

CADDO PARISH SHERIFF
Shreveport, Louisiana

Financial Statements
Year Ended June 30, 2020



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**CADDO PARISH SHERIFF
Shreveport, Louisiana**

**Financial Statements
Year Ended June 30, 2020**

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INDEPENDENT AUDITORS' REPORT

The Honorable Steve Prator
Caddo Parish Sheriff
Shreveport, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Caddo Parish Sheriff as of and for the year ended June 30, 2020, and the related notes to 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.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 we 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 auditors' 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 auditors consider 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, we 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information, which includes each fiduciary fund type of the Caddo Parish Sheriff, as of June 30, 2020, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter*Correction of Error*

As described in Note 16 to the financial statements, it was necessary to correct the allocation of net pension liability and the related pension entries between the Sheriff and the Caddo Correctional Center. Our opinion is not modified with respect to that matter.

Other Matters*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison information, the schedule of the Sheriff's proportionate share of the net pension liability, the schedule of contributions to the Sheriffs' pension and relief fund, and the schedule of changes in Sheriff's proportionate share of net OPEB liability and related ratios, on pages 5 through 12 and 44 through 47 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the *Governmental Accounting Standards Board*, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Caddo Parish Sheriff's basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements. In addition, the Schedule of Compensation, Benefits, and Other Payments to Agency Head, is presented in accordance with Louisiana Revised Statutes (LRS) 24:513(A)(3). Both of these schedules are presented for purposes of additional analysis and are not a required part of the financial statements.

The accompanying supplementary information, as listed in the table of contents (fiduciary funds – agency funds combining statement of fiduciary net position, fiduciary funds – agency funds combining statement of changes in assets and liabilities, tax collector agency fund – statement of collections, distributions and unsettled balances, and affidavit) and the schedule of expenditures of federal awards, are the responsibility of management and were derived from 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 our opinion, the accompanying supplementary information, as listed in the table of contents and above, and the schedule of expenditures of federal awards, are fairly stated, in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 12, 2021, on our consideration of the Caddo Parish Sheriff's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Caddo Parish Sheriff's 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 Caddo Parish Sheriff's internal control over financial reporting and compliance.

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS & INGRAM, LLC

Shreveport, Louisiana

January 12, 2021

Required Supplementary Information

Management's Discussion and Analysis (Unaudited)

**CADDO PARISH SHERIFF
Shreveport, Louisiana**

**Management’s Discussion and Analysis (Unaudited)
June 30, 2020**

Within this section of the Caddo Parish Sheriff’s (“Sheriff”) Office annual financial report, the Sheriff’s management is to provide this narrative discussion and analysis of the financial activities of the Sheriff for the fiscal year ended June 30, 2020. The Sheriff’s financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

FINANCIAL HIGHLIGHTS

The Sheriff’s liabilities exceeded its assets resulting in net position (deficit) of \$(30,703,324) for the fiscal year ended June 30, 2020.

The net position (deficit) is composed of the following:

- Capital assets, net of related debt, of \$3,135,519 representing property and equipment net of accumulated depreciation of \$8,788,453, which is reduced by outstanding debt of \$-0- related to the purchase of capital assets.
- Unrestricted net deficit of \$(33,838,843) represents the portion needed to maintain the Sheriff’s continuing obligation to the citizens of Caddo Parish.

The Sheriff’s governmental funds reported total ending fund balance of \$24,838,736 this year. This compares to the prior year ending fund balance of \$17,095,621 resulting in an increase of \$7,743,115 during the current year.

At the end the current fiscal year, unassigned fund balance for the General Fund was \$24,784,501, which represents 72% of the total expenditures of the Sheriff’s General Fund and 59% of total revenues in the General Fund including other financing sources. Overall, the Sheriff continues to maintain a strong financial position.

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

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Exhibit 1 below summarizes the major features of the Sheriff’s financial statements, including the portion of the Sheriff’s government they cover and the types of information they contain. The remainder of this overview section of this Management’s Discussion and Analysis explains the structure of the contents of each of the statements.

Exhibit 1			
Major Features of Sheriff’s Government and Fund Financial Statements			
	Government-Wide Statements	Fund Statements -	
Scope	The entire Sheriff’s governmental unit (excluding fiduciary funds).	Governmental Funds The activities of the Sheriff that are not proprietary or fiduciary, such as public safety.	Fiduciary Funds Instances in which the Sheriff is the trustee or agent for someone else’s resources.
Required financial statements	<ul style="list-style-type: none"> • Statement of net position • Statement of activities 	<ul style="list-style-type: none"> • Balance sheet • Statement of revenues, expenditures, and changes in fund balances 	<ul style="list-style-type: none"> • Statement of fiduciary net position

Exhibit 1 (Cont'd)			
Major Features of Sheriff's Government and Fund Financial Statements			
	Government-Wide Statements	Fund Statements -	
		Governmental Funds	Fiduciary Funds
Accounting basis and measurement focus	Accrual accounting and economic resources focus.	Modified accrual accounting and current financial resources focus.	Accrual accounting and economic resource focus.
Type of asset/liability	All assets and liabilities, both financial and capital, and short-term and long-term.	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets are included.	All assets and liabilities, both short-term and long-term; the Sheriff's funds do not currently contain capital assets, although they can.
Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is paid or received.	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payments are due during the year or soon thereafter.	All revenues and expenses during the year, regardless of when cash is received or paid.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The Sheriff's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the Sheriff's overall financial status. Financial reporting at this level uses a perspective similar to private sector using the economic resources measurement focus and the accrual basis of accounting.

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

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

The government-wide financial statements present governmental activities of the Sheriff that are principally supported by property and sales taxes. The sole purpose of these governmental activities is public safety. The government-wide financial statements are presented on pages 14 and 15.

FUND FINANCIAL STATEMENTS

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

The Sheriff uses two kinds of funds, governmental funds and fiduciary funds:

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

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to assist in understanding the differences between these two perspectives.

Fiduciary funds consist of agency funds which are reported in the fund financial statements and report taxes collected for the other taxing bodies and deposits held pending court actions.

The basic governmental fund and fiduciary fund financial statements are presented on pages 17 to 21 of this report.

NOTES TO BASIC FINANCIAL STATEMENTS

The accompanying notes to financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to financial statements begin on page 22 of this report.

OTHER INFORMATION

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Sheriff's budget presentation including a budgetary comparison schedule for the Sheriff's general fund. These schedules demonstrate compliance with the Sheriff's adopted and final revised budget. Additional "required supplementary information" for the Sheriff includes schedules on the Sheriff's proportionate share of net pension liability and contributions, and the changes in Sheriff's proportionate share of net OPEB liability and related ratios. Required supplementary information can be found on pages 44 through 47 in this report.

FINANCIAL ANALYSIS OF THE SHERIFF AS A WHOLE

The Sheriff's government-wide net position (deficit) at June 30, 2020, is (\$30,703,324). The following table provides a summary of the Sheriff's government-wide assets, liabilities and net position:

	2020		2019 (restated)	
Cash, cash equivalents, receivables and other assets	\$26,044,810	59.01%	\$18,175,415	67.45%
Capital assets, net of accumulated depreciation	3,135,519	7.10%	3,421,536	12.70%
Deferred outflows of resources	14,955,915	33.89%	5,350,171	19.85%
Total assets and deferred outflows of resources	<u>44,136,244</u>	<u>100.00%</u>	<u>26,947,122</u>	<u>100.00%</u>
Current liabilities	1,206,074	1.61%	1,079,794	1.67%
Long-term liabilities	59,361,542	79.32%	47,102,940	73.01%
Deferred inflows of resources	14,271,952	19.07%	16,337,132	25.32%
Total liabilities and deferred inflows of resources	<u>74,839,568</u>	<u>100.00%</u>	<u>64,519,866</u>	<u>100.00%</u>
Net position (deficit)				
Investment in capital assets	3,135,519	(10.21%)	3,421,536	(9.11%)
Unrestricted	<u>(33,838,843)</u>	<u>110.21%</u>	<u>(40,994,280)</u>	<u>109.11%</u>
Net position (deficit)	<u><u>(\$30,703,324)</u></u>	<u><u>100.00%</u></u>	<u><u>(\$37,572,744)</u></u>	<u><u>100.00%</u></u>

The Sheriff continues to maintain a high current ratio. The current ratio compares current assets to current liabilities and is an indication of the ability to pay current obligations. The current ratio for the government activities is 21.59:1.

The Sheriff's ending balance in net position (deficit) of the government-wide activities is (\$30,703,324). During 2020, net position increased a total of \$6,869,420 from 2019 net deficit of (\$37,572,744). This increase includes \$6,528,745 for government-wide activities, mostly due to an increase in revenues related to government grants related to the Cares Act, and \$340,675 relating to a prior period adjustment explained in Note 16.

The following table provides a summary of the Sheriff's changes in net position at June 30:

	2020	2019 (restated)
Revenues		
Program revenues		
Fees, fines and charges for services	\$ 6,838,617	\$ 7,060,759
Operating grants and contributions	5,360,727	437,943
General revenues		
Taxes		
Ad valorem taxes	23,768,261	23,337,385
Sales and use taxes	2,652,013	2,654,136
State revenue sharing	373,551	382,379
Supplemental pay	1,104,010	1,131,889
Proceeds from sale of general fixed assets	52,083	39,784
Interest and investment earnings	286,096	340,603
Miscellaneous	2,857,609	2,897,930
Total revenues	<u>43,292,967</u>	<u>38,282,808</u>
Program expenses		
Public safety	36,423,547	35,429,428
Total expenses	<u>36,423,547</u>	<u>35,429,428</u>
Change in net position (deficit)	6,869,420	2,853,380
Beginning net position (deficit)	(37,572,744)	(40,085,449)
Prior period adjustment (see note 16)	<u>-</u>	<u>(340,675)</u>
Ending net position (deficit)	<u>\$ (30,703,324)</u>	<u>\$ (37,572,744)</u>

FUND LEVEL STATEMENTS

GOVERNMENTAL REVENUES

The Sheriff is heavily reliant on ad valorem taxes to support its operations. Ad valorem taxes, which total \$23,768,261 in fiscal year 2020 compared to \$23,337,385 in fiscal year 2019, provided 54.9% of the Sheriff's total revenues. The Sheriff has earned \$286,096 in interest on funds available, which in turn, have been used to support the Sheriff's government activities. Other revenues, including fines and fees, cover 33.49% in fiscal year 2020 and 21.16% in fiscal year 2019, respectively, of the governmental operating expenses.

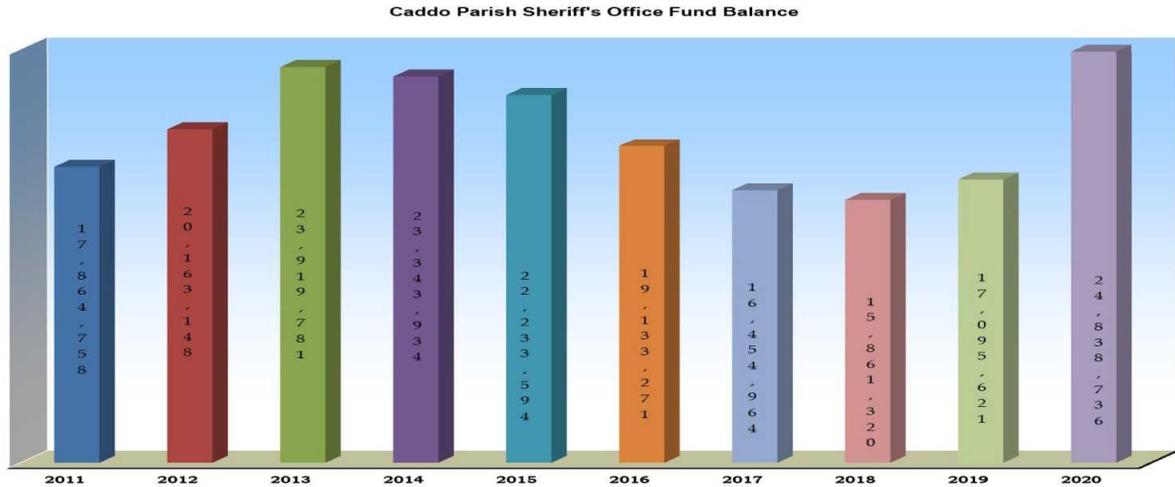
FINANCIAL ANALYSIS OF THE SHERIFF'S FUNDS

As discussed, government funds are reported in the fund statements with a short-term inflow and outflow of expendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Government funds reported an ending fund balance of \$24,838,736.

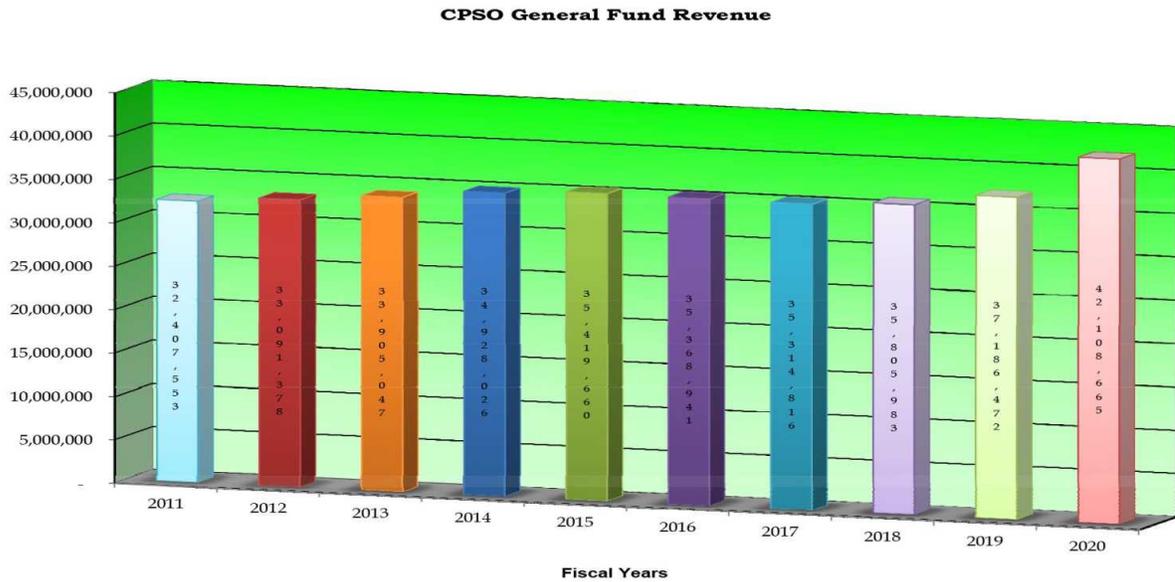
MAJOR GOVERNMENTAL FUNDS

The General Fund is the Sheriff's primary operating fund and source of day-to-day administrative and operations service. The General Fund's total fund balance as of June 30, 2020, was \$24,838,736, an increase of \$7,743,115 from the prior year's fund balance. In fiscal year 2019, the fund balance of \$17,095,621 increased from the prior year by \$1,234,301.

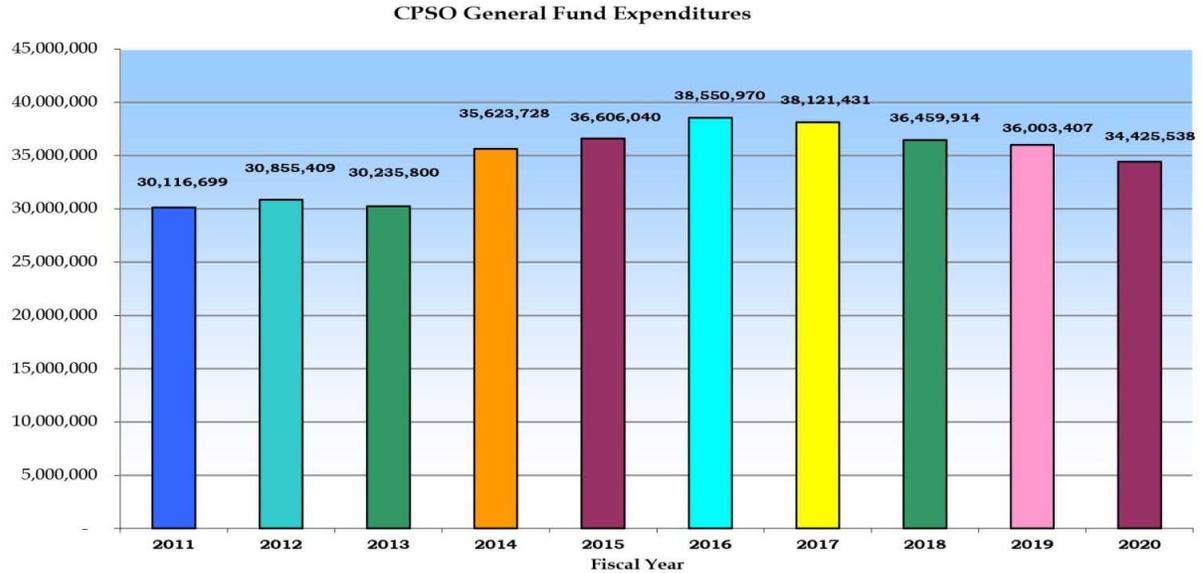
The following chart illustrates the General Fund's ending fund balance for the past ten fiscal years:



The General Fund revenue for 2020 increased \$7,743,115 from 2019. The major factors contributing to this change were increases in property taxes due to an increase in property values and operating grants. The following chart illustrates the General Fund's total revenues for the past ten fiscal years:



Operating expenditures totaled \$34,425,538 for the fiscal year 2020, which was \$1,577,869 or 4.38% less than expenditures of \$36,003,407 in fiscal year 2019, due mainly due to a decrease in overall spending related to personnel, materials and supplies, and capital outlay. The following chart illustrates the General Fund's total expenditures for the past ten fiscal years:

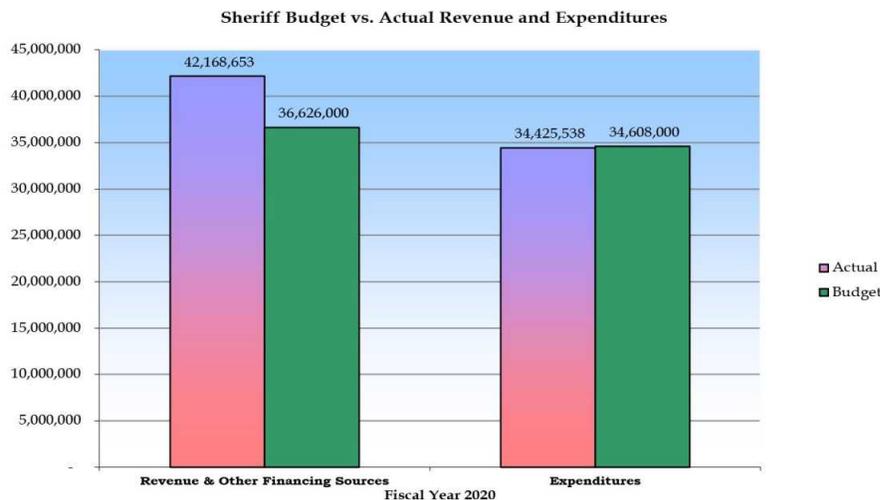


BUDGETARY HIGHLIGHTS

The General Fund's original revenue budget was less than the actual amounts recorded in fiscal year 2020. The final amended budgeted revenue and other financing sources of \$36,626,000 was more than the actual amount received in fiscal year 2019 of \$37,237,708. The actual revenue and other financing sources recognized, on the budgetary basis, in fiscal year 2020 of \$42,168,653, exceeds the amended budgeted revenue and other financing sources by \$5,542,653 due to government funding from the Cares Act to assist with payroll costs.

The General Fund's original expenditure budget was more than the actual amounts recorded in fiscal year 2020. The final amended budgeted expenditures of \$34,608,000 were less than the actual expenditures in fiscal year 2019 of \$36,003,407. The actual expenditures, on the budgetary basis, in fiscal year 2020 of \$34,425,538, were less than the amended budgeted expenditures by \$182,462.

The following graph demonstrates the budgeted and actual revenue and expenditures for fiscal year 2020:



CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets

The Sheriff's investment in capital assets, net of accumulated depreciation of \$8,788,453 as of June 30, 2020, was \$3,135,519. See Note 5 for additional information about changes in capital assets during the fiscal year. The following table provides a summary of capital asset activity.

	2020	2019
Capital assets		
Buildings	\$ 2,377,809	\$ 2,377,809
Law enforcement weapons and equipment	1,169,048	1,162,414
Vehicles	7,029,820	6,657,769
Equipment	283,586	283,586
Computer equipment and office furniture	1,063,709	1,008,231
Total capital assets	<u>11,923,972</u>	<u>11,489,809</u>
Less accumulated depreciation	<u>8,788,453</u>	<u>8,068,273</u>
Book value – capital assets	<u>\$ 3,135,519</u>	<u>\$ 3,421,536</u>
Percentage depreciated	<u>73.70%</u>	<u>70.22%</u>

At June 30, 2020, the depreciable capital assets for government activities were 73.70% depreciated versus 70.22% in the prior year.

Depreciation expense of buildings, computer equipment, office equipment and vehicles was \$885,567 for fiscal year 2020 and is included in total expenses for the public safety activity.

Other Post-Employment Benefits

According to Government Accounting Standards Board Statement Number 75, *Accounting and Financial Reporting for Post-employment Benefits Other than Pensions* the Caddo Parish Sheriff's Office recognized a net OPEB liability of \$44,088,914 at June 30, 2020.

Deferred Outflows and Inflows of Resources

With the adoption of certain standards, net pension liability, net OPEB liability, and related deferred outflows and inflows of resources, are included in the Sheriff's Statement of Net Position. Deferred outflows of resources, although similar to "assets," is set apart because these items do not meet the technical definition of being an asset of the Sheriff on the date of these financial statements. In other words, these amounts are not available to pay liabilities in the way assets are available. When all the recognition criteria are met, the deferred outflow of resources will become an expense/expenditure. Contributions made during the fiscal year to the retirement system be reported as deferred outflows of resources. Consequently, the majority of the deferred outflows of resources reported are comprised of current year contributions to the retirement system. However, there may be some deferred outflows of resources attributable to the various components that impact pension changes, and can include investment changes amortization, changes due to actuarial assumptions, and differences between expected or actual experience.

Deferred inflows of resources are the counterpart to deferred outflows of resources on the Statement of Net Position. Deferred inflows of resources are not technically liabilities of the Sheriff as of the date of the financial statements. When all the recognition criteria are met, the deferred inflow of resources will become revenue or an increase to net position. Deferred inflows of resources reported represent a net amount attributable to the various components that impact pension and OPEB changes, and can include investment changes amortization, changes due to actuarial assumptions, and differences between expected or actual experience.

The Sheriff's pension related items included in the Statement of Net Position and discussed in Note 6 are:

	2020	2019 (restated)	Change
Net pension liability	\$ 12,643,059	\$ 10,264,699	\$ 2,378,360
Deferred outflows of resources - pensions	\$ 6,557,951	\$ 5,350,171	\$ 1,207,780
Deferred inflows of resources - pensions	\$ 3,058,962	\$ 4,064,864	\$ (1,005,902)

The Sheriff's OPEB related items included in the Statement of Net Position and discussed in Note 7 are:

	2020	2019	Change
Net OPEB liability	\$ 44,088,914	\$ 34,451,479	\$ 9,637,435
Deferred outflows of resources - OPEB	\$ 8,397,965	\$ -	\$ 8,397,965
Deferred inflows of resources - OPEB	\$ 11,212,990	\$ 12,272,268	\$ (1,059,278)

CONTACTING THE SHERIFF'S FINANCIAL MANAGEMENT

The financial report is designed to provide a general overview of the Sheriff's finances, comply with finance-related laws and regulations, and demonstrate the Sheriff's commitment to public accountability. If you have questions about this report contact Gwet Folsom, Caddo Parish Sheriff's Office, 505 Travis Street, Room 700, Shreveport, LA 71101.

Government – Wide Financial Statements (GWFS)

CADDO PARISH SHERIFF
Shreveport, Louisiana

Statement of Net Position
June 30, 2020

Assets	
Cash and cash equivalents	\$ 2,205,162
Investments	17,988,311
Receivables	5,797,102
Prepaid expenses	54,235
Capital assets, net of accumulated depreciation	<u>3,135,519</u>
Total assets	<u>29,180,329</u>
 Deferred Outflows of Resources	
Deferred outflows related to other post-employment benefit	8,397,965
Deferred outflows related to pension	<u>6,557,950</u>
Total deferred outflows of resources	<u>14,955,915</u>
 Liabilities	
Accounts payable	131,636
Accrued expenses	<u>1,074,438</u>
Total current liabilities	<u>1,206,074</u>
Long-term liabilities	
Portion due within one year	
Accrued compensated absences	1,273,908
Portion due after one year	
Net pension liability	12,643,059
Net other post-employment benefit liability	44,088,914
Accrued compensated absences	<u>1,355,661</u>
Total long-term liabilities	<u>59,361,542</u>
Total liabilities	<u>60,567,616</u>
 Deferred Inflows of Resources	
Deferred inflows related to other post-employment benefit	11,212,990
Deferred inflows related to pension	<u>3,058,962</u>
Total deferred inflows of resources	<u>14,271,952</u>
 Net Position (deficit)	
Invested in capital assets	3,135,519
Unrestricted	<u>(33,838,843)</u>
Total net position (deficit)	<u>\$ (30,703,324)</u>

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

CADDO PARISH SHERIFF
Shreveport, Louisiana

Statement of Activities
for the Year Ended June 30, 2020

		Program Revenues		
Expenses	Fees, fines and charges for services	Operating grants and contributions	Net (expense) revenue and changes in net position	
Functions/programs				
Governmental activities				
Public safety	<u>\$ 36,423,547</u>	<u>\$ 6,838,617</u>	<u>\$ 5,360,727</u>	<u>\$ (24,224,203)</u>
Total governmental activities	<u><u>\$ 36,423,547</u></u>	<u><u>\$ 6,838,617</u></u>	<u><u>\$ 5,360,727</u></u>	<u><u>(24,224,203)</u></u>
General revenues				
Taxes -				
Ad valorem taxes				23,768,261
Sales and use taxes				2,652,013
State revenue sharing				373,551
Supplemental pay				1,104,010
Gain from sale of general fixed assets				52,083
Interest and investment earnings				286,096
Miscellaneous				<u>2,857,609</u>
Total general revenues				<u>31,093,623</u>
Changes in net position (deficit)				6,869,420
Net position (deficit), beginning				(37,232,069)
Prior period adjustment, see Note 16				<u>(340,675)</u>
Net position, beginning, as restated				<u><u>(37,572,744)</u></u>
Net position (deficit), ending				<u><u>\$ (30,703,324)</u></u>

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

Fund Financial Statements

CADDO PARISH SHERIFF
Shreveport, Louisiana

Balance Sheet – Governmental Funds
June 30, 2020

	<u>General Fund</u>
Assets	
Cash and cash equivalents	\$ 2,205,162
Investments	17,988,311
Intergovernmental receivables	5,712,768
Receivables	84,334
Prepaid expenses	<u>54,235</u>
Total assets	<u>\$ 26,044,810</u>
Liabilities and Fund Balances	
Current liabilities	
Accounts payable	\$ 131,636
Accrued expenses	<u>1,074,438</u>
Total current liabilities	<u>1,206,074</u>
Fund balances	
Nonspendable	
Prepaid expenses	54,235
Unassigned	<u>24,784,501</u>
Total fund balances	<u>24,838,736</u>
Total liabilities and fund balances	<u>\$ 26,044,810</u>

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

**CADDO PARISH SHERIFF
Shreveport, Louisiana**

**Reconciliation of the Balance Sheet –
Governmental Funds to the Statement of Net Position
June 30, 2020**

Total fund balances - governmental funds	\$	24,838,736
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.		
Cost of capital assets	\$ 11,923,972	
Less accumulated depreciation	<u>(8,788,453)</u>	3,135,519
Deferred outflows of resources reported in the Statement of Net Position		14,955,915
Long-term liabilities		
Net other post-employment benefit liability	(44,088,914)	
Compensated absences payable	(2,629,569)	
Net pension liability	<u>(12,643,059)</u>	(59,361,542)
Deferred inflows of resources reported in the Statement of Net Position		<u>(14,271,952)</u>
Total net position (deficit) of governmental activities	\$	<u>(30,703,324)</u>

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

CADDO PARISH SHERIFF
Shreveport, Louisiana

**Statement of Revenues, Expenditures, and Changes in Fund Balances –
Governmental Funds
for the Year Ended June 30, 2020**

	<u>General Fund</u>
Revenues	
Ad valorem taxes	\$ 23,768,261
Sales and use taxes	2,652,013
Intergovernmental revenues	
Federal grants	5,301,967
State sources	
Grants	58,760
Revenue sharing	373,551
Supplemental pay	1,104,010
Fees, charges, and commissions for services	
Commissions on state revenue sharing	533,724
Civil and criminal fees	3,918,759
Administrative - Caddo Correctional Center (CCC)	2,349,617
Transporting prisoners	36,517
Interest and investment earnings	286,096
Parish reimbursements	708,234
Salary reimbursements	407,103
Miscellaneous	610,053
Total revenues	<u>42,108,665</u>
Expenditures	
Current - public safety	
Personnel services and related benefits	25,868,552
Operating services	1,871,190
Materials and supplies	1,525,793
Other charges	552,587
Capital outlay	607,416
Payments to CCC	4,000,000
Total expenditures	<u>34,425,538</u>
Excess of revenues	7,683,127
Other financing sources	
Proceeds from sale of general fixed assets	59,988
Total other financing sources	<u>59,988</u>
Net change in fund balances	7,743,115
Fund balances at beginning of year	<u>17,095,621</u>
Fund balances at end of year	<u>\$ 24,838,736</u>

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

CADDO PARISH SHERIFF
Shreveport, Louisiana

**Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances – Governmental Funds to the Statement of Activities
for the Year Ended June 30, 2020**

Net change in fund balances - total governmental funds	\$	7,743,115
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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. This is the effect of capital outlay, depreciation expense, and other capital asset transactions in the current period.

Capital Outlay	607,455	
Disposal of capital assets	(7,906)	
Less depreciation expense recorded	<u>(885,567)</u>	(286,018)

The net OPEB liability is not susceptible to accrual and therefore is not reported in the funds. This amount represents the change in the net OPEB asset/liability.		(180,192)
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The net pension liability is not susceptible to accrual and therefore is not reported in the funds. This amount represents the change in the net pension liability.		(116,176)
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Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available.

Compensated absences increase in current year		<u>(291,309)</u>
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Change in net position of governmental activities	\$	<u><u>6,869,420</u></u>
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CADDO PARISH SHERIFF
Shreveport, Louisiana

Statement of Fiduciary Net Position –
Agency Funds
June 30, 2020

Assets	
Cash	\$ 6,977,114
	<u>6,977,114</u>
Total assets	<u>\$ 6,977,114</u>
 Liabilities	
Accounts payable	\$ 1,690,181
Payable to Caddo Parish Sheriff's Office	66,311
Prepayment program	383,282
Unsettled balances due to taxing bodies and others	4,837,340
	<u>4,837,340</u>
Total liabilities and net position	<u>\$ 6,977,114</u>

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

**CADDO PARISH SHERIFF
Shreveport, Louisiana**

**Notes to Financial Statements
June 30, 2020**

Introduction

As provided by Article V, Section 27 of the Louisiana Constitution of 1974, the Caddo Parish Sheriff (the "Sheriff") serves a four-year term as the chief executive officer of the law enforcement district and as 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, etc. 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, state revenue sharing funds, costs, and bond forfeitures imposed by the district court.

Note 1 - Reporting entity and summary of significant accounting policies

Reporting entity - The basic criterion for determining whether a governmental organization should be included in a primary governmental unit's reporting entity for financial statements is financial accountability. Financial accountability includes the appointment of a voting majority of the organization's governing body and the ability of the primary government to impose its will on the organization or if there is a financial benefit/burden relationship. In addition, an organization which is fiscally dependent on the primary government or an entity which, when excluded would create misleading or incomplete financial statements, should be included in its reporting entity. The accompanying financial statements include the operations of the Sheriff. There are no component units for which the Sheriff is financially accountable.

The position of Sheriff is a constitutional office and as such has power to set budgets, call tax elections, and appropriate funds with no oversight or review by the Caddo Parish Commission (the "Commission"). The Commission has an obligation to furnish the Sheriff space and minimal financial support according to state statutes. The Commission is not responsible for the financing of deficits of the Sheriff, nor is it entitled to receive any surplus. The Sheriff is not included as a component unit in the reporting entity of the Commission for financial reporting purposes.

By agreement between the Sheriff and the Commission, the Sheriff manages and operates the jail facility, known as the Caddo Correctional Center ("Center"). The Sheriff also maintains accounting records, prepares annual budgets, and prepares financial information. The maintenance and operation of the Center is funded by a one-quarter cent sales tax. The Sheriff receives directly all funds generated from any source as a result of operations of the Center, including concessions, telephones, and grants, all of which are dedicated to the operation of the Center. Ultimate responsibility for the Center is vested in the Commission. The financial operations of the Center are reflected in the financial statements of the Commission and are not reflected in the financial statements of the Sheriff.

Beginning in 2000, the Sheriff occupied space in the Parish Complex. The cost of maintaining and operating the Parish Courthouse and the Parish Complex, as required by Louisiana law, is paid by the Commission. These expenditures are not recorded in the accompanying financial statements.

Basis of presentation - The accompanying basic financial statements of the Sheriff have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, issued in June 1999.

Government-Wide Financial Statements (GWFS) - The Statement of Net Position and the Statement of Activities display information about the Sheriff as a whole. These statements include all the financial activities and funds of the reporting entity, which are considered to be governmental activities. Fiduciary funds are reported only in the Statement of Fiduciary Net Position - Agency Funds 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. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular program or function. Program revenues include (a) fees and charges paid by the recipients of services offered by the Sheriff, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements - 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's 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 two categories: governmental 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 governmental fund is at least ten (10%) percent of the corresponding total for all governmental funds.

The Sheriff reports the following major governmental fund:

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

The Sheriff also reports the following fund types:

Fiduciary Funds - Fiduciary funds are used to account for assets held by the Sheriff in a trustee capacity or as an agent for individuals, private organizations, and other governmental units. The only funds accounted for in this category by the Sheriff are agency funds.

Agency Funds are used to account for assets held in a trustee capacity. The Sheriff's Agency Funds are used as depositories for civil suits, cash bonds, taxes, fees, etc. Disbursements from these funds are made to various parish agencies, litigants in suits, etc., in the manner prescribed by law.

The accounts of the Tax Collector Agency Fund are established to reflect the collections imposed by law, distributions pursuant to such law, and unsettled balances due various taxing bodies and others.

The Agency Funds are custodial in nature (assets equal liabilities) and do not present results of operations or have a measurement focus.

Measurement focus/basis of accounting

The governmental financial statements were prepared 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 balances 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 the Sheriff's operations.

The amounts reflected in the governmental fund financial statements 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 sixty (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 long term compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

The government-wide 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 and financial position. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. The government-wide 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 an economic asset used.

The following practices are used in recording revenues and expenditures within the governmental funds:

Revenues

Ad valorem taxes, sales taxes and commissions earned from state revenue sharing are recorded in the year they become due and payable. Ad valorem taxes are assessed for the calendar year, become due on December 30 of each year, and become delinquent on December 31. The taxes are generally collected in December, January, and February of the fiscal year. The lien date is January 1, when interest begins accumulating at one-percent monthly. Revenue sharing is generally collected in three equal installments in December, March and May 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 time deposits is recorded as earned.

Substantially all other revenues are recorded when received.

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

Other financing sources (uses)

Transfers between funds that are not expected to be repaid (and any other financing source/use) are accounted for as other financing sources (uses).

Unearned revenues

Unearned 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.

The following practices are used in recording additions and reductions within the Fiduciary Funds (agency funds):

Additions - The majority of additions are not susceptible to accrual because they are not measurable until received in cash.

Reductions - Reductions are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

Budgetary accounting - The Sheriff utilizes the following procedures in establishing the budgetary data for the General Fund:

- 1) During May, the Sheriff's office prepares the proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
- 2) A public hearing is held on the proposed budget.
- 3) The adopted budget is published in the official journal prior to the commencement of the fiscal year for which the budget is being adopted.
- 4) A public hearing is held for proposed amendments to the budget.
- 5) Amended budget is published in official journal.
- 6) All budgetary appropriations lapse at the end of each fiscal year.
- 7) The budget is prepared on the same basis as these financial statements are prepared, specifically the modified accrual basis, as described in the preceding pages. Expenditures may not legally exceed appropriations on a fund basis.

The proposed budget for the year ended June 30, 2020, was made available for public inspection and was published in the Shreveport Times, more than ten days before the public hearing, which was held on June 26, 2019, at the Caddo Parish Sheriff's office for comments from taxpayers. The budget was amended and published more than ten days before the public hearing, which was held on June 29, 2020, at the Caddo Parish Sheriff's office for comments from taxpayers.

Encumbrances and budget - Encumbrance accounting, under which purchase orders are recorded to reserve that portion of the applicable appropriation, is not employed. However, formal integration of the budget into the accounting records is employed as a management control device. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments.

Cash and interest-bearing deposits - Cash and interest-bearing deposits include amounts in demand deposits, interest-bearing demand deposits and time deposits. These deposits are stated at cost, which approximates market.

Investments - Investments are reported at fair value based on quoted market prices. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

State statutes generally authorize the Sheriff to invest in direct United States Treasury obligations; indebtedness issued or guaranteed by federal governmental agencies (provided such obligations are backed by the full faith and credit of the U.S. government); indebtedness issued or guaranteed by federally sponsored U.S. government agencies; time certificates of deposit of state banks organized under the laws of Louisiana and national banks having their principal office in the State of Louisiana; or mutual or trust fund institutions which are registered with the Securities and Exchange Commission. In addition, local governmental entities in Louisiana are authorized to invest in the Louisiana Asset Management Pool, Inc. ("LAMP"), a nonprofit corporation formed by an initiative of the State Treasurer and organized under the laws of the State of Louisiana, which operates a local government investment pool.

State law authorizes the Sheriff, as the Tax Collector for Caddo Parish, to deposit tax collections in interest-bearing accounts with a bank domiciled in the parish when the funds are collected. Furthermore, state statutes authorize the Tax Collector to invest in direct United States Treasury obligations; indebtedness issued or guaranteed by federal governmental agencies (provided such obligations are backed by the full faith and credit of the U.S. government); indebtedness issued or guaranteed by federally sponsored U.S. government agencies; time certificates of deposit of state banks organized under the laws of Louisiana and national banks having their principal office in the state of Louisiana; or mutual or trust fund institutions which are registered with the Securities and Exchange Commission.

While LAMP is not required to be a registered investment company under the Investment Company Act of 1940, its investment policies are similar to those established by Rule 2-a-7, which governs registered money market funds. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest. LAMP is designed to be highly liquid to give participants immediate access to their account balances.

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The Sheriff does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates; however, the Sheriff has no funds that would be classified as investments or anything with maturities greater than three months.

Capital assets - Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated acquisition value at the date of donation. The threshold level for capitalizing assets is \$5,000 or more.

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 useful lives of 30 years for buildings, 5-10 years for furniture, fixtures and equipment, and 5 years for vehicles.

Compensated absences - Employees of the Sheriff's office earn from 10 to 20 days of vacation leave and sick leave each year, depending upon their length of service. Employees resigning or the heirs of employees may be paid for unused vacation leave at the employee's current rate of pay. Payment of accumulated sick leave is granted at the discretion of the Sheriff, but employees are not paid for accumulated sick leave upon retirement or resignation. The long term portion of the accrued liability for compensated absences, along with the current portion of the liability, is included in the government-wide financial statements.

Claims and judgments - Claims and judgments are recorded as expenditures in governmental funds for the amount that will be liquidated with current available financial resources. The remainder of any liability is recorded in the government-wide financial statements.

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

- Invested in capital assets – Consists of capital assets, net of accumulated depreciation.
- 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 – Net position that does not meet the definition of “restricted” or “invested in capital assets”.

Fund balance classification – The fund balance is classified into categories to make the nature and extent of the constraints placed on a government’s fund balances more transparent. The following classifications describe the relative strength of the spending restraints:

- **Nonspendable:** This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. The Sheriff had \$54,235 in prepaid expenses which is a non-spendable resource as of June 30, 2020.
- **Restricted:** This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The Sheriff did not have any restricted resources as of June 30, 2020.
- **Committed:** This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Sheriff. These amounts cannot be used for any other purpose unless the Sheriff removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The Sheriff did not have any committed resources as of June 30, 2020.
- **Assigned:** This classification includes amounts that are constrained by the Sheriff’s intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Sheriff or by an official or body to which the Sheriff delegates the authority. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund. The Sheriff did not have any assigned resources as of June 30, 2020.
- **Unassigned:** This classification includes the residual fund balance for the General Fund and also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of assigned fund balance amounts. General Fund had \$24,784,501 at June 30, 2020, classified as unassigned.

The Sheriff would typically use restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to defer the use of these other classified funds.

On-behalf payments for fringe benefits and salaries - The Caddo Parish Sheriff receives on-behalf payments from the State of Louisiana to be used for supplemental pay to qualified law enforcement officers. On-behalf payments to the Caddo Parish Sheriff totaled \$1,104,010 for the fiscal year ended June 30, 2020. Such payments are recorded as intergovernmental revenue (state supplemental pay) and public safety expenses (personnel services and related benefits) in the GAAP basis government-wide and general fund financial statements.

Use of estimates - The preparation of financial statements in conformity with U. S. generally accepted accounting principles 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, expenses, and other financing sources and uses during the reporting period. Actual results could differ from those estimates.

Deferred outflows and inflows of resources - In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, Deferred Outflows of Resources, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The Sheriff has two items that meet this criterion, deferred outflows of resources related to net other-post employment benefits and deferred outflows of resources related net pension. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, Deferred Inflows of Resources, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The Sheriff has two items that meet the criterion for this category, a deferral of pension expense and a deferral of other postemployment benefits.

Pensions - For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Sheriffs' Pension and Relief Fund ("the Fund") and additions to/deductions from the Fund's fiduciary net position have been determined on the same basis as they are reported by the Fund. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Budgets and budget basis of accounting - The budget is adopted on a modified accrual basis which means that for budgetary purposes revenues and expenditures are recorded in the year earned (incurred) rather than in the year received (paid). Revisions made to the original general fund expenditures budget was as follows:

	Original Budget	Total Decrease	Revised Budget
General Fund	\$ <u>37,177,000</u>	\$ <u>(2,569,000)</u>	\$ <u>34,608,000</u>

Subsequent Events - Management has evaluated subsequent events through the date that the financial statements were available to be issued, January 12, 2021, and determined there were no events that occurred that required disclosure.

Accounting pronouncements - The Caddo Parish Sheriff's Office adopted Governmental Accounting Standards Board (GASB) Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance* for the fiscal year 2020 reporting. Statement No. 95 provides temporary relief to governments and other stakeholders in light of COVID-19 pandemic. This Statement extends the effective dates of certain accounting and financing reporting provisions in Statements and Implementation Guides that were first effective for reporting periods beginning after June 15, 2018, and later.

Due to *Governmental Accounting standards Board (GASB) Statement No. 95*, the following statements were not required to be implemented by the Caddo Parish Sheriff's Office during the current fiscal year.

- GASB Statement No. 83, *Certain Asset Retirement Obligations*, establishes guidance for governments to recognize and measure legally enforceable liabilities associated with the retirement of certain tangible capital assets and determining the timing and pattern of recognition for liabilities and corresponding deferred outflow of resources related to asset retirement obligations.
- GASB Statement No. 84, *Fiduciary Activities*, establishes improved guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and establishes criteria for identifying fiduciary activities of all state and local governments.

- GASB Statement No. 88, *Certain Disclosures related to Debt*, including Direct Borrowings and Direct Placements, establishes improved information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt.
- GASB Statement No. 90, *Majority equity interests* - An Amendment of GASB Statements No. 14 and No. 61, the primary objective of this statement is to improve the consistency of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units.

The Caddo Parish Sheriff's Office is currently evaluating the effects that these statements will have on its financial statements.

Note 2 - Cash and cash equivalents

All deposits of the Sheriff are held by area financial institutions. At June 30, 2020, the carrying amount of the Sheriff's cash deposits was as follows:

	Government- Wide Statement of Net Position	Fiduciary Funds Statement of Net Position
Demand deposits	\$ 2,205,162	\$ 6,977,114
Total demand deposits	<u>\$ 2,205,162</u>	<u>\$ 6,977,114</u>

The collected funds on deposit in the General Fund and Fiduciary Funds totaled \$15,048,711. The difference in the bank balances and the carrying amounts presented above is mostly due to the bank balances including amounts carried in a cash concentration account jointly used by the Caddo Correctional Center and Sheriff. The amount allocated to the Caddo Correctional Center at June 30, 2020 was \$5,381,018. Of the bank balances, \$750,000 was covered by federal depository insurance (GASB Category 1) and \$14,569,104 was collateralized with securities held by the pledging financial institution's trust department or agent, but in the Sheriff's name (GASB Category 2). The Sheriff does not have a written policy for custodial credit risk.

Note 3 - Investments

The Sheriff had \$17,988,311 invested with LAMP at June 30, 2020. Because these investments are not evidenced by securities that exist in physical or book entry form, they are not categorized for the purposes of this note. LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local governments may participate in LAMP. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments are authorized to invest. The dollar weighted average portfolio maturity of LAMP is restricted to not more than 90 days and consists of no securities with a maturity in excess of 397 days. The fair value of investments is determined on a weekly basis to monitor any variances between amortized cost and fair value.

Fair Value Measurement – GASB Statement No. 72, establishes a hierarchy of inputs to valuation techniques used to measure fair value. The Sheriff measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles using a market approach technique. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- Level 1 - Investments reflect prices quoted in active markets.
- Level 2 - Investments reflect prices that are based on a similar observable asset either directly or indirectly, which may include inputs in markets that are not considered to be active.
- Level 3 - Investments reflect prices based upon unobservable sources.

As of June 30, 2020, the Sheriff's investments were invested with LAMP. The fair value of a share in LAMP is the same as the book value (i.e., a share in the pool is always worth \$1.00 per share).

Note 4 - Receivables

Receivables in the General Fund at June 30, 2020, are as follows:

Ad valorem taxes	\$	34,560
Intergovernmental revenues		
Federal and state grants		4,849,504
Fees, charges, and commissions for services		
Auto recovery and sheriff sale commissions		73,206
Fines and bonds fees and commissions		81,119
Civil and criminal fees		73,810
Security and court fees		255,355
Gaming fees		91,077
Tax collection		31,821
Transportation of prisoners		4,893
Garnishment commissions		4,681
Patrol, reports and seizure fees		5,420
Refunds and reimbursements		85,591
Other		206,065
	\$	<u>5,797,102</u>

These amounts are presented in the accompanying fund financial statements under the following captions:

Receivables	\$	84,334
Intergovernmental receivables		5,712,768
	\$	<u>5,797,102</u>

Note 5 - Capital assets

A summary of changes in capital assets used in governmental activities is as follows:

	Balance July 1, 2019	Additions	Disposals	Balance June 30, 2020
Assets, at cost				
Buildings	\$ 2,377,809	\$ -	\$ -	\$ 2,377,809
Law enforcement weapons and equipment	1,162,414	6,634	-	1,169,048
Computer equipment and office furniture	1,008,231	55,478	-	1,063,709
Equipment	283,586	-	-	283,586
Vehicles	6,657,769	545,343	173,292	7,029,820
Total cost	<u>11,489,809</u>	<u>\$ 607,455</u>	<u>\$ 173,292</u>	<u>11,923,972</u>
Less accumulated depreciation	<u>8,068,273</u>	<u>\$ 885,567</u>	<u>\$ 165,387</u>	<u>8,788,453</u>
Capital assets, net	<u>\$ 3,421,536</u>			<u>\$ 3,135,519</u>

Depreciation expense of buildings, computer equipment, office equipment and vehicles was \$885,567 for fiscal year 2020 and is included in total expenses for the public safety activity.

Note 6 - Defined benefit pension plan

Plan Description

The Sheriffs' Pension and Relief Fund (the "Fund") was established for the purpose of providing retirement benefits for employees of sheriffs' offices throughout the State of Louisiana, employees of the Louisiana Sheriffs' association and the employees of the Fund. The projection of benefit payments in the calculation of the total pension liability includes all benefits to be provided to current active and inactive employees through the Fund in accordance with the benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date. The Fund is a cost-sharing multiple-employer defined pension plan.

Benefits Provided

The following is a description of the plan and its benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

Retirement

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.

For a member whose first employment making him eligible for membership in the system began on or before June 30, 2006, final average compensation is based on the average monthly earnings during the highest thirty-six consecutive months or joined months if service was interrupted. 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 making him eligible for membership in the system 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 if 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 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's 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% of final average compensation if there are more than four children. 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.

Deferred Benefits

The Fund does provide for deferred benefits for vested members who terminate before being eligible for retirement. Benefits become payable once the member reaches the appropriate age for retirement.

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

According to state statute, contribution requirements for all employers are actuarially determined each year. For the years ended June 30, 2020 and 2019, the actuarially determined employer contribution rate was 12.25%, with an additional 0% allocated from the Funding Deposit Account. Employer contributions for the years ended June 30, 2020 and 2019, were \$2,297,783 and \$2,161,105, respectively.

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. Non-employer contributions are recognized as revenue and excluded from pension expense for the year ended June 30, 2020.

Plan members are required by state statute to contribute 10.25% of their annual covered salary. For the year ended June 30, 2020, in addition to the required employer contribution, the Sheriff elected to contribute the employee's required portion on behalf of its plan members. The total extra contributions paid by the Sheriff on behalf of the plan member were \$1,769,404 for the year ended June 30, 2020.

Contribution Refunds

Upon withdrawal from service, members are not entitled to a retirement allowance who have remained out of service for a period of thirty days are paid a refund of accumulated contributions upon request. Receipt of such a refund cancels all accrued benefits in the system.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2020, the Caddo Parish Sheriff reported a liability of \$23,413,072 for its proportionate share of the Net Pension Liability. The Sheriff reported a liability of \$12,643,059 which was 54% of the total Net Pension Liability. The remaining 46% of the liability is reported by Caddo Correctional Center. The Net Pension Liability was measured as of June 30, 2019, and the total pension liability used to calculate the Net Pension Liability 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, 2019, the Sheriff's proportion (including the Caddo Correctional Center) was 4.949670% which decreased .173829% from the proportion measured as of June 30, 2018. Of this amount, 54% was allocated to the Sheriff.

For the year ended June 30, 2020, the Sheriff recognized pension expense of \$3,318,442, which included the Sheriff's amortization of change in proportionate share and difference between employer contributions and proportionate share of contributions of \$1,592.

At June 30, 2020, the Sheriff reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 2,422,154
Changes in assumptions	3,863,897	-
Net difference between projected and actual earnings on retirement plan investments	454,966	-
Changes in proportion and differences between Sheriff contributions and proportionate share of contributions	-	636,809
Sheriff contributions subsequent to measurement date	2,239,088	-
Total	<u>\$ 6,557,951</u>	<u>\$ 3,058,963</u>

Deferred outflows of resources of \$2,239,088 related to pensions resulting from the Sheriff's contributions subsequent to the measurement date will be recognized as a reduction of net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2021	\$ 533,458
2022	\$ (526,339)
2023	\$ 430,157
2024	\$ 626,290
2025	\$ 196,334

Actuarial Assumptions – A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2019 (measurement date), are as follows:

Actuarial Cost Method	Entry Age Normal Method
Actuarial Assumptions:	
Investment rate of return	7.10% net of investment expense
Discount rate	7.10%
Projected salary increases	5.5% (2.5% Inflation, 3% Merit)
Mortality rates	RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Table for active members, healthy annuitants and beneficiaries. RP-2000 Disabled Lives Mortality Table
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.
Changes in valuation methods and assumptions	The discount rate was lowered from 7.25% to 7.10% for the year ended June 30, 2019. The investment rate was lowered from 7.25% to 7.10%, net of investment expenses.

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 long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The rate of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2019, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Equity Securities	62%	4.4%
Bonds	23%	0.7%
Alternative Investments	15%	0.6%
Totals	100%	5.7%
Inflation		2.4%
Expected Arithmetic Nominal Return		8.1%

Discount Rate - The discount rate used to measure the total pension liability was 7.10%. 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 Sheriff'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 7.10%, 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 (6.10%) or one percentage-point higher (8.10%) than the current rate:

	1.0% Decrease (6.10%)	Current Discount Rate (7.10%)	1.0% Increase (8.10%)
Sheriff's proportionate share of the net pension liability	\$ 26,438,570	\$ 12,643,059	\$ 1,032,879

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, 2020, the Sheriff recognized revenue as a result of support received from non-employer contributing entities of \$1,132,220 for its participation in the Sheriff's Pension and Relief Fund.

Pension Plan Fiduciary Net Position - Detailed information about the pension plan's fiduciary net position is available in the separately issued Sheriffs' Pension and Relief Fund Audit Report at www.la.la.gov. The Sheriffs' Pension and Relief Fund issues a publicly available audit report that includes financial statements and required supplementary information.

Payables to the Pension Plan - At June 30, 2020, the Sheriff had payables due to the pension plan of \$166,547 for legally required contributions.

Note 7 - Other post-employment benefits

General Information about the OPEB Plan

Plan description - The Caddo Parish Sheriff's Office (the Sheriff) provides certain continuing health care and life insurance benefits for its retired employees. The Caddo Parish Sheriff's OPEB Plan (the OPEB Plan) is a single-employer defined benefit OPEB plan administered by the Sheriff. The authority to establish and/or amend the

obligation of the employer, employees and retirees rests with the Sheriff. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Governmental Accounting Standards Board (GASB) Statement No. 75.

Benefits Provided – Medical benefits are provided through a comprehensive medical plan and are made available to employees upon actual retirement. The employees are covered by a retirement system whose retirement eligibility (D.R.O.P. entry) provisions are as follows: 15 years of service and attainment of age 55.

Life insurance coverage is available to retirees in the same amount of insurance coverage while active, but retiree insurance coverage amounts are reduced at age 65 to 75% of the original amount and to 50% of the original amount at age 70. The retiree pays 100% of the "cost" of the retiree life insurance in excess of \$10,000, but based on the blended rates. There is therefore an implicit employer subsidy to the extent that the higher retiree rates are diluted by the lower active rates.

Since GASB 74/75 requires the use of "unblended" rates, we have used the valuation mortality table to "unblend" the rates so as to reproduce the composite blended rate overall as the rate structure to calculate the actuarial valuation results for life insurance and thus estimate and value this employer subsidy. All of the assumptions used for the valuation of the medical benefits have been used except for the trend assumption; zero trend was used for life insurance.

Dental insurance coverage is provided to retirees and the employer pays for the retiree portion of the premium only, not dependents. The results for dental insurance have been included with the medical valuation and all of the assumptions used for the valuation of the medical benefits have been used for dental except for the trend assumption; zero trend was used for dental insurance.

Employees covered by benefit terms – At July 1, 2019, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	167
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>289</u>
	<u>456</u>

Total OPEB Liability

The Sheriff's total OPEB liability of \$44,088,914 was measured as of July 1, 2019 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and other inputs – The total OPEB liability in the July 1, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.5%
Salary increases	4.0%, including inflation
Discount rate	3.5% annually (beginning of year to determine ADC) 2.21% annually (as of end of year measurement date)
Healthcare cost trend rates	Flat 5.5% annually
Mortality	SOA RP-2000

The discount rate was based on the Bond Buyers' 20 Year General Obligation municipal bond index on the applicable measurement dates. The RP-2000 combined healthy without projection. The actuarial assumptions used in the July 1, 2019 valuation were based on the results of ongoing evaluations of the assumptions from July 1, 2009 to June 30, 2020.

Changes in the Total OPEB Liability

Balance at June 30, 2019	\$ 34,451,479
Changes for the year:	
Service cost	702,804
Interest	1,182,961
Differences between expected and actual experience	(180,933)
Changes of assumptions	9,237,763
Benefit payments and net transfers	(1,305,160)
Net changes	9,637,435
Balance at June 30, 2020	\$ 44,088,914

Sensitivity of the total OPEB liability to changes in the discount rate – The following presents the total OPEB liability of the Sheriff, as well as what the Sheriff's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.21%) or 1-percentage-point higher (3.21%) than the current discount rate:

	1.0% Decrease (1.21%)	Current Discount Rate (2.21%)	1.0% Increase (3.21%)
Total OPEB liability	\$ 52,433,663	\$ 44,088,914	\$ 37,576,931

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates – The following presents the total OPEB liability of the Sheriff, as well as what the Sheriff's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (4.5%) or 1-percentage-point higher (6.5%) than the current healthcare trend rates:

	1.0% Decrease (4.5%)	Current Trend (5.5%)	1.0% Increase (6.5%)
Total OPEB liability	\$ 40,619,387	\$ 44,088,914	\$ 48,424,883

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2020, the Sheriff recognized OPEB expense of \$1,485,352. At June 30, 2020, the Sheriff reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ (11,212,990)
Changes in assumptions	8,397,965	-
Total	\$ 8,397,965	\$ (11,212,990)

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

Years ending June 30:	
2021	\$ (400,413)
2022	(400,413)
2023	(400,413)
2024	(400,413)
2025	(400,413)
Thereafter	(812,960)

Note 8 - Lease commitments

At June 30, 2020, the Sheriff had seven contractual operating leases. The building and facilities leases are for the Training Academy, Fleet Management facility, Narcotics Task Force, Pistol Range, Cross Bayou Boat Ramp, Safety Town and Caddo Correctional Center Annex Facility. The minimum annual commitments under noncancelable operating leases are as follows:

Fiscal Year:		
2020-2021	\$	63,712
2021-2022		61,165
2022-2023		59,200
2023-2024		60,000
2024-2025		60,000
Thereafter		181,600
Total	\$	<u>485,677</u>

Total rental expenditure under operating leases was approximately \$171,352 for the year ended June 30, 2020. These payments are currently reimbursed by the Caddo Parish Commission, except the Training Academy and the Fleet Maintenance Building, as required by law.

Note 9 - Long-term liabilities

The long-term liabilities of the Sheriff, which are due to governmental activities, consist of liabilities for accrued compensated absences.

Activity in accrued compensated absences for the fiscal year ended June 30, 2020, is as follows:

Balance, July 1, 2019	\$	2,338,260
Additions for earned compensated absences		1,299,147
Less use of accrued amounts		<u>(1,007,838)</u>
Balance, June 30, 2020		2,629,569
Less current portion		<u>(1,273,908)</u>
Long-term portion	\$	<u>1,355,661</u>

Note 10 - 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 taxpayers by the Sheriff in October. Billed taxes are due by December 30, and become delinquent on December 31 of the current year. The taxes are based on assessed values determined by the Tax Assessor of Caddo Parish and are collected by the Sheriff. The taxes are remitted to the appropriate taxing bodies net of deductions for 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, 2020, law enforcement taxes applicable to the Sheriff's General Fund, were levied at the rates described below on property with assessed valuations totaling \$2,158,335,924. This valuation is net of homestead exemption amounts of \$334,931,547.

The following is a summary of authorized and levied ad valorem taxes which represent separate millages authorized by the voters as of June 30, 2020:

	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
Caddo Parish Law Enforcement District:			
Act 689 of 1976	4.34	4.34	None
Continued general services	1.76	1.76	12/31/2022
Additional services	1.76	1.76	12/31/2022
Additional services	2.85	2.85	12/31/2022
Additional funding	2.70	2.70	12/31/2022
	<u>13.41</u>	<u>13.41</u>	

As of June 30, 2020, the cash balance on hand in the tax collector account are \$5,286,933 which is included in the cash balances reflected in Note 2. During the fiscal year ended June 30, 2020, Sheriff's office, as Tax Collector for Caddo Parish, collected a total of \$247,237,103 of ad valorem taxes. Included in this amount was \$244,729,131 of 2019 assessed taxes, net of homestead exemptions, \$1,711,946 of prior year taxes, and \$942,883 of penalties and fees.

The Sheriff has collected and uncollected taxes as of June 30, 2020, attributable to the following taxing authorities:

Tax Authority	Collected Taxes	Uncollected Taxes
Charles Henington, Jr. Assessor	\$4,248,085	\$69,105
Caddo Fire District No. 1	1,895,522	40,237
Caddo Fire District No. 2	31,538	301
Caddo Fire District No. 3	2,132,975	39,118
Caddo Fire District No. 4	2,266,846	25,397
Caddo Fire District No. 5	1,897,539	3,980
Caddo Fire District No. 6	977,047	17,749
Caddo Fire District No. 7	1,190,756	52,450
Caddo Fire District No. 8	840,578	52,780
Caddo Fire District No. 9	26	-
Caddo Levee District	15	-
Caddo School Board	134,029,617	2,180,216
Caddo Sewer District 7	26	-
Caddo Sewer District 2	100,917	1,678
Caddo-Bossier Port Commission	4,538,544	73,832
Law Enforcement District	24,344,663	396,074
La Dept. Agriculture (Forest Protection)	22,615	22
La Tax Commission	98,557	2
North Caddo Hospital	407,174	19,753
Parish-Bio Medical	3,104,658	50,510
Parish-Bonded Debt Service	2,724,665	44,300
Caddo Parish	7,081,053	107,982
Parish-Courthouse Maintenance	4,937,313	80,336
Parish-Criminal Justice	90	-
Parish-Jail Facilities	9,822,519	159,774
Parish-Juvenile	3,575,975	58,190
Parish-Public Facilities	1,506,723	24,513
Parish-Public Health	3,885,072	63,196
Parish-Public Works	10,603,004	172,477
Red River Waterway Commission	4,234,137	69,105
Shreve Memorial Library	16,738,854	272,304
	<u>\$247,237,103</u>	<u>\$4,075,381</u>

These taxes are uncollected for these general reasons:

Mobile Home Accounts are excluded from tax sale. Lawsuits are filed as alternative to tax sale	141,362
Oil & Gas Accounts are excluded from tax sale. Lawsuits are filed as alternative to tax sale	412,863
Personal Property Accounts are excluded from tax sale. lawsuits are filed as alternative to tax sale	1,442,144
Public Service Accounts are excluded from tax sale.	560
Real Estate accounts:	2,078,453
	<u>\$4,075,381</u>

Notes:

1. Collected and uncollected taxes include base taxes and interest
2. The CPSO was prohibited from conducting a tax sale for uncollected 2019 taxes until July 7, 2020 due to Covid-19 emergency proclamations issued by Gov. John Bel Edwards

Note 11 - Changes in agency funds - balances due to taxing bodies and others

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

	Sheriff's Funds	Tax Collector
Balance, July 1, 2019	\$ 1,648,905	\$ 5,961,608
Additions	9,205,504	257,557,830
Reductions	(9,164,228)	(258,232,505)
Balance, June 30, 2020	\$ <u>1,690,181</u>	\$ <u>5,286,933</u>

Sheriff's Fund

The Sheriff's Fund accounts for funds held in civil suits, Sheriff's sales, and garnishments. It also accounts for collections of bonds, fines, and costs and payment of these collections to the recipients in accordance with applicable laws.

Tax Collector Fund

Article V, Section 27 of the Louisiana Constitution of 1974 provides that the Sheriff will serve as the collector of state and parish taxes and fees. The Tax Collector Fund accounts for the collection and distribution of these taxes and fees to the appropriate taxing bodies.

Note 12 - State revenue sharing funds

The revenue sharing funds provided by Louisiana Act 945 were distributed as follows:

Caddo Parish	
Assessor	\$ 96,368
Commission	1,002,554
School Board	1,739,610
Sheriff	907,274
Sewerage districts	1,846
Fire protection districts	135,343
Shreve Memorial Library	379,492
Red River Waterway Commission	96,369
Pension funds	206,812
Total	\$ <u>4,565,668</u>

Note 13 - Protest taxes

Louisiana Revised Statute 47:2110 provides that taxpayers, at the time of payment of all taxes due, may give notice to the Tax Collector of their intention to file suit for recovery of all or a portion of the total taxes paid. Upon receipt of this notice, the amount paid is segregated and held by the Tax Collector for a period of 30 days. If suit is filed within the 30-day period for recovery of such amounts, the funds are held pending outcome of the suit. If the taxpayer prevails, the Tax Collector refunds the amount due, with interest at the actual rate earned on the money paid under protest from the date the funds were received by the Tax Collector. At June 30, 2020, the Sheriff, as Tax Collector, held \$56,286 in protested taxes.

Note 14 - Related party transactions

The Sheriff manages and operates the Caddo Correctional Center ("Center"). For the year ended June 30, 2020, the Sheriff paid \$4,000,000 to the Center for operating expenses. For the year ended June 30, 2020, the Center reimbursed the Sheriff \$2,349,617 for administrative services. This reimbursement is included in revenue as fees, charges, and commissions for services.

Note 15 - Contingencies, litigation, and claims

Litigation

At June 30, 2020, the Sheriff is named as defendant in several lawsuits. In the opinion of the Sheriff’s legal counsel, no claims or suits exist for which there is insufficient insurance coverage and resolution of these matters will not have a material adverse effect on the financial condition of the Caddo Parish Sheriff.

Grants

The Sheriff participates in several federal and state assisted grant programs. These programs are subject to program compliance audits. Such audits could lead to requests for reimbursement by the grantor agency for expenditures disallowed under terms of the grants. The Sheriff believes that the amount of disallowances, if any, which may arise from future audits will not be material.

Risk management

The Sheriff is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; and errors and omission. These risks are handled by the Sheriff through the purchase of various commercial insurance policies with varying coverage limits, deductibles, and premiums based on the type of policy. No significant reductions in insurance coverage from coverage in the prior year occurred and no claims exceeded the Sheriff’s insurance coverage for each of the past three years.

Note 16 – Prior period adjustment

The actuarial calculations for the Louisiana Sheriffs’ Pension and Relief Fund combine all of the employees for both the Sheriff and the Caddo Correctional Center (Center) to determine the net pension liability. Therefore, it was necessary during the preparation of the financials to allocate the net pension liability and the related pension entries for the year ended June 30, 2020, between the Sheriff and the Center (see Note 6). The Sheriff reported 54% of the total Net Pension Liability based on actuarial calculations. The remaining 46% of the liability is reported by the Center. This allocation was based on the percentage of total contributions paid by the Sheriff. The Sheriff’s allocations in prior years were based on the allocations when GASB 68 was adopted which were 51% (Sheriff) and 49% (Center). After analysis, it was noted that the allocation was appropriate from 2015 through 2018. A prior period adjustment was required for 2019 where the allocation should have been 53% (Sheriff) and 47% (Center).

The government-wide statements reflect the correction as follows:

	Governmental activities
Beginning net position (deficit)	<u>(\$37,232,069)</u>
Prior period adjustment:	
Correction related to GASB 68 net pension liability allocation between the Sheriff and the Caddo Correctional Center	<u>(340,675)</u>
Ending net position (deficit)	<u>(\$37,572,744)</u>

Note 17 – Risks and Uncertainties

In March 2020, the World Health Organization made the assessment that the outbreak of a novel coronavirus (COVID-19) can be characterized as a pandemic. As a result, uncertainties have arisen that may have a significant negative impact on the operating activities and results of the Caddo Parish Sheriff. The occurrence and extent of such an impact will depend on future developments, including (i) the duration and spread of the virus, (ii) government quarantine measures, (iii) voluntary and precautionary restrictions on travel or meetings, (iv) the effects on the financial markets, and (v) the effects on the economy overall, all of which are uncertain.

Required Supplementary Information

CADDO PARISH SHERIFF
Shreveport, Louisiana
General Fund Budgetary Comparison Schedule
Year Ended June 30, 2020

	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Ad valorem taxes	\$ 23,400,000	\$ 23,600,000	\$ 23,633,102	\$ 33,102
Sales and use taxes	2,700,000	2,560,000	2,652,013	92,013
Penalties and interest on taxes	70,000	130,000	135,159	5,159
Tax collection fees	265,000	350,000	379,988	29,988
Permits	20,000	15,000	17,875	2,875
Gaming fees	450,000	375,000	436,374	61,374
State grants	60,000	40,000	58,760	18,760
State revenue sharing	913,000	907,000	907,275	275
State supplemental pay	1,250,000	1,150,000	1,104,010	(45,990)
State permits	3,000	3,000	2,415	(585)
Federal grants	400,000	250,000	5,301,967	5,051,967
Civil and criminal fees	480,000	490,000	523,055	33,055
Transporting prisoners	70,000	50,000	36,517	(13,483)
Sheriff's commissions (sales)	1,270,000	1,000,000	968,943	(31,057)
Sheriff's commissions (garnishment)	55,000	55,000	65,111	10,111
Outside civil service	180,000	200,000	218,783	18,783
Stock patrol fees	5,000	2,000	2,140	140
Notice of seizure	5,000	5,000	2,387	(2,613)
Accident reports	8,000	11,000	10,747	(253)
Criminal bail bond fees	180,000	200,000	228,088	28,088
Commissions on fines	120,000	120,000	110,446	(9,554)
Criminal fees	260,000	260,000	258,209	(1,791)
Appearance bond forfeitures	40,000	87,000	95,941	8,941
Interest earned on investments	250,000	270,000	286,096	16,096
Probation and parole fees	450,000	450,000	513,227	63,227
Sex offender registration	35,000	35,000	41,720	6,720
Miscellaneous revenue	786,000	1,001,000	1,104,470	103,470
CPC reimbursement	750,000	750,000	664,230	(85,770)
CCC accounting and administrative service	2,600,000	2,200,000	2,349,617	149,617
Total revenue	<u>37,075,000</u>	<u>36,566,000</u>	<u>42,108,665</u>	<u>5,542,665</u>
Expenditures				
Personnel services	28,150,000	26,189,000	25,868,552	320,448
Contractual services	1,875,000	1,691,000	1,871,190	(180,190)
Materials and supplies	1,874,000	1,535,000	1,525,793	9,207
Statutory charges	211,000	156,000	144,805	11,195
Other charges	4,409,000	4,392,000	4,407,782	(15,782)
Capital outlay	658,000	645,000	607,416	37,584
Total expenditures	<u>37,177,000</u>	<u>34,608,000</u>	<u>34,425,538</u>	<u>182,462</u>
Excess of revenues over expenditures	(102,000)	1,958,000	7,683,127	5,725,127
Other financing sources				
Proceeds from sale of fixed assets	65,000	60,000	59,988	(12)
Total other financing sources	<u>65,000</u>	<u>60,000</u>	<u>59,988</u>	<u>(12)</u>
Net changes in fund balances	(37,000)	2,018,000	7,743,115	5,725,115
Fund balance at beginning of year	<u>14,342,964</u>	<u>17,095,621</u>	<u>17,095,621</u>	<u>-</u>
Fund balance at end of year	<u>\$ 14,305,964</u>	<u>\$ 19,113,621</u>	<u>\$ 24,838,736</u>	<u>\$ 5,725,115</u>

CADDO PARISH SHERIFF
Shreveport, Louisiana

Schedule of the Sheriff's Proportionate Share of the Net Pension Liability
June 30, 2020

Fiscal Year*	Agency's proportion of the net pension liability *	Sheriff's allocated proportion of the net pension liability **	Sheriff's proportionate share of the net pension liability **	Sheriff's covered - employee payroll***	Sheriff's proportionate share of the net pension liability as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of the total pension liability*
Sheriff's Pension and Relief Fund						
2019	4.949670%	2.672822%	\$ 12,643,059	\$ 18,333,505	68.96%	88.90%
2018	5.074486%	2.689478%	\$ 10,313,201	\$ 17,812,315	57.90%	90.40%
2017	5.123500%	2.612985%	\$ 11,314,938	\$ 18,097,866	62.52%	88.50%
2016	5.229570%	2.667081%	\$ 16,927,665	\$ 18,214,863	92.93%	82.10%
2015	5.299788%	2.702892%	\$ 12,048,187	\$ 17,041,690	70.70%	86.61%
2014	5.442640%	2.775746%	\$ 10,991,970	\$ 17,046,846	64.48%	87.34%

*Amounts presented were determined as of the measurement date (prior fiscal year).

**Note that 49% of the proportionate share was allocated to the Caddo Correctional Center (Center) and 51% is allocated to the Caddo Parish Sheriff's Office (Sheriff) for years prior to the measurement date of 2017. For the measurement date of 2018, the split was corrected with a prior period adjustment allocating 47% (Center) and 53% (Sheriff) . The allocation of 46% (Center) and 54% (Sheriff) was used for the measurement date ended June 30, 2019.

***Since the amounts presented have a measurement date of the previous fiscal year, the covered-employee payroll presented is for the prior fiscal year end.

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

CADDO PARISH SHERIFF
Shreveport, Louisiana

Schedule of Contributions to the Sheriffs' Pension and Relief Fund
June 30, 2020

Fiscal Year*	(a) Statutorily required contribution for agency	(b) Contributions in relation to the statutorily required contribution	(a-b) Agency's contribution deficiency (excess)	(c) Allocation to Sheriff of contractually required contribution **	(d) Sheriff's contributions in relation to the contractually required contribution	(c-d) Sheriff's contribution deficiency (excess)	(e) Sheriff's covered employee payroll	(d/e) Contributions as a percentage of covered employee payroll
Sheriff's Pension and Relief Fund								
2020	\$ 4,146,459	\$ 4,146,459	\$ -	\$ 2,239,088	\$ 2,239,088	\$ -	\$ 18,277,919	12.25%
2019	\$ 4,237,461	\$ 4,237,461	\$ -	\$ 2,245,854	\$ 2,245,854	\$ -	\$ 18,333,505	12.25%
2018	\$ 4,453,079	\$ 4,453,079	\$ -	\$ 2,271,070	\$ 2,271,070	\$ -	\$ 17,812,315	12.75%
2017	\$ 4,701,897	\$ 4,701,897	\$ -	\$ 2,397,967	\$ 2,397,967	\$ -	\$ 18,097,866	13.25%
2016	\$ 4,910,869	\$ 4,910,869	\$ -	\$ 2,504,543	\$ 2,504,543	\$ -	\$ 18,214,863	13.75%
2015	\$ 5,007,228	\$ 5,007,228	\$ -	\$ 2,553,686	\$ 2,553,686	\$ -	\$ 17,041,690	14.98%

*The amounts presented were determined as of the end of the fiscal year.

**Note that 49% of the proportionate share was allocated to the Caddo Correctional Center (Center) and 51% is allocated to the Caddo Parish Sheriff's Office (Sheriff) for years prior to fiscal year 2019. For 2019, the split was corrected with a prior period adjustment allocating 47% (Center) and 53% (Sheriff). The allocation of 46% (Center) and 54% (Sheriff) was used for the fiscal year ended June 30, 2020.

Schedule is intended to show information for 10 years. Additional years will be presented as they become available.

Notes to Required Supplementary Information
June 30, 2020

Changes of Benefit Terms

There were no changes in benefit terms for the actuarial valuation measurement year ended June 30, 2019.

Changes of Assumptions

The discount rate was lowered from 7.25% to 7.10% in the actuarial valuation for the year ended June 30, 2019. During the year ended June 30, 2018, the discount rate was reduced from 7.4% to 7.25%.

CADDO PARISH SHERIFF
Shreveport, Louisiana
Schedule of Changes in Sheriff's Proportionate Share of Net OPEB Liability and Related Ratios
For the Year Ended June 30, 2020

	2018	2019	2020
Sheriff's proportionate share of total OPEB liability			
Service cost	\$ 785,362	\$ 457,627	\$ 702,804
Interest	1,589,664	1,620,461	1,182,961
Changes of benefit terms	-	-	-
Differences between expected and actual experience	(242,523)	(13,270,830)	(180,933)
Changes of assumptions	-	-	9,237,763
Benefit payments	(1,195,849)	(1,309,334)	(1,305,160)
Net change in Sheriff's proportionate share of total OPEB liability	936,654	(12,502,076)	9,637,435
Sheriff's proportionate share of total OPEB liability - beginning	46,016,901	46,953,555	34,451,479
Sheriff's proportionate share of total OPEB liability - ending (a)	\$ 46,953,555	\$ 34,451,479	\$ 44,088,914
Sheriff's proportionate share of plan fiduciary net position			
Contributions - employer	\$ -	\$ -	\$ -
Net investment income	-	-	-
Net change in Sheriff's proportionate share of plan fiduciary net position	-	-	-
Sheriff's proportionate share of plan fiduciary net position - beginning	-	-	-
Sheriff's proportionate share of plan fiduciary net position - ending (b)	\$ -	\$ -	\$ -
Sheriff's proportionate share of net OPEB liability - ending (a) - (b)	\$ 46,953,555	\$ 34,451,479	\$ 44,088,914
Plan fiduciary net position as a percentage of the total OPEB liability	0%	0%	0%
Covered-employee payroll	\$ 19,011,097	\$ 15,101,145	\$ 15,705,191
Sheriff's proportionate share of the net OPEB liability as a percentage of covered-employee payroll	246.98%	228.14%	280.73%
Notes to Schedule:			
<i>Benefit Changes:</i>	None	None	None
<i>Changes of Assumptions:</i>			
<i>Discount Rates:</i>	3.50%	3.50%	3.50%
<i>Mortality</i>	RP-2000	RP-2000	RP-2000
<i>Trend</i>	5.50%	5.50%	5.50%

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

Supplementary Information

CADDO PARISH SHERIFF
Shreveport, Louisiana

Fiduciary Funds - Agency Funds
Combining Statement of Fiduciary Net Position
June 30, 2020

	Sheriff's Fund	Tax Collector Fund	Total
Assets			
Cash	\$ 1,690,181	\$ 5,286,933	\$ 6,977,114
Total assets	\$ 1,690,181	\$ 5,286,933	\$ 6,977,114
 Liabilities			
Accounts payable	\$ 1,690,181	\$ -	\$ 1,690,181
Payable to Caddo Parish Sheriff	-	66,311	66,311
Prepayment program	-	383,282	383,282
Unsettled balances due to taxing bodies and others	-	4,837,340	4,837,340
Total liabilities and net position	\$ 1,690,181	\$ 5,286,933	\$ 6,977,114

See Independent Auditors' Report.

CADDO PARISH SHERIFF
Shreveport, Louisiana

Fiduciary Funds - Agency Funds
Combining Statement of Changes in Assets and Liabilities
for the Year Ended June 30, 2020

	Sheriff's Fund	Tax Collector Fund	Total
Balance, beginning of year	\$ 1,648,905	\$ 5,961,608	\$ 7,610,513
Additions			
Deposits			
Sheriff's sales	3,461,377	-	3,461,377
Bonds	4,656,176	-	4,656,176
Garnishments	1,087,951	-	1,087,951
Taxes, state revenue sharing, and fees paid to tax collector	-	257,557,830	257,557,830
Total additions	<u>9,205,504</u>	<u>257,557,830</u>	<u>266,763,334</u>
Reductions			
Taxes, state revenue sharing, and fees distributed to taxing bodies and others	-	258,232,505	258,232,505
Sheriff's General Fund	5,412,328	-	5,412,328
Litigants	1,880,803	-	1,880,803
District Attorney	1,054,070	-	1,054,070
Clerk of Court	544,245	-	544,245
Indigent Defender Board	10,424	-	10,424
Other settlements	262,358	-	262,358
Total reductions	<u>9,164,228</u>	<u>258,232,505</u>	<u>267,396,733</u>
Balance, end of year	<u>\$ 1,690,181</u>	<u>\$ 5,286,933</u>	<u>\$ 6,977,114</u>

See Independent Auditors' Report.

CADDO PARISH SHERIFF
Shreveport, Louisiana

Tax Collector Agency Fund
Statement of Collections, Distributions and Unsettled Balances
for the Year Ended June 30, 2020

Unsettled balances due to taxing bodies and others, at beginning of year	\$	<u>5,961,608</u>
Collections		
Ad valorem taxes		247,383,960
State revenue sharing		4,565,668
Payment in lieu of taxes		1,319,761
Interest income on demand deposits		262,586
Refunds and redemptions		2,297,080
Collection fees		<u>1,728,775</u>
Total collections		<u><u>257,557,830</u></u>
Distributions		
Louisiana Tax Commission		98,557
Louisiana Department of Agriculture and Forestry		19,104
Caddo Parish		
Commission		46,973,571
School Board		132,149,650
Sheriff		25,060,151
Assessor		4,355,099
Sewerage districts		99,749
Fire protection districts		11,030,101
Hospital district		394,774
Levee district		15
Shreve Memorial Library		16,663,803
Clerk of Court		92,205
Red River Waterway Commission		4,215,234
Caddo/Bossier Port Commission		4,414,958
Archon Information Systems		1,563,512
Pension funds		7,107,947
Refunds and redemptions		3,924,817
Miscellaneous costs		<u>69,258</u>
Total distributions		<u><u>258,232,505</u></u>
Unsettled balances due to taxing bodies and others, at end of year	\$	<u><u>5,286,933</u></u>

See Independent Auditors' Report.

CADDO PARISH SHERIFF

Shreveport, Louisiana

**Schedule of Compensation, Benefits,
and Other Payments to Agency Head
for the Year Ended June 30, 2020**

Agency Head Name: Steve Prator, Sheriff of Caddo Parish

Purpose	Amount	
Salary	\$ 165,656	*
Benefits-insurance	\$ 14,172	*
Benefits-retirement	\$ 41,254	*
Deferred compensation	\$ 650	*
Conference travel	\$ 1,095	

* Fifty percent of these costs were reimbursed by the Caddo Correctional Center through an administrative cost allocation.

CADDO PARISH SHERIFF
Shreveport, Louisiana

State of Louisiana, Parish of Caddo

AFFIDAVIT

Steve Prator, Sheriff of Caddo Parish

BEFORE ME, the undersigned authority, personally came and appeared, Steve Prator, the Sheriff of Caddo Parish, State of Louisiana, who after being duly sworn, deposed and said:

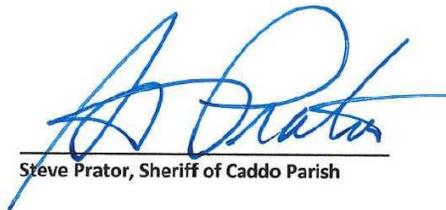
The Following information is true and correct:

The amount of cash on hand in the tax collector account on June 30, 2020, is \$5,286,933.

He further deposed and said:

All itemized statements of the amount of taxes collected for the tax year 2019, 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.



Steve Prator, Sheriff of Caddo Parish

SWORN to and subscribed before me, Notary, this 12th day of January 2021, in my office in Shreveport, Louisiana.



Gary Parker, Notary Public
Caddo Parish, Louisiana

GARY M. PARKER, Notary Public
Caddo Parish, Louisiana
My Commission is for Life

4371



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

The Honorable Steve Prator
Caddo Parish Sheriff
Shreveport, Louisiana

We have audited, in accordance with the 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 the governmental activities and each major fund and the aggregate remaining fund information of the Caddo Parish Sheriff, as of and for the year ended June 30, 2020, and the related notes to financial statements, which collectively comprise the Caddo Parish Sheriff's basic financial statements, and have issued our report thereon dated January 12, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Caddo Parish Sheriff's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Caddo Parish Sheriff's internal control. Accordingly, we do not express an opinion on the effectiveness of the Caddo Parish 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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. 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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Caddo Parish Sheriff's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS & INGRAM, LLC

Shreveport, Louisiana

January 12, 2021



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**INDEPENDENT AUDITORS' REPORT ON
COMPLIANCE FOR EACH MAJOR FEDERAL
PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

The Honorable Steve Prator
Caddo Parish Sheriff
Shreveport, Louisiana

Report on Compliance for Each Major Federal Program

We have audited the Caddo Parish Sheriff's compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of the Caddo Parish Sheriff's major federal programs for the year ended June 30, 2020. The Caddo Parish Sheriff's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Caddo Parish Sheriff's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Caddo Parish Sheriff's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Caddo Parish Sheriff's compliance.

Opinion on Each Major Federal Program

In our opinion, the Caddo Parish Sheriff complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

Report on Internal Control Over Compliance

Management of the Caddo Parish Sheriff is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Caddo Parish Sheriff's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Caddo Parish Sheriff's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS, & INGRAM, LLC
Shreveport, Louisiana
January 12, 2021

Caddo Parish Sheriff
Schedule of Expenditures of Federal Awards
For the year ended June 30, 2020

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity's Number	Federal Expenditures	Amounts Passed Through to Subrecipients
US Department of Justice				
Direct Programs				
Organized Crime Drug Enforcement Task Force (OCDEF)	16.U01	various	34,826	-
Bullet Proof Vest Partnership	16.607	208BOBX18095395	44,705	-
Equitable Sharing Program	16.922	LA00900000	26,629	-
Passed through 16th Judicial District Attorney Office				
Crime Victim Assistance	16.575	2017-VA-04-4315	14,166	-
Direct Program				
Edward Byrne Memorial Justice Program	16.738		58,008	-
Passed through City of Shreveport				
Edward Byrne Memorial Justice Program (Multi-jurisdictional Task Force)	16.738	2018-MU-BX-0441	9,896	-
Edward Byrne Memorial Justice Program (PSN 2018)	16.738	2018-GP-BX-0011	3,370	-
Edward Byrne Memorial Justice Program (Federal Judicial Assistance)	16.738	2018-DJ-BX-0771	58,444	-
Total Edward Byrne Memorial Justice Assitance Grant Program			129,719	-
Total US Department of Justice			250,045	-
US Department of Treasury				
Passed through Caddo Parish Commission				
COVID-19 Coronavirus Relief Fund	21.019	NA	94,892	-
Passed through State of Louisiana Department of Treasury				
COVID-19 Coronavirus Relief Fund	21.019	NA	4,774,100	-
Total COVID-19 Coronavirus Relief Fund			4,868,992	-
Total US Department of Treasury			4,868,992	-
US Department of Homeland Security				
Passed through Louisiana Office of Homeland Security and Emergency Preparedness				
Homeland Security Grant Program	97.067	various	108,577	-
Total Homeland Security Grant Program			108,577	-
Total US Department of Homeland Security			108,577	-
US Department of Transportation National Hwy Traffic Safety Administration (NHTSA)				
Passed through Louisiana Highway Safety Commission				
State and Community Highway Safety	20.600	2020-30-16	34,547	-
Total Highway Safety Cluster			34,547	-
Total US Dept of Transportation National Hwy Traffic Safety Administration			34,547	-
Executive Office of President				
High Intensity Drug Trafficking Area (HIDTA)	95.001	G15GC0001A	39,806	-
Total High Intensity Drug Trafficking Area (HIDTA)			39,806	-
Total Executive Office of President			39,806	-
Total Federal Financial Assistance			5,301,967	-

Caddo Parish Sheriff
Notes to the Schedule of Expenditures of Federal Awards
For the year ended June 30, 2020

NOTE 1: BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal spending of the Caddo Parish Sheriff and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements. Because the schedule presents only a selected portion of the operations of the Caddo Parish Sheriff, it is not intended to and does not represent the financial position of the Caddo Parish Sheriff.

NOTE 2: INDIRECT COST RATE

The Uniform Guidance allows an organization to elect a 10% de minimis indirect cost rate. For the year ended June 30, 2020, the Caddo Parish Sheriff did not elect to use this rate.

NOTE 3: LOANS AND LOAN GUARANTEES

The Caddo Parish Sheriff did not expend federal awards related to loans or loan guarantees during the year ended June 30, 2020.

NOTE 4: SUB-RECIPIENTS

During the year ended June 30, 2020, the Caddo Parish Sheriff had no sub-recipients.

NOTE 5: NONCASH ASSISTANCE AND OTHER

The Caddo Parish Sheriff did not receive any assistance or federally funded insurance during the year ended June 30, 2020.

NOTE 6: CONTINGENCIES

Grant monies received and disbursed by the Caddo Parish Sheriff are for specific purposes and are subject to review by the grantor agencies. Such audits may result in requests for reimbursement due to disallowed expenditures. Based upon experience, the Caddo Parish Sheriff does not believe that such disallowance, if any, would have a material effect on the financial position of the Caddo Parish Sheriff.

NOTE 7: FEDERAL PASS-THROUGH FUNDS

The Caddo Parish Sheriff is also the sub-recipient of federal funds that have been subjected to testing and are reported as expenditures and listed as federal pass-through funds. Federal awards other than those indicated as pass-through are considered to be direct.

Section I - Summary of Auditors' Results

A. Financial Statements

- | | |
|--|-------------------|
| 1. Type of Auditors' report issued: | Unmodified |
| 2. Internal control over financial reporting: | |
| • Material weakness(es) identified? | No |
| • Significant deficiency(es) identified? | None noted |
| 3. Noncompliance material to financial statements noted? | No |

B. Federal Awards

- | | |
|---|---|
| 1. Internal control over major federal programs: | |
| • Material weakness(es) identified? | No |
| • Significant deficiency(es) identified? | None noted |
| 2. Type of auditors' report issued on compliance for major programs: | Unmodified |
| 3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR Part 200.516(a)? | None noted |
| 4. Identification of major federal programs: | |
| <u>CFDA number</u> | <u>Name of federal program or cluster</u> |
| 21.019 | Coronavirus Relief Fund |
| 5. The dollar threshold used to distinguish type A and B programs was \$750,000 for major federal programs. | |
| 6. Auditee qualified as a low-risk auditee for federal purposes? | No |

Section II – Financial Statement Findings

A. Current Year Findings and Responses

None

B. Prior Year Findings and Responses

None

Section III – Federal Award Findings and Responses

A. Current Year Findings and Responses

None

B. Prior Year Findings and Responses

N/A