\$ (2,474,560)	\$ (2,412,100)	\$ (4,886,660)

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

FUND FINANCIAL STATEMENTS (FFS)

CALDWELL PARISH SHERIFF
Columbia, Louisiana

Balance Sheet - Governmental Fund

June 30, 2019

	<u>General Fund</u>	<u>Total Governmental Funds</u>
ASSETS		
Cash and interest-bearing deposits	\$ 505,143	\$ 505,143
Receivables	<u>130,705</u>	<u>130,705</u>
Total assets	<u><u>\$ 635,848</u></u>	<u><u>\$ 635,848</u></u>
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts payable	\$ 93,969	\$ 93,969
Salaries and benefits payable	<u>157,280</u>	<u>157,280</u>
Total liabilities	<u>251,249</u>	<u>251,249</u>
Fund balance:		
Unassigned	<u>384,599</u>	<u>384,599</u>
Total fund balance	<u>384,599</u>	<u>384,599</u>
Total liabilities and fund balance	<u><u>\$ 635,848</u></u>	<u><u>\$ 635,848</u></u>

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

CALDWELL PARISH SHERIFF
Columbia, Louisiana

Reconciliation of the Government Fund Balance Sheet
to the Statement of Net Position

June 30, 2019

Total fund balances for governmental funds at year end		\$	384,599
Total net position reported for governmental activities in the Statement of Net Position is different because:			
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:			
Buildings and improvements, net	\$	1,373	
Furniture and fixtures, net		66,379	
Vehicles and other equipment, net		<u>168,135</u>	235,887
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. Those liabilities consist of:			
Long-term liabilities at year end:			
Capital lease obligations		-	
Net pension liability		(684,413)	
Other post-employment benefits obligation		<u>(2,816,673)</u>	(3,501,086)
Post-retirement related deferrals:			
Outflows		716,863	
Inflows		<u>(310,823)</u>	<u>406,040</u>
Total net position of governmental activities at year end		\$	<u><u>(2,474,560)</u></u>

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

CALDWELL PARISH SHERIFF
Columbia, Louisiana

Statement of Revenues, Expenditures, and Changes in Fund Balance -
Governmental Fund - General Fund

For the Year Ended June 30, 2019

	<u>General Fund</u>
Revenues:	
Ad valorem taxes	\$ 1,812,699
Intergovernmental revenues:	
State grants:	
State supplemental pay	191,303
State revenue sharing (net)	45,973
Miscellaneous	92,296
Local grants	2,050
Fees, fines, and charges for services:	
Civil and criminal fees	32,684
Fines	36,859
Charges for services and programs	314,953
Mowing contract	172,717
Miscellaneous	55,940
Total revenues	<u>2,757,474</u>
Expenditures:	
Current -	
Public safety:	
Personal services and related benefits	2,260,365
Operating services	651,428
Materials and supplies	246,153
Travel and other charges	31,185
Debt service -	
Principal	42,511
Interest	1,597
Capital outlay	18,700
Total expenditures	<u>3,251,939</u>
Excess (deficiency) of revenues over expenditures	(494,465)
Other financing sources (uses):	
Transfers in	850,000
Total other financing sources (uses)	<u>850,000</u>
Change in fund balance	355,535
Fund balance, beginning	<u>29,064</u>
Fund balance, ending	<u><u>\$ 384,599</u></u>

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

CALDWELL PARISH SHERIFF
Columbia, Louisiana

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, 2019

Total net changes in fund balances per Statement of Revenues, Expenditures and Changes in Fund Balances	\$	355,535
The change in net assets reported for governmental activities in the Statement of Activities is different because:		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital outlay which is considered expenditures on the Statement of Revenues, Expenditures and Changes in Fund Balances	18,700	
Depreciation expense	<u>(186,410)</u>	(167,710)
Debt principal retirement considered as an expenditure on the Statement of Revenues, Expenditures and Changes in Fund Balances		
		42,511
In the Statement of Activities, certain operating expenses are measured by the amounts incurred during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially the amounts paid). This is the amount by which the amounts incurred exceeds the amount actually paid:		
Change in other post-employment benefits	(212,692)	
Pension expense	<u>46,585</u>	<u>(166,107)</u>
Total changes in net assets per Statement of Activities	\$	<u>64,229</u>

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

CALDWELL PARISH SHERIFF
Columbia, Louisiana

Statement of Net Position
Proprietary Funds

June 30, 2019

	<u>Business- Type Activity- Enterprise Fund</u>
ASSETS	
Cash and interest-bearing deposits	\$ 526,180
Receivables	480,491
Restricted deposits	182,485
Capital assets, net of accumulated depreciation	<u>3,436,263</u>
Total assets	<u>4,625,419</u>
DEFERRED OUTFLOWS	
Pension related deferrals	<u>798,256</u>
LIABILITIES	
Accounts payable	221,031
Salaries and benefits payable	199,958
Long-term liabilities:	
Due within one year	251,433
Due after one year	<u>6,851,803</u>
Total liabilities	<u>7,524,225</u>
DEFERRED INFLOWS	
Pension related deferrals	<u>311,550</u>
NET POSITION	
Invested in capital assets, net of related debt	996,263
Restricted for debt covenants	182,485
Unrestricted	<u>(3,590,848)</u>
Total net position	<u>\$ (2,412,100)</u>

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

CALDWELL PARISH SHERIFF
Columbia, Louisiana

Statement of Revenues, Expenses and Changes in Net Position
Proprietary Fund

For the Year Ended June 30, 2019

	<u>Business- Type Activity- Enterprise Fund</u>
Revenues:	
Charges for services:	
Feeding and keeping prisoners	4,993,752
Commission from commissary	698,408
Miscellaneous	<u>59,382</u>
Total revenues	5,751,542
Expenses:	
Public safety:	
Personal services and related benefits	3,046,710
Operating services	790,682
Materials and supplies	1,469,010
Travel and other charges	22,983
Depreciation	<u>190,169</u>
Total expenses	5,519,554
Operating income	231,988
Non-operating revenues (expenses):	
Interest expense	(99,812)
Bond closing costs	-
Intergovernmental revenue - capital grant	<u>-</u>
Total non-operating revenues (expenses):	(99,812)
Income before contributions and operating transfers	132,176
Operating transfers in (out)	<u>(850,000)</u>
Change in net position	(717,824)
Beginning net position	<u>(1,694,276)</u>
Ending net position	<u><u>\$ (2,412,100)</u></u>

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

CALDWELL PARISH SHERIFF
Columbia, Louisiana

Statement of Cash Flows
Proprietary Fund

For the Year Ended June 30, 2019

	Business- Type Activity- Enterprise Fund
Cash flows from operating activities:	
Cash received from customers	\$ 5,704,771
Cash paid to or on behalf of employees	(2,781,044)
Cash paid to suppliers	(2,201,995)
Net cash provided by operating activities	721,732
Cash received from noncapital financing activities:	
Transfers out	(850,000)
Net cash used in noncapital financing activities	(850,000)
Cash flows from capital and related financing activities:	
Cash paid for acquisition of capital assets	(63,637)
Cash paid for principal on borrowings	(90,000)
Proceeds of borrowings, net of closing costs	-
Capital grants	-
Cash paid for interest	(99,812)
Net cash used in capital and related financing activities	(253,449)
Net change in cash and cash equivalents	(381,717)
Cash and cash equivalents, beginning of year (including \$208,140 restricted cash)	1,090,382
Cash and cash equivalents, end of year (including \$182,485 restricted cash)	\$ 708,665
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 231,988
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation expense	190,169
Pension expense	(98,594)
Changes in operating assets and liabilities:	
Accounts receivable	(46,771)
Accounts payable	80,680
Salaries and benefits payable	(47,070)
Other post-employment benefits expense	411,330
Net cash provided by operating activities	\$ 721,732

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

CALDWELL PARISH SHERIFF
Columbia, Louisiana

Statement of Fiduciary Assets and Liabilities

June 30, 2019

	<u>Agency Funds</u>
ASSETS	
Cash and interest-bearing deposits	<u>\$ 229,433</u>
LIABILITIES	
Due to taxing bodies and others	<u>\$ 229,433</u>

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

CALDWELL PARISH SHERIFF
Columbia, Louisiana

Notes to the Financial Statements

INTRODUCTION

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

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

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

The accounting and reporting policies of the Caldwell Parish Sheriff conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures conform to the requirements of the industry audit guide, *Audits of State and Local Governments*.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

For financial reporting purposes, the Sheriff includes all funds, account groups, activities, et cetera, that are controlled by the Sheriff as an independently elected parish official. As an independently elected parish official, the Sheriff is solely responsible for the operation of his office, which includes the hiring and retention of employees, authority over budgeting, responsibility for deficits, and receipt and disbursements of funds. Other than certain operating expenditures of the Sheriff's office that are paid or provided by the parish police jury 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 police jury, parish Sheriff, other independently elected parish officials, and municipalities within the parish, are excluded from the accompanying financial statements. These units of government are considered separate reporting entities and issue financial statements separate from those of the Sheriff.

CALDWELL PARISH SHERIFF
Columbia, Louisiana

Notes to the Financial Statements

B. BASIS OF PRESENTATION

The accompanying basic financial statements of the Caldwell Parish Sheriff have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. 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 34, *Basic Financial Statements-and Management's Discussion and Analysis—for State and Local Governments*, issued in June 1999. As a result, an entirely new financial presentation format has been implemented.

Government-Wide Financial Statements (GWFS) - The Statement of Net Position and the Statement of Activities display information about the Sheriff as a whole. They include all funds of the reporting entity. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. Fiduciary funds are reported only in the Statement of Fiduciary Assets and Liabilities at the fund financial statement level.

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

Fund Financial Statements (FFS) - The Sheriff uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain Sheriff functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts. The various funds of the Sheriff are classified into three categories: governmental, proprietary, and fiduciary. The emphasis on fund financial statements is on major funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the Sheriff or its total assets, liabilities, revenues, or expenditures of the individual fund is at least 10 percent of the corresponding total for all funds of the same fund type; or total assets, liabilities revenues or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

CALDWELL PARISH SHERIFF
Columbia, Louisiana

Notes to the Financial Statements

B. BASIS OF PRESENTATION (Continued)

The Sheriff reports the following major governmental fund:

- The General Fund is the primary operating fund of the Sheriff. It accounts for all financial resources except those that are required to be accounted for in other funds.

The Sheriff reports the following major proprietary fund:

- The Caldwell Correction Center Fund accounts for the revenues and expenditures of the operation of the facility that houses primarily state prisoners for a per diem fee.

Additionally, the Sheriff reports certain activities in fiduciary funds. Fiduciary fund reporting focuses on net position and changes in net position. The only funds accounted for in this category by the Sheriff are agency funds. The agency funds account for assets held by the Sheriff as an agent for various taxing bodies (tax collections) and for deposits held pending court action. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Consequently, the agency funds have no measurement focus, but use the accrual basis of accounting.

C. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

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

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

CALDWELL PARISH SHERIFF
Columbia, Louisiana

Notes to the Financial Statements

C. MEASUREMENT FOCUS/BASIS OF ACCOUNTING (Continued)

The governmental funds use the following practices in recording revenues and expenditures:

Revenues

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

Intergovernmental revenues and fees, charges, and commissions for services are recorded when the Sheriff is entitled to the funds. Interest income on deposits is recorded when interest is earned. Substantially all other revenues are recorded when received.

Expenditures

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

Other Financing Sources (Uses)

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

Deferred Revenues

Deferred revenues arise when resources are received by the Sheriff before it has a legal claim to them, as when grant monies are received before the incurrence of qualifying expenditures. In subsequent periods, when the Sheriff has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and the revenue is recognized.

Government-wide and Proprietary Fund Financial Statements. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary funds' principal ongoing operations. Principal operating revenues of the proprietary funds are charges to customers for sales and services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting these criteria are reported as non-operating revenues and expenses.

CALDWELL PARISH SHERIFF
Columbia, Louisiana

Notes to the Financial Statements

C. MEASUREMENT FOCUS/BASIS OF ACCOUNTING (Continued)

The government-wide and proprietary fund financial statements are accounted for using an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position. All assets and liabilities (whether current or noncurrent) associated with their activities are reported.

The government-wide and proprietary fund financial statements are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

D. BUDGET PRACTICES

1. The proposed budget for the general and special revenue fund are submitted to the Sheriff for the fiscal year no later than fifteen days prior to the beginning of each fiscal year.
2. A summary of the proposed budget is published and public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
4. 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.
5. All budgetary appropriations lapse at the end of each fiscal year.
6. The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted or as finally amended by the Sheriff.

CALDWELL PARISH SHERIFF
Columbia, Louisiana

Notes to the Financial Statements

E. DEPOSITS AND INVESTMENTS

The Sheriff's cash and cash equivalents are considered cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

The Sheriff's investment program is authorized and limited by state statute to purchases of securities issued or guaranteed by the U.S. government and its agencies or instrumentalities and participation in the Louisiana Asset Management Pool (LAMP). LAMP is a nonprofit corporation formed by the State Treasurer and organized under the laws of the State of Louisiana, which operates a local governmental investment pool equivalent to a money market fund. LAMP invests in short-term instruments as permitted by statute.

F. CAPITAL ASSETS

Capital assets are capitalized at historical costs. The Sheriff maintains a threshold level of \$1,000 or more for capitalizing capital assets.

Capital assets are recorded in the Statement of Net Position. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes.

All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Buildings	15-40
Office, equipment, and furniture	5-7
Vehicles	5

G. COMPENSATED ABSENCES

Vacation and sick leave are recorded when paid. This method approximates the accrual method since neither vacation nor sick leave is allowed to accumulate year to year ("use it or lose it"). Earned vacation is paid upon termination; however, sick leave is not paid.

CALDWELL PARISH SHERIFF
Columbia, Louisiana

Notes to the Financial Statements

H. EQUITY CLASSIFICATIONS

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

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

In the fund statements, governmental fund equity is classified as fund balance. In accordance with Governmental Accounting Standards Board ("GASB") Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the Sheriff classifies governmental fund balances as follows:

- Non-spendable - includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints.
- Restricted - includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or grantors, or amounts constrained due to constitutional provisions or enabling legislation.
- Committed - includes fund balance amounts that are constrained for specific purposes that are internal imposed by the Sheriff through formal action of the Sheriff and does not lapse at year-end.
- Assigned - Includes fund balance amounts that are intended to be used for a specific purpose that are considered to be neither restricted nor committed. Fund balance can be assigned by the Sheriff.
- Unassigned - includes fund balance amounts within the General Fund which has not been classified within the above mentioned categories and negative fund balances in other governmental funds.

Proprietary fund equity is classified the same as in the government-wide statements.

CALDWELL PARISH SHERIFF
Columbia, Louisiana

Notes to the Financial Statements

I. INTERFUND TRANSACTIONS

Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reduction of expenditures in the fund that is reimbursed. All other interfund transactions are reported as transfers. The Sheriff periodically transfers funds between the general fund and the special revenue fund as necessary to fund operations.

J. ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in 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 amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

2. DEPOSITS AND INVESTMENTS

Under state law, the Sheriff may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The Sheriff may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2019, the Sheriff has cash and interest-bearing deposits (book balances) totaling \$1,443,240 as follows:

	Maturities	Government-wide Statement of Net Assets	Fiduciary Funds Statement of Net Assets	Total
Demand deposits	N/A	\$ 1,213,808	\$ 229,433	\$ 1,443,241
Total		\$ 1,213,808	\$ 229,433	\$ 1,443,241

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. 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.

Interest Rate Risk. The Sheriff's policy does not address interest rate risk, however, the Sheriff's intention is that the foremost objective of each investment is the preservation of principal.

CALDWELL PARISH SHERIFF
Columbia, Louisiana

Notes to the Financial Statements

2. DEPOSITS AND INVESTMENTS (Continued)

Custodial Credit Risk. With respect to deposits, custodial credit risk is the risk that, in the event of bank failure, the Sheriff's deposits may not be returned. Under state law, the Sheriff's deposits must be secured by federal deposit insurance or similar federal security or the pledge of securities owned by the fiscal agent bank. The fair market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the Sheriff or the pledging bank by a holding or custodial bank that is mutually acceptable to both parties.

At June 30, 2019, the Sheriff has \$1,449,847 in deposits (collected bank balances) in local financial institutions, including certificates of deposit. These deposits are secured from risk by \$922,448 of federal deposit insurance and \$527,399 of pledged securities held by the custodial bank in the name of the Sheriff.

3. 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 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. 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 Caldwell 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 for which levied and billed. For the year ended June 30, 2019, law enforcement taxes applicable to the Sheriff's General Fund, were levied at the rate of 30.79 mills on property with assessed valuations totaling \$61,646,514. Total law enforcement taxes levied during 2019 were \$1,850,012.

4. RECEIVABLES

The receivables at June 30, 2019, are as follows:

<u>Class of Receivable</u>	<u>General Fund</u>	<u>Proprietary Fund</u>	<u>Total</u>
State of Louisiana	\$ 86,359	\$ 480,491	\$ 566,850
Other	44,346	-	44,346
	<u>\$ 130,705</u>	<u>\$ 480,491</u>	<u>\$ 611,196</u>

CALDWELL PARISH SHERIFF
Columbia, Louisiana

Notes to the Financial Statements

5. CAPITAL ASSETS

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

	Beginning of Year	Additions	Deletions	End of Year
Governmental activities:				
Capital assets being depreciated:				
Furniture and equipment	\$ 213,756	\$ -	\$ -	\$ 213,756
Buildings and improvements	2,400	-	-	2,400
Transportation equipment	1,051,405	18,700	-	1,070,105
Other equipment	503,253	-	-	503,253
Total capital assets being depreciated	<u>1,770,814</u>	<u>18,700</u>	<u>-</u>	<u>1,789,514</u>
Less accumulated depreciation for:				
Furniture and equipment	106,332	41,044	-	147,376
Buildings and improvements	867	160	-	1,027
Transportation equipment	847,663	97,858	-	945,521
Other equipment	412,355	47,348	-	459,703
Total accumulated depreciated	<u>1,367,217</u>	<u>186,410</u>	<u>-</u>	<u>1,553,627</u>
Governmental activities capital assets, net:	<u>\$ 403,597</u>	<u>\$ (167,710)</u>	<u>\$ -</u>	<u>\$ 235,887</u>
Business type activities:				
Capital assets not being depreciated:				
Land	\$ 6,000	\$ -	\$ -	\$ 6,000
Capital assets being depreciated:				
Buildings and improvements	5,208,055	-	-	5,208,055
Furniture and equipment	297,651	14,250	-	311,901
Transportation equipment	58,454	39,450	-	97,904
Other equipment	-	9,937	-	9,937
Total capital assets being depreciated	<u>5,564,160</u>	<u>63,637</u>	<u>-</u>	<u>5,627,797</u>
Less accumulated depreciation for:				
Buildings and improvements	1,810,058	132,500	-	1,942,558
Furniture and equipment	144,653	45,892	-	190,545
Transportation equipment	52,654	9,790	-	62,444
Other equipment	-	1,987	-	1,987
Total accumulated depreciated	<u>2,007,365</u>	<u>190,169</u>	<u>-</u>	<u>2,197,534</u>
Business type activities capital assets, net:	<u>\$ 3,562,795</u>	<u>\$ (126,532)</u>	<u>\$ -</u>	<u>\$ 3,436,263</u>

Depreciation expense in the amount of \$376,579 was charged to public safety.

CALDWELL PARISH SHERIFF
Columbia, Louisiana

Notes to the Financial Statements

6. PENSION PLAN

Substantially all employees of the Caldwell Parish Sheriff's Office are members of the Louisiana Sheriffs Pension and Relief Fund (Fund), a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees.

Plan Description

The fund was established in accordance with the provisions of Louisiana Revised Statute 11:2171 for the purpose of providing retirement benefits for employees of sheriff's offices throughout the state of Louisiana, employees of the Louisiana Sheriffs Association, and employees of the Fund. The System provides retirement benefits as well as disability and survivor benefits. Benefits are established and amended by state statute. The Fund issues a publicly available financial report that includes financial statements and required supplementary information for the Fund. That report may be obtained by writing to the Louisiana Sheriffs Pension and Relief Fund, 1225 Nicholson Drive, Baton Rouge, Louisiana 70802, or by calling (225) 219-0500.

Retirement Benefits. For members who become eligible for membership on or before December 31, 2011: Members with twelve years of creditable service may retire at age fifty-five; members with thirty years of service may retire regardless of age. The retirement allowance is equal to three and one third percent of the member's average final compensation multiplied by his years of creditable service, not to exceed (after reduction for optional payment form) 100% of average final compensation. Active, contributing members with at least ten years of creditable service may retire at age sixty. The accrued normal retirement benefit is reduced actuarially for each month or fraction thereof that retirement begins prior to the member's earliest normal retirement date assuming continuous service.

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

CALDWELL PARISH SHERIFF
Columbia, Louisiana

Notes to the Financial Statements

6. PENSION PLAN (Continued)

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

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

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

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

Survivor Benefits. Survivor benefits for death solely as a result of injuries received in the line of duty are based on the following: For a spouse alone, a sum equal to 50% of the member's final average compensation with a minimum of \$150 per month. If a spouse is entitled to benefits and has a child or children under eighteen years of age (or over said age if physically or mentally incapacitated and dependent upon the member at the time of his death), an additional sum of 15% of the member's final average compensation is paid to each child with total benefits paid to spouse and children not to exceed 100%. If a member dies with no surviving spouse, surviving children under age eighteen will receive monthly benefits of 15% of the member's final average compensation up to a maximum of 60%. If a member is eligible for normal retirement at the time of death, the surviving spouse receives an automatic option 2 benefit. The additional benefit payable to children shall be the same as those available for members who die in the line of duty. In lieu of receiving option 2 benefit, the surviving spouse may receive a refund of the member's accumulated contributions. All benefits payable to surviving children shall be extended through age twenty- two, if the child is a full time student in good standing enrolled at a board approved or accredited school, college, or university.

CALDWELL PARISH SHERIFF
Columbia, Louisiana

Notes to the Financial Statements

6. PENSION PLAN (Continued)

Back Deferred Retirement Option Plan (Back-DROP). In lieu of receiving a service retirement allowance, any member of the Fund who has more than sufficient service for a regular service retirement may elect to receive a "Back-DROP" benefit. The Back-DROP benefit is based upon the Back-DROP period selected and the final average compensation prior to the period selected. The Back-DROP period is the lesser of three years or the service accrued between the time a member first becomes eligible for retirement and his actual date of retirement. For those individuals with thirty or more years, the Back-DROP period is the lesser of four years or service accrued between the time a member first becomes eligible for retirement and his actual date of retirement. At retirement the member's maximum monthly retirement benefit is based upon his service, final average compensation and plan provisions in effect on the last day of creditable service immediately prior to the commencement of the Back-DROP period. In addition to the monthly benefit at retirement, the member receives a lump-sum payment equal to the maximum monthly benefit as calculated above multiplied by the number of months in the Back- DROP period. In addition, the member's Back-DROP account will be credited with employee contributions received by the retirement fund during the Back-DROP period. Participants have the option to opt out of this program and take a distribution, if eligible, or to rollover the assets to another qualified plan.

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

Contributions. Plan members are required by state statute to contribute 10.25% of their annual covered salary and the Caldwell Parish Sheriff is required to contribute at an actuarially determined rate. The current rate is 12.75% of annual covered payroll. Contributions to the System also include one-half of one percent of the taxes shown to be collectible by the tax rolls of each parish and funds as required and available from insurance premium taxes. The contribution requirements of plan members and the Caldwell Parish Sheriff are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Caldwell Parish Sheriff's contributions to the System for the years ending June 30, 2019, 2018, and 2017 were \$333,786 and \$319,168 and \$300,031, respectively, equal to the required contributions for each year.

In accordance with state statute, the Fund receives ad valorem taxes, insurance premium taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities but are not considered special funding situations.

CALDWELL PARISH SHERIFF
Columbia, Louisiana

Notes to the Financial Statements

6. PENSION PLAN (Continued)

Pension Liabilities, Pension Expense, and Pension-Related Deferrals

At June 30, 2019, the Sheriff reported liability of \$1,288,093 for its proportionate share of the Net Pension Liability for both plans. The Net Pension Liabilities were measured as of June 30, 2018, and the total pension liability used to calculate the Net Pension Obligation for each plan was determined by an actuarial valuation as of that date. The Sheriff's proportion of the Net Pension Liability was based on a projection of the Sheriff's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2018, the Sheriff's proportion was 0.335909%, which represented an increase of .02528 percentage points from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the Sheriff recognized pension expense of \$145,179 which includes current year amortization of deferrals related to pensions of \$102,023.

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 361,588
Changes of assumptions	380,778	-
Net difference between projected and actual earnings on pension plan investments	-	76,465
Changes in proportion	119,700	33,713
Differences between actual contributions and proportionate share of contributions	12,232	-
Contributions subsequent to the measurement date	<u>333,786</u>	<u>-</u>
Total	<u>\$ 846,496</u>	<u>\$ 471,766</u>

The Sheriff reported \$333,786 as deferred outflows of resources related to pensions resulting from Sheriff contributions subsequent to the measurement date of June 30, 2018, will be recognized as a reduction of the Net Pension Liability in the year ended June 30, 2019.

CALDWELL PARISH SHERIFF
Columbia, Louisiana

Notes to the Financial Statements

6. PENSION PLAN (Continued)

Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year	Total
2020	\$ 102,023
2021	16,325
2022	(113,650)
2023	6,559
2024	29,687
	\$ 40,944

Actuarial Assumptions

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

Actuarial cost method	Entry Age Normal
Amortization approach	Closed
Expected Remaining Service Lives	7 years
Investment rate of return	7.25% net of investment expenses.
Discount rate	7.25%
Inflation rate	2.6% per annum
Projected salary increases	5.5%
Cost-of-living adjustments	The present value of future retirement benefits is based on benefits currently being paid by the Fund and includes previously granted cost-of-living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.
Mortality	Mortality rates based on the RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Table for active members, healthy annuitants, and beneficiaries.

CALDWELL PARISH SHERIFF
Columbia, Louisiana

Notes to the Financial Statements

6. PENSION PLAN (Continued)

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

The discount rate used to measure the total pension liability was 7.4%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the Fund's actuary. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Sheriff's proportionate share of the Net Pension Liability using the discount rate of each system as well as what the Sheriff's proportionate share of the Net Pension Liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate used by each system:

Current discount rate	7.25%	\$1,288,093
One percentage point decrease	6.25%	\$2,915,126
One percentage point increase	8.25%	\$(81,683)

Support of Non-employer Contributing Entities

Contributions received by a pension plan from non-employer contributing entities that are not in a special funding situation are recorded as revenue by the respective pension plan. The Sheriff recognizes revenue in an amount equal to their proportionate share of the total contributions to the pension plan from these non-employer contributing entities. During the year ended June 30, 2019, the Sheriff recognized revenue as a result of support received from non-employer contributing entities of \$137,136 for its participation in the Fund.

CALDWELL PARISH SHERIFF
Columbia, Louisiana

Notes to the Financial Statements

6. PENSION PLAN (Continued)

Payables to the Pension Plan

The Sheriff recorded accrued liabilities to each of the retirement systems for the year ended June 30, 2019. The amounts due are included in liabilities under the amounts reported as salaries and benefits payable. At June 30, 2019, \$150,513 was payable to the Fund.

7. LITIGATION AND CLAIMS

At June 30, 2019, the Sheriff is involved in several lawsuits. The Sheriff's attorney has advised that at this stage in the proceedings he cannot offer an opinion as to the probable outcome of these lawsuits and claims. Management feels that any uninsured exposure, if any, would not be material to the financial statements.

8. CHANGES IN AGENCY FUND BALANCES

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

	Balance at Beginning of Year	Additions	Reductions	Balance at End of Year
Tax Collector Fund	\$ 43,943	\$ 8,594,371	\$ (8,621,613)	\$ 16,701
Fines Fund	5,863	176,649	(170,350)	12,162
Cash Bonds Fund	113,837	54,248	(82,304)	85,781
CCC Inmate Fund	40,774	904,902	(830,887)	114,789
Total	<u>\$ 204,417</u>	<u>\$ 9,730,170</u>	<u>\$ (9,705,154)</u>	<u>\$ 229,433</u>

9. LONG-TERM DEBT

The Sheriff's bonds payable is attributable to business-type activities. In November 2016, the Sheriff issued \$2,440,000 in revenue refunding bonds, the proceeds of which were used to purchase a correctional facility adjacent to the Sheriff's current facility for \$2,000,000 and the remainder to refund the existing revenue bonds. Security for the bonds is a mortgage on the correctional complex.

The following is a summary of bonds payable for the year ended June 30, 2019:

\$2,440,000 Revenue and Refunding Bonds, series 2016. The bonds carry an annual interest rate ranging from 3.0% to 5.0% maturing December 2036.

\$ 2,265,000

CALDWELL PARISH SHERIFF
Columbia, Louisiana

Notes to the Financial Statements

9. LONG-TERM DEBT (Continued)

Future maturities of long-term debt as of June 30, 2019, are as follows:

<u>Year ended June 30:</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Payments</u>
2020	90,000	97,113	187,113
2021	95,000	94,337	189,337
2022	95,000	91,488	186,488
2023	100,000	88,438	188,438
2024	100,000	85,188	185,188
2025-2029	560,000	369,381	929,381
2030-2034	710,000	220,750	930,750
2035-2037	515,000	39,375	554,375
Total	<u>\$ 2,265,000</u>	<u>\$ 1,086,070</u>	<u>\$ 3,351,070</u>

Changes in long-term debt are as follows:

	<u>Beginning of Year</u>	<u>Issued</u>	<u>Retired</u>	<u>End of Year</u>	<u>Amounts Due Within One Year</u>
Governmental activities:					
Capital leases	\$ 42,510	\$ -	\$ 42,510	\$ -	\$ -
Net pension liability	675,983	8,430	-	684,413	177,353
Other post-employment benefit	2,397,051	511,499	91,877	2,816,673	91,877
	<u>\$ 3,115,544</u>	<u>\$ 519,929</u>	<u>\$ 134,387</u>	<u>\$ 3,501,086</u>	<u>\$ 269,230</u>
Business-type activities:					
Revenue bonds	\$ 2,355,000	\$ -	\$ 90,000	\$ 2,265,000	\$ 95,000
Net pension liability	669,126	-	65,446	603,680	156,433
Other post-employment benefit	3,512,141	722,415	-	4,234,556	-
	<u>\$ 6,536,267</u>	<u>\$ 722,415</u>	<u>\$ 155,446</u>	<u>\$ 7,103,236</u>	<u>\$ 251,433</u>

10. ON-BEHALF PAYMENTS

The Sheriff's office is located in the parish courthouse. The cost of maintaining and operating the courthouse, as required by R.S. 33:4715, is paid by the Caldwell Parish Police Jury.

11. RISK MANAGEMENT

The Sheriff is covered by commercial insurance for substantially all risks of loss.

CALDWELL PARISH SHERIFF
Columbia, Louisiana

Notes to the Financial Statements

12. SUBSEQUENT EVENTS

The Sheriff evaluated its June 30, 2019 financial statements through December 31, 2019, the date the financial statements were available to be issued. The Sheriff is not aware of any additional subsequent events which would require recognition or disclosure in the financial statements.

13. OTHER POST-EMPLOYMENT BENEFITS

Plan Description. The Sheriff provides medical and life insurance coverage for eligible employees, retirees, and their dependents through the Louisiana Sheriff's Association. The Sheriff pays for the cost of the retiree's medical, life coverage, and dependent life coverage. The retiree can elect to cover his or her spouse and dependents but must pay the entire premium for their medical coverage. Upon the death of the retiree, the spouse and dependent children can continue coverage, subject to eligibility requirements.

Eligibility Requirements. to be eligible for pension benefits through the Sheriffs' Pension and Relief Fund. Eligibility is dependent upon which tier a member is classified:

- Tiers 1 & 2: Members whose first employment making them eligible for membership in the system began on or before December 31, 2011.
- Tier 3: Members whose first employment making them eligible for membership in the system began on or after January 1, 2012.

The SPRF retirement eligibility requirements are as follows:

Tier 1 & 2

- Age 55 with 12 years of creditable service
- 30 years of creditable service at any age

Tier 3

- Age 62 with 12 years of creditable service
- Age 60 with 20 years of creditable service
- Age 55 with 30 years of creditable service

Benefits. Retirees may continue coverage through the Louisiana Sheriffs' Association medical plan. The Sheriff pays 100% of the retiree premium. The retiree can add spouse and family coverage but is responsible for the full premium. Retirees also receive life insurance coverage at the Sheriff's expense.

CALDWELL PARISH SHERIFF
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Notes to the Financial Statements

13. OTHER POST-EMPLOYMENT BENEFITS (Continued)

Actuarial Assumptions. The Total OPEB Liability was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified.

Measurement Date	June 30, 2019
Actuarial Valuation Date	July 1, 2017
Inflation	3.00%
Salary increases, including inflation	3.00%
Discount rate	3.13%
Prior year discount rate	3.62%
Health care cost trend rates	5.00%-6.50%

The discount rate was based on the June 30, 2019 Fidelity General Obligation AA 20-Year Yield.

Mortality rates for active employees were based on the PubS.H 2010 Employee Mortality Table, Generational with Projection Scale MP-2018 for males or females, as appropriate. Mortality rates for retirees were based on the PubS.H 2010 Healthy Annuitant Mortality Table, Generational with Projection Scale MP-2018 for males or females, as appropriate.

At June 30, 2019, there were 59 active employees and 11 inactive employees receiving benefits.

The following table presents the changes in total OPEB liability for the year ended June 30, 2019:

Balance at beginning of year	\$ 5,909,191
Changes for year:	
Service Cost	415,740
Interest	196,720
Difference between expected and actual experience	(180,893)
Changes in assumptions/inputs	802,348
Benefit payments	<u>(91,877)</u>
Net changes	<u>1,142,038</u>
Balance at end of year	<u><u>\$ 7,051,229</u></u>

CALDWELL PARISH SHERIFF
Columbia, Louisiana

Notes to the Financial Statements

13. OTHER POST-EMPLOYMENT BENEFITS (Continued)

OPEB expense for the year ended June, 30, 2019, is as follows:

Service Cost	\$	415,740
Interest		196,720
Amortization:		
Difference between expected and actual experience		(30,286)
Change in assumptions/inputs		133,725
		133,725
OPEB expense	\$	715,899

Deferred outflows and inflows related to OPEB at June 30, 2019, are as follows:

	Deferred Outflows	Deferred Inflows
Difference between expected and actual experience	\$ -	\$ (151,431)
Changes in assumptions/inputs	668,623	-
	\$ 668,623	\$ (151,431)

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

Year Ended June 30:	
2020	\$ 103,438
2021	103,438
2022	103,438
2023	103,438
2024	103,440
	\$ 517,192

For the year ended June 30, 2019, covered employee payroll for related to OPEB was \$3,554,419. Total OPEB liability as a percentage of covered employee payroll was 198.4%.

REQUIRED SUPPLEMENTARY
INFORMATION

CALDWELL PARISH SHERIFF
Columbia, Louisiana

Budgetary Comparison Schedule - General Fund

For the Year Ended June 30, 2019

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Ad valorem taxes	\$ 1,800,000	\$ 1,828,241	\$ 1,812,699	\$ (15,542)
Intergovernmental revenues:				
State grants:				
State supplemental pay	160,000	223,573	191,303	(32,270)
State revenue sharing (net)	31,000	45,973	45,973	-
Miscellaneous	85,000	96,480	92,296	(4,184)
Fees, fines, and charges for services:				
Civil and criminal fees	40,000	27,904	32,684	4,780
Fines	30,000	30,993	36,859	5,866
Charges for services and programs	300,000	304,592	314,953	10,361
Mowing contract	149,000	172,717	172,717	-
Miscellaneous	100,000	48,437	55,940	7,503
Total revenues	<u>2,695,000</u>	<u>2,778,910</u>	<u>2,757,474</u>	<u>(21,436)</u>
Expenditures:				
Current -				
Public safety:				
Personal services and related benefits	2,040,000	2,317,636	2,260,365	57,271
Operating services	600,000	679,515	651,428	28,087
Materials and supplies	240,000	247,918	246,153	1,765
Travel and other charges	16,000	31,730	31,185	545
Debt service	100,000	44,108	44,108	-
Capital outlay	100,000	22,230	18,700	3,530
Total expenditures	<u>3,096,000</u>	<u>3,343,137</u>	<u>3,251,939</u>	<u>91,198</u>
Deficiency of revenues under expenditures	(401,000)	(564,227)	(494,465)	69,762
Other financing sources (uses):				
Transfers in (out)	400,000	850,000	850,000	-
Total other financing sources (uses)	<u>400,000</u>	<u>850,000</u>	<u>850,000</u>	<u>-</u>
Change in fund balances	(1,000)	285,773	355,535	69,762
Fund balance, beginning	29,064	29,064	29,064	-
Fund balance, ending	<u>\$ 28,064</u>	<u>\$ 314,837</u>	<u>\$ 384,599</u>	<u>\$ 69,762</u>

See accompanying notes to the required supplemental information.

CALDWELL PARISH SHERIFF
Columbia, Louisiana

Schedule of Employer's Proportionate Share of
Net Pension Liability

Measurement Date	Employer's Proportion of the Net Pension Liability	Employer's Proportionate Share of the Net Pension Liability	Employer's Covered Payroll	Proportionate Share of NPL as a % of Covered Payroll	Plan Fiduciary Net Position as a % of Total Pension Liability
06/30/18	0.33591%	\$ 1,288,093	\$ 2,503,278	51%	90.4%
06/30/17	0.31063%	\$ 1,345,109	\$ 2,264,385	59%	88.5%
06/30/16	0.30925%	\$ 1,962,765	\$ 2,104,880	93%	82.1%
06/30/15	0.31224%	\$ 1,391,824	\$ 2,308,772	60%	86.6%
06/30/14	0.32475%	\$ 1,286,000	\$ 2,149,628	60%	87.3%

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

See accompanying notes to the required supplemental information.

CALDWELL PARISH SHERIFF
Columbia, Louisiana

Schedule of Employer's Pension Contributions

Year Ended June 30,	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a % of Covered Payroll
2019	\$ 333,786	\$ 333,786	\$ -	\$ 2,617,929	12.8%
2018	\$ 319,168	\$ 319,168	\$ -	\$ 2,503,278	12.8%
2017	\$ 300,031	\$ 300,031	\$ -	\$ 2,264,385	13.3%
2016	\$ 289,421	\$ 289,421	\$ -	\$ 2,104,880	13.8%
2015	\$ 329,000	\$ 329,000	\$ -	\$ 2,308,772	14.3%
2014	\$ 306,322	\$ 306,322	\$ -	\$ 2,149,628	14.3%

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

See accompanying notes to the required supplemental information.

CALDWELL PARISH SHERIFF
Columbia, Louisiana

Schedule of Changes in Total OPEB Liability and Related Ratios

For the Year Ended June 30, 2019

	2018	2019
Total OPEB liability:		
Service Cost	\$ 403,631	\$ 415,740
Interest	207,886	196,721
Changes of benefit terms	-	-
Differences between expected and actual experience	(961)	(180,893)
Changes in assumptions or other inputs	-	802,348
Benefit payments	(80,905)	(91,878)
Net change in total OPEB liability	529,651	1,142,038
Total OPEB liability-beginning	5,379,540	5,909,191
Total OPEB liability-ending	\$ 5,909,191	\$ 7,051,229
Covered employee payroll	\$ 3,132,428	\$ 3,226,401
Total OPEB liability as a percentage of covered employee payroll	188.6%	218.5%

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

See accompanying notes to the required supplemental information.

CALDWELL PARISH SHERIFF
Columbia, Louisiana

Notes to the Required Supplementary Information

1. BUDGET

Formal budget integration (within the accounting records) is employed as a management control device. When projected revenues within a fund fail to meet budgeted revenues and/or projected expenditures within a fund exceed budgeted expenditures by five percent or more, a budget amendment is adopted by the Sheriff in an open meeting.

Budgets are prepared for all governmental funds of the Sheriff. The budgets are prepared on the modified accrual basis of accounting (GAAP). Budgeted amounts are as originally adopted or as amended by the Sheriff. Legally, the Sheriff must adopt a balanced budget; that is, total budgeted revenues and other financing sources (including fund balance) must equal or exceed total budgeted expenditures and other financing uses. State statutes require the Sheriff to amend its budgets when revenues plus projected revenues within a fund are expected to be less than budgeted revenues by five percent or more and/or expenditures plus projected expenditures within a fund are expected to exceed budgeted expenditures by five percent or more. The Sheriff approves budgets at the function level and management can transfer amounts between line items within a function.

2. PENSIONS

Changes of Benefit Terms. There were no changes in benefit terms.

Changes of Assumptions. The discount rate decreased from 7.4% to 7.25% in the actuarial valuation for the year ended June 30, 2018.

3. OTHER POSTEMPLOYMENT BENEFITS

Changes of Benefit Terms. There were no changes in benefit terms.

Changes of Assumptions. The discount rate decreased from 3.62% to 3.13% in the actuarial valuation for the year ended June 30, 2019.

OTHER SUPPLEMENTAL INFORMATION

CALDWELL PARISH SHERIFF
Columbia, Louisiana

FIDUCIARY FUND TYPE - AGENCY FUNDS

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 accounts for the collection and distribution of these taxes and fees to the appropriate taxing bodies. It also accounts for collections of bonds, fines, and costs and payment of these collections to the recipients in accordance with applicable laws.

FINES FUND

The Fines Fund accounts for partial payments on court fines. Funds are transferred to the Tax Collector Fund for settlement when full payment is received.

INMATE FUNDS

The Inmate Funds account for individual prisoner account balances. Funds are deposited in the name of the prisoner and are payable upon request. Balances in the individual prisoner accounts are returned upon completion of their jail sentences.

COMMISSARY FUNDS

The Commissary Funds account for the purchase and resale of personal items to the inmates at the Caldwell Correction Center and the Caldwell Parish Jail.

CALDWELL PARISH SHERIFF
Columbia, Louisiana

Fiduciary Fund Type - Agency Funds
Combining Balance Sheet

June 30, 2019

	TAX COLLECTOR FUND	FINES FUND	BOND AND PARTIAL PAY FINES FUND	CCC INMATE FUND	TOTAL
ASSETS					
Cash and cash equivalents	\$ 16,701	\$ 12,162	\$ 85,781	\$ 114,789	\$ 229,433
LIABILITIES					
Due to taxing bodies and others	\$ 16,701	\$ 12,162	\$ 85,781	\$ 114,789	\$ 229,433

CALDWELL PARISH SHERIFF
Columbia, Louisiana

Fiduciary Fund Type - Agency Funds
Combining Statement of Changes in Due to Others

For the Year Ended June 30, 2019

	TAX COLLECTOR FUND	FINES FUND	BOND AND PARTIAL PAY FINES FUND	CCC INMATE FUND	TOTAL
BALANCES AT BEGINNING OF YEAR	\$ 43,943	\$ 5,863	\$ 113,837	\$ 40,774	\$ 204,417
ADDITIONS					
Garnishments	-	47,259	-	-	47,259
Sheriff's sales	-	129,390	-	-	129,390
Taxes, fees, etc., paid to tax collector	8,125,777	-	-	-	8,125,777
Inmate receipts	-	-	-	896,933	896,933
Other additions	468,594	-	54,248	7,969	530,811
Total additions	8,594,371	176,649	54,248	904,902	9,730,170
REDUCTIONS					
Litigants	-	101,506	-	-	101,506
Taxes, fees, etc., distributed to taxing bodies and others	8,611,683	60,599	-	-	8,672,282
Inmate disbursements	-	-	-	830,887	830,887
Other settlements	9,931	8,245	82,304	-	100,480
Total reductions	8,621,613	170,350	82,304	830,887	9,705,154
BALANCES AT END OF YEAR	<u>\$ 16,701</u>	<u>\$ 12,162</u>	<u>\$ 85,781</u>	<u>\$ 114,789</u>	<u>\$ 229,433</u>

CALDWELL PARISH SHERIFF
Columbia, Louisiana

Schedule of Cash in Tax Collector Account

June 30, 2019

Cash and cash equivalents	\$ 16,701
Restricted cash - protested taxes	<u>-</u>
Total cash	<u><u>\$ 16,701</u></u>

CALDWELL PARISH SHERIFF
Columbia, Louisiana

Schedule of 2018 Ad Valorem Taxes Assessed and Collected

For the Year Ended June 30, 2019

	<u>Taxes Assessed</u>	<u>Taxes Collected</u>	<u>Amount Uncollected</u>
Taxing Authority:			
Caldwell Parish Assessor	\$ 451,870	\$ 448,222	\$ 3,648
Caldwell Parish Gravity Drainage District No. 1	176,964	176,724	240
Caldwell Parish Law Enforcement District	1,850,012	1,835,032	14,980
Caldwell Parish Police Jury	2,235,925	2,217,875	18,050
Caldwell Parish School Board	3,219,801	3,193,809	25,992
Columbia Heights Sewer District	111,084	109,444	1,640
Kelly Water District	41,522	41,485	37
Louisiana Forestry Commission	17,637	17,634	3
Louisiana Tax Commission	7,804	7,804	-
Tensas Basin Levee District	71,215	71,046	169
	<u>\$ 8,183,834</u>	<u>\$ 8,119,075</u>	<u>\$ 64,759</u>

Some taxes remain uncollected at June 30 due to bankruptcies as well as taxes related to personal property which cannot be sold at sheriff's sale.



Post Office Box 60
Columbia, LA 71418
STATE OF LOUISIANA

PARISH OF CALDWELL

CLAY BENNETT
CALDWELL PARISH SHERIFF



Telephone (318) 649-2345
Facsimile (318) 649-5226

AFFIDAVIT

BEFORE ME, the undersigned authority, personally came and appeared, Clay Bennett, the sheriff of Caldwell Parish, State of Louisiana, who after being duly sworn, deposed and said:

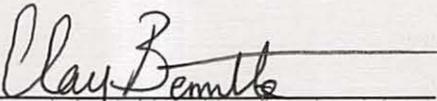
The following information is true and correct:

\$16,791 is the amount of cash on hand in the tax collector account on June 30, 2019;

He further deposed and said:

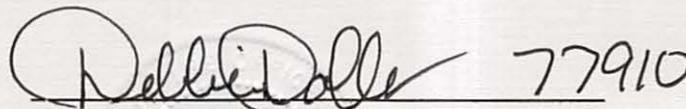
All itemized statements of the amount of taxes collected for tax year 2018, by taxing authority, are true and correct.

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



Clay Bennett
Sheriff of Caldwell Parish

SWORN to and subscribed before me, Notary, this 31th day of December, 2019, in my office in Columbia, Louisiana.

 77910

Debbie Dollar, #77910
Commission: Sheriff's Term

CALDWELL PARISH SHERIFF
Columbia, Louisiana

Schedule of Compensation, Benefits, and Other Payments to Agency Head

For the Year Ended June 30, 2019

	Amount
Agency Head-Sheriff Clay Bennett	
Salary	\$ 169,058
Benefits-insurance	23,432
Benefits-retirement	21,277
Benefits-other	-
Car allowance	-
Vehicle provided by government	-
Per diem	-
Reimbursements	-
Travel	-
Registration fees	-
Conference travel	-
Continuing professional education fees	-
Housing	-
Unvouchered expenses	17,257
Special meals	-
	<hr/>
	\$ 231,024
	<hr/> <hr/>



J. Aaron Cooper, CPA, LLC

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Recipient of Advanced Single Audit Certificate*

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

Caldwell Parish Sheriff
Columbia, Louisiana

I have audited, 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, the financial statements of governmental activities, the business-type activities, the major funds, and the aggregate remaining fund information of the Caldwell Parish Sheriff as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements and have issued my report thereon dated December 31, 2019

Internal Control Over Financial Reporting

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

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

My consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in the internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. I did identify a deficiency in internal control, described in the accompanying schedule of findings and questioned costs (Finding 2019-1(IC)) that I consider to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Caldwell Parish Sheriff's basic financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as Item 01-19(C).

No separate management letter was issued for this engagement.

Caldwell Parish Sheriff's response to the findings identified in my audit is described in the accompanying schedule of findings and questioned costs. I did not audit Caldwell Parish Sheriff's response and, accordingly, I express no opinion on it.

This report is intended solely for the information and use of the Caldwell Parish Sheriff, the Sheriff's management, the Legislative Auditor of the State of Louisiana, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Handwritten signature in blue ink: J. Aaron Cozart, CPA, LLC

DeRidder, Louisiana
December 31, 2019

CALDWELL PARISH SHERIFF
Columbia, Louisiana

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2019

Section I – Summary of Audit Results

Financial Statements

Type of auditor’s report issued Unqualified

Internal control over financial reporting:

- Material weaknesses identified? Yes
- Significant deficiencies identified that are not considered to be material weaknesses? No

Noncompliance material to the financial statements? No

Federal Awards – N/A

CALDWELL PARISH SHERIFF
Columbia, Louisiana

Schedule of Findings and Questioned Costs
With Management's Planned Corrective Actions
For the Year Ended June 30, 2019

Internal Control

Finding 2019-1(IC) – Segregation of duties

Finding. The Sheriff does not have adequate segregation of functions within the accounting system.

Criteria. Good internal control requires that certain incompatible functions within the accounting system be performed by separate persons.

Effect. Due to the lack of segregation of duties, misstatements could result without being prevented or detected and corrected in a timely manner.

Cause. The cause of the deficiency is due to the small staff size.

Recommendation. All incompatible functions should be performed by a separate person.

Planned corrective action. The Sheriff has determined that it is not cost effective to achieve complete segregation of duties in the accounting department. He does, however, segregate as many duties as possible. No corrective action is considered necessary.

Compliance

Finding 2019-1(C) – Competitive purchasing

Finding. The Sheriff's office obtained quotes for some supplies that should have been formally bid. Additionally, on a couple of projects, the total of the project was over \$10,000 and quotes should have been obtained even though the individual items purchased did not exceed \$10,000.

Criteria. State law requires that purchases between \$10,000 and \$30,000 receive at least three quotes and purchases over \$30,000 are competitively bid.

Effect. The Sheriff's office would not be in compliance with state law. Additionally, the Sheriff's office may be paying more for these goods than necessary.

Cause. The lack of quotes/bids appears to have been an oversight.

Recommendation. The Sheriff's office should implement procedures to ensure that purchases follow state bid law.

Planned corrective action. The Sheriff concurs with the finding and will implement the auditor's recommendation.

CALDWELL PARISH SHERIFF
Columbia, Louisiana

Schedule of Prior Year Findings
For the Year Ended June 30, 2019

Internal Control

Finding 2018-1(IC) – Segregation of duties

Finding. The Sheriff does not have adequate segregation of functions within the accounting system.

Criteria. Good internal control requires that certain incompatible functions within the accounting system be performed by separate persons.

Effect. Due to the lack of segregation of duties, misstatements could result without being prevented or detected and corrected in a timely manner.

Cause. The cause of the deficiency is due to the small staff size.

Recommendation. Ideally, all incompatible functions should be performed by a separate person.

Corrective action taken. The Sheriff has determined that it is not cost effective to achieve complete segregation of duties in the accounting department. He does, however, segregate as many duties as possible. No corrective action is considered necessary.

Compliance

Finding 2018-1(C) – Competitive purchasing

Finding. The Sheriff's office obtained quotes for some supplies that should have been formally bid. Additionally, on a couple of projects, the total of the project was over \$10,000 and quotes should have been obtained even though the individual items purchased did not exceed \$10,000.

Criteria. State law requires that purchases between \$10,000 and \$30,000 receive at least three quotes and purchases over \$30,000 are competitively bid.

Effect. The Sheriff's office would not be in compliance with state law. Additionally, the Sheriff's office may be paying more for these goods than necessary.

Cause. The lack of quotes/bids appears to have been an oversight.

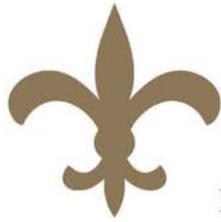
Recommendation. The Sheriff's office should implement procedures to ensure that purchases follow state bid law.

Corrective action taken. See Finding 2019-1(C).

CALDWELL PARISH SHERIFF

**STATEWIDE AGREED-UPON
PROCEDURES REPORT**

For the Year Ended June 30, 2019



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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Caldwell Parish Sheriff
DeRidder, Louisiana

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

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

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):
 - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget
 - b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
 - c) ***Disbursements***, including processing, reviewing, and approving

- d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process
- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases)
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) **Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

The Sheriff's policies and procedures manual is mainly geared toward operational policies and procedures and does not include some of the foregoing areas. The accounting policies and procedures are mainly informal and are not in written form. The Sheriff is developing all of the above applicable policies that it does not already have in place based on the example policies from the Legislative Auditor.

Board or Finance Committee

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

This section is not applicable.

Bank Reconciliations

3. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:
 - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);
 - b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
 - c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

All bank accounts were tested. The reconciliations were all prepared however, they were not approved by a member of management that was not involved with the transactions associated with the bank accounts. There were instances of stale-dated checks on several of the bank reconciliations, however, there was no documentation reflecting that those items were being investigated.

Management is aware of the exceptions and will consider implementing additional procedures.

Collections

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

<p><i>There were no exceptions under this section of procedures in the prior year. As per the Legislative Auditor, it is not necessary to perform these procedures in the current year.</i></p>

Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)

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

There were no exceptions under this section of procedures in the prior year. As per the Legislative Auditor, it is not necessary to perform these procedures in the current year.

Credit Cards/Debit Cards/Fuel Cards/P-Cards

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
 - a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder.
 - b) Observe that finance charges and late fees were not assessed on the selected statements.
13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).

There were no exceptions under this section of procedures in the prior year. As per the Legislative Auditor, it is not necessary to perform these procedures in the current year.

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

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

There were no exceptions under this section of procedures in the prior year. As per the Legislative Auditor, it is not necessary to perform these procedures in the current year.

Contracts

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

I downloaded the check register and filtered the data by accounts that could potentially contain contractor payments. I created a listing of the vendors with disbursement amounts greater than \$10,000 during year and reviewed the listing with the Chief Civil Deputy. Except for a lease and the audit contract, no contracts were identified.

The foregoing procedures were performed on the two contracts without exception.

Payroll and Personnel

16. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
 - a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)
 - b) Observe that supervisors approved the attendance and leave of the selected employees/officials.
 - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
18. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulative leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.
19. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

There were no exceptions under this section of procedures in the prior year. As per the Legislative Auditor, it is not necessary to perform these procedures in the current year.

Ethics (excluding nonprofits)

22. Using the five randomly selected employees/officials from procedure #22 under “Payroll and Personnel” above, obtain ethics compliance documentation from management and report whether the entity maintained documentation to demonstrate that required ethics training was completed.
23. Inquire of management whether any alleged ethics violations were reported to the entity during the fiscal period. If applicable, review documentation that demonstrates whether management investigated alleged ethics violations, the corrective actions taken, and whether management’s actions complied with the entity’s ethics policy. Report whether management received allegations, whether management investigated allegations received, and whether the allegations were addressed in accordance with policy.

There were no exceptions under this section of procedures in the prior year. As per the Legislative Auditor, it is not necessary to perform these procedures in the current year.

Debt Service (excluding nonprofits)

24. If debt was issued during the fiscal period, obtain supporting documentation from the entity, and report whether State Bond Commission approval was obtained.
25. If the entity had outstanding debt during the fiscal period, obtain supporting documentation from the entity and report whether the entity made scheduled debt service payments and maintained debt reserves, as required by debt covenants.
26. If the entity had tax millages relating to debt service, obtain supporting documentation and report whether millage collections exceed debt service payments by more than 10% during the fiscal period. Also, report any millages that continue to be received for debt that has been paid off.

There were no exceptions under this section of procedures in the prior year. As per the Legislative Auditor, it is not necessary to perform these procedures in the current year.

Other

31. Inquire of management whether the entity had any misappropriations of public funds or assets. If so, obtain/review supporting documentation and report whether the entity reported the misappropriation to the legislative auditor and the district attorney of the parish in which the entity is domiciled.
32. Observe and report whether the entity has posted on its premises and website, the notice required by R.S. 24:523.1. This notice (available for download or print at www.la.gov/hotline) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.

Management is not aware of any misappropriation of public funds or assets. Notice of the hotline information is posted on the employee bulletin board and website.

I was not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

This report is intended solely for the use of management of Caldwell Parish Sheriff, the Louisiana, the Louisiana Legislature, and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

J. Aaron Cozart, CPA, LLC

December 31, 2019