

CALDWELL PARISH SHERIFF  
Columbia, Louisiana

Financial Report  
For the Year Ended June 30, 2017

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## INDEPENDENT AUDITOR'S REPORT

Caldwell Parish Sheriff  
Columbia, Louisiana

### **Report on Financial Statements**

I have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Caldwell Parish Sheriff as of June 30, 2017, and the related notes to the financial statements, which collectively comprise the Sheriff's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

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

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

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

## Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Caldwell Parish Sheriff as of June 30, 2017, and the changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

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

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

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



DeRidder, Louisiana  
February 9, 2018

GOVERNMENT-WIDE  
FINANCIAL STATEMENTS (GWFS)

CALDWELL PARISH SHERIFF  
Columbia, Louisiana

Statement of Net Position

June 30, 2017

	Governmental Activities	Business-Type Activities
ASSETS		
Cash and interest-bearing deposits	\$ 244,261	\$ 187,846
Receivables	29,131	518,298
Restricted deposits	-	190,215
Capital assets, net of accumulated depreciation	500,945	3,683,947
Total assets	774,337	4,580,306
DEFERRED OUTFLOWS		
Pension related deferrals	484,022	538,880
LIABILITIES		
Accounts payable	45,817	146,641
Salaries and benefits payable	47,739	68,410
Long-term liabilities:		
Due within one year	284,149	300,757
Due after one year	2,384,992	5,495,090
Total liabilities	2,762,697	6,010,898
DEFERRED INFLOWS		
Pension related deferrals	131,581	146,495
NET POSITION		
Investment in capital assets	368,079	1,243,947
Restricted for debt covenants	-	190,215
Unrestricted	(2,003,998)	(2,472,369)
Total net position	\$ (1,635,919)	\$ (1,038,207)

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

CALDWELL PARISH SHERIFF  
Columbia, Louisiana

Statement of Activities

For the Year Ended June 30, 2017

Activities	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets		
		Fees, Fines, and Charges for Services	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:						
Public safety	\$ 2,855,702	\$ 536,124	\$ 105,305	\$ (2,214,273)	\$ -	\$ (2,214,273)
Interest on long-term debt	10,482	-	-	(10,482)	-	(10,482)
Total governmental activities	2,866,184	536,124	105,305	(2,224,755)	-	(2,224,755)
Business-type activities	5,218,117	4,898,181	100,000	-	(219,936)	(219,936)
Total activities	\$ 8,084,301	\$ 5,434,305	\$ 205,305	(2,224,755)	(219,936)	(2,444,691)
General revenues:						
Taxes:						
Property taxes				1,761,777	-	1,761,777
State revenue sharing				45,972	-	45,972
Grants and contributions not restricted to specific programs:						
State sources				52,346	-	52,346
Local sources				2,000	-	2,000
Interest and investment earnings				569	-	569
Miscellaneous				46,219	369,644	415,863
Transfers				316,430	(316,430)	-
Special item - bond closing costs				-	(66,814)	(66,814)
Total general revenues				2,225,313	(13,600)	2,211,713
Change in net position				558	(233,536)	(232,978)
Beginning net position				(1,636,477)	(804,670)	(2,441,147)
Ending net position				\$ (1,635,919)	\$ (1,038,207)	\$ (2,674,126)

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

FUND FINANCIAL STATEMENTS (FFS)

CALDWELL PARISH SHERIFF  
Columbia, Louisiana

Balance Sheet - Governmental Fund

June 30, 2017

	<u>General Fund</u>	<u>Total Governmental Funds</u>
ASSETS		
Cash and interest-bearing deposits	\$ 244,261	\$ 244,261
Receivables	<u>29,131</u>	<u>29,131</u>
Total assets	<u>\$ 273,392</u>	<u>\$ 273,392</u>
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts payable	\$ 45,817	\$ 45,817
Salaries and benefits payable	<u>47,739</u>	<u>47,739</u>
Total liabilities	<u>93,556</u>	<u>93,556</u>
Fund balance:		
Unassigned	<u>179,836</u>	<u>179,836</u>
Total fund balance	<u>179,836</u>	<u>179,836</u>
Total liabilities and fund balance	<u>\$ 273,392</u>	<u>\$ 273,392</u>

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

CALDWELL PARISH SHERIFF  
Columbia, Louisiana

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

June 30, 2017

Total fund balances for governmental funds at year end		\$	179,836
Total net position reported for governmental activities in the Statement of Net Position is different because:			
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:			
Buildings and improvements, net	\$	1,693	
Furniture and fixtures, net		116,534	
Vehicles and other equipment, net		<u>382,718</u>	500,945
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. Those liabilities consist of:			
Long-term liabilities at year end:			
Capital lease obligations		(132,866)	
Net pension liability		(928,751)	
Other post-employment benefits obligation		<u>(1,607,524)</u>	(2,669,141)
Pension related deferrals:			
Outflows		484,022	
Inflows		<u>(131,581)</u>	<u>352,441</u>
Total net position of governmental activities at year end		\$	<u>(1,635,919)</u>

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

CALDWELL PARISH SHERIFF  
Columbia, Louisiana

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

For the Year Ended June 30, 2017

	General Fund
Revenues:	
Ad valorem taxes	\$ 1,761,777
Intergovernmental revenues:	
State grants:	
State supplemental pay	105,305
State revenue sharing (net)	45,972
Miscellaneous	52,346
Local grants	2,000
Fees, fines, and charges for services:	
Civil and criminal fees	37,208
Fines	27,020
Charges for services and programs	323,119
Mowing contract	148,777
Miscellaneous	46,788
Total revenues	2,550,312
Expenditures:	
Current -	
Public safety:	
Personal services and related benefits	1,974,820
Operating services	537,939
Materials and supplies	231,497
Travel and other charges	17,981
Debt service -	
Principal	103,779
Interest	10,482
Capital outlay	115,545
Total expenditures	2,992,043
Excess (deficiency) of revenues over expenditures	(441,731)
Other financing sources (uses):	
Transfers in	316,430
Total other financing sources (uses)	316,430
Change in fund balance	(125,301)
Fund balance, beginning	305,137
Fund balance, ending	\$ 179,836

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

CALDWELL PARISH SHERIFF  
Columbia, Louisiana

Reconciliation of the Statement of Revenues, Expenditures, and  
Changes in Fund Balances of Governmental Funds  
to the Statement of Activities

For the Year Ended June 30, 2017

Total net changes in fund balances per Statement of Revenues, Expenditures and Changes in Fund Balances	\$	(125,301)
The change in net assets reported for governmental activities in the Statement of Activities is different because:		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital outlay which is considered expenditures on the Statement of Revenues, Expenditures and Changes in Fund Balances	115,545	
Depreciation expense	<u>(197,115)</u>	(81,570)
Book value of disposed capital assets		-
Debt principal retirement considered as an expenditure on the Statement of Revenues, Expenditures and Changes in Fund Balances		103,779
In the Statement of Activities, certain operating expenses are measured by the amounts incurred during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially the amounts paid). This is the amount by which the amounts incurred exceeds the amount actually paid:		
Change in other post-employment benefits	(104,419)	
Pension expense	<u>208,069</u>	<u>103,650</u>
Total changes in net assets per Statement of Activities	\$	<u><u>558</u></u>

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

CALDWELL PARISH SHERIFF  
Columbia, Louisiana

Statement of Net Position  
Proprietary Funds

June 30, 2017

	Business- Type Activity- Enterprise Fund
ASSETS	
Cash and interest-bearing deposits	\$ 187,846
Receivables	518,298
Restricted deposits	190,215
Capital assets, net of accumulated depreciation	<u>3,683,947</u>
Total assets	<u>4,580,306</u>
DEFERRED OUTFLOWS	
Pension related deferrals	<u>538,880</u>
LIABILITIES	
Accounts payable	146,641
Salaries and benefits payable	68,410
Long-term liabilities:	
Due within one year	300,757
Due after one year	<u>5,495,090</u>
Total liabilities	<u>6,010,898</u>
DEFERRED INFLOWS	
Pension related deferrals	<u>146,495</u>
NET POSITION	
Invested in capital assets, net of related debt	1,243,947
Restricted for debt covenants	190,215
Unrestricted	<u>(2,472,369)</u>
Total net position	<u>\$ (1,038,207)</u>

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

CALDWELL PARISH SHERIFF  
Columbia, Louisiana

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

For the Year Ended June 30, 2017

	<u>Business- Type Activity- Enterprise Fund</u>
Revenues:	
Charges for services:	
Feeding and keeping prisoners	\$ 4,773,895
Commission from commissary	124,286
Miscellaneous	369,644
Total revenues	<u>5,267,825</u>
Expenses:	
Public safety:	
Personal services and related benefits	2,899,418
Operating services	941,429
Materials and supplies	1,149,635
Travel and other charges	7,164
Depreciation	143,534
Total expenses	<u>5,141,180</u>
Operating income	126,645
Non-operating revenues (expenses):	
Interest expense	(76,937)
Bond closing costs	(66,814)
Intergovernmental revenue - capital grant	100,000
Total non-operating revenues (expenses):	<u>(43,751)</u>
Income before contributions and operating transfers	82,894
Operating transfers in (out)	<u>(316,430)</u>
Change in net position	(233,536)
Beginning net position	<u>(804,670)</u>
Ending net position	<u>\$ (1,038,207)</u>

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

CALDWELL PARISH SHERIFF  
Columbia, Louisiana

Statement of Cash Flows  
Proprietary Fund

For the Year Ended June 30, 2017

	Business- Type Activity- Enterprise Fund
Cash flows from operating activities:	
Cash received from customers	\$ 5,163,109
Cash paid to or on behalf of employees	(2,499,102)
Cash paid to suppliers	(2,079,673)
	627,902
Cash received from noncapital financing activities:	
Transfers out	(316,430)
	(316,430)
Cash flows from capital and related financing activities:	
Cash paid for acquisition of capital assets	(2,088,006)
Cash paid for principal on borrowings	(726,973)
Proceeds of borrowings, net of closing costs	2,623,186
Capital grants	100,000
Cash paid for interest	(76,937)
	(168,730)
Net change in cash and cash equivalents	142,742
Cash and cash equivalents, beginning of year (including \$95,729 restricted cash)	235,319
Cash and cash equivalents, end of year (including \$190,215 restricted cash)	\$ 378,061
Reconciliation of operating loss to to net cash used by operating activities:	
Operating income	\$ 126,645
Adjustments to reconcile operating loss to net cash used by operating activities:	
Depreciation expense	143,534
Pension expense	86,621
Changes in operating assets and liabilities:	
Accounts receivable	(104,716)
Accounts payable	62,123
Salaries and benefits payable	(43,302)
Change in liability for other post-employment benefits	356,997
Net cash provided by operating activities	\$ 627,902

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

CALDWELL PARISH SHERIFF  
Columbia, Louisiana

Statement of Fiduciary Assets and Liabilities

June 30, 2017

	<u>Agency Funds</u>
ASSETS	
Cash and interest-bearing deposits	<u>\$ 208,757</u>
LIABILITIES	
Due to taxing bodies and others	<u>\$ 208,757</u>

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

CALDWELL PARISH SHERIFF  
Columbia, Louisiana

Notes to the Financial Statements

INTRODUCTION

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

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

For financial reporting purposes, the Sheriff includes all funds, account groups, activities, et cetera, that are controlled by the Sheriff as an independently elected parish official. As an independently elected parish official, the Sheriff is solely responsible for the operation of his office, which includes the hiring and retention of employees, authority over budgeting, responsibility for deficits, and receipt and disbursements of funds. Other than certain operating expenditures of the Sheriff's office that are paid or provided by the parish police jury as required by Louisiana law, the Sheriff is financially independent.

Accordingly, the Sheriff is a separate governmental reporting entity. Certain units of local government, over which the Sheriff exercises no oversight responsibility, such as the parish police jury, parish Sheriff, other independently elected parish officials, and municipalities within the parish, are excluded from the accompanying financial statements. These units of government are considered separate reporting entities and issue financial statements separate from those of the Sheriff.

CALDWELL PARISH SHERIFF  
Columbia, Louisiana

Notes to the Financial Statements

B. BASIS OF PRESENTATION

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

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

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

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

CALDWELL PARISH SHERIFF  
Columbia, Louisiana

Notes to the Financial Statements

B. BASIS OF PRESENTATION (Continued)

The Sheriff reports the following major governmental fund:

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

The Sheriff reports the following major proprietary fund:

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

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

C. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

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

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

CALDWELL PARISH SHERIFF  
Columbia, Louisiana

Notes to the Financial Statements

C. MEASUREMENT FOCUS/BASIS OF ACCOUNTING (Continued)

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

Revenues

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

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

Expenditures

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

Other Financing Sources (Uses)

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

Deferred Revenues

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

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

CALDWELL PARISH SHERIFF  
Columbia, Louisiana

Notes to the Financial Statements

C. MEASUREMENT FOCUS/BASIS OF ACCOUNTING (Continued)

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

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

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

D. BUDGET PRACTICES

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

CALDWELL PARISH SHERIFF  
Columbia, Louisiana

Notes to the Financial Statements

E. DEPOSITS AND INVESTMENTS

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

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

F. CAPITAL ASSETS

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

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

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

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

G. COMPENSATED ABSENCES

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

CALDWELL PARISH SHERIFF  
Columbia, Louisiana

Notes to the Financial Statements

H. EQUITY CLASSIFICATIONS

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

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

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

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

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

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Notes to the Financial Statements

I. INTERFUND TRANSACTIONS

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

J. ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

2. DEPOSITS AND INVESTMENTS

Under state law, the Sheriff may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The Sheriff may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2017, the Sheriff has cash and interest-bearing deposits (book balances) totaling \$831,079 as follows:

	Maturities	Government-wide Statement of Net Assets	Fiduciary Funds Statement of Net Assets	Total
Demand deposits	N/A	\$ 524,353	\$ 208,757	\$ 733,110
Time deposits	Less than one year	97,969	-	97,969
Total		<u>\$ 622,322</u>	<u>\$ 208,757</u>	<u>\$ 831,079</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

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

CALDWELL PARISH SHERIFF  
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Notes to the Financial Statements

2. DEPOSITS AND INVESTMENTS (Continued)

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

At June 30, 2017, the Sheriff has \$1,096,591 in deposits (collected bank balances) in local financial institutions, including certificates of deposit. These deposits are secured from risk by \$1,007,038 of federal deposit insurance and \$89,553 of pledged securities held by the custodial bank in the name of the Sheriff.

3. AD VALOREM TAXES

The Sheriff is the ex-officio tax collector of the parish and is responsible for the collection and distribution of ad valorem taxes. Ad valorem taxes attach as an enforceable lien on property as of January 1, of each year. Taxes are levied by the parish government in June and are actually billed to the taxpayers by the Sheriff in October. Billed taxes are due by December 31, becoming delinquent on January 1 of the following year. The taxes are based on assessed values determined by the Tax Assessor of Caldwell Parish and are collected by the Sheriff. The taxes are remitted to the appropriate taxing bodies net of deductions for assessor's compensation and pension fund contributions.

Ad valorem taxes are budgeted and recorded in the year for which levied and billed. For the year ended June 30, 2017, law enforcement taxes applicable to the Sheriff's General Fund, were levied at the rate of 30.79 mills on property with assessed valuations totaling \$61,289,055. Total law enforcement taxes levied during 2017 were \$1,810,074.

4. RECEIVABLES

The receivables of \$547,429 at June 30, 2017, are as follows:

<u>Class of Receivable</u>	General Fund	Proprietary Fund	Total
State of Louisiana	\$ -	\$ 456,677	\$ 456,677
Taxes	2,706	-	2,706
Other	26,425	61,621	88,046
	<u>\$ 29,131</u>	<u>\$ 518,298</u>	<u>\$ 547,429</u>

CALDWELL PARISH SHERIFF  
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Notes to the Financial Statements

5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2017, was as follows:

	Beginning of Year	Additions	Deletions	End of Year
Furniture and equipment	\$ 130,416	\$ 51,895	\$ -	\$ 182,311
Buildings and improvements	2,400	-	-	2,400
Transportation equipment	952,441	55,700	-	1,008,141
Other equipment	484,808	7,950	-	492,758
Total capital assets being depreciated	<u>1,570,065</u>	<u>115,545</u>	<u>-</u>	<u>1,685,610</u>
Less accumulated depreciation for:				
Furniture and equipment	31,535	34,241	-	65,776
Buildings and improvements	547	160	-	707
Transportation equipment	659,760	93,005	-	752,765
Other equipment	295,708	69,709	-	365,417
Total accumulated depreciated	<u>987,550</u>	<u>197,115</u>	<u>-</u>	<u>1,184,665</u>
Governmental activities capital assets, net:	<u>\$ 582,515</u>	<u>\$ (81,570)</u>	<u>\$ -</u>	<u>\$ 500,945</u>
Business type activities:				
Capital assets not being depreciated:				
Land	<u>\$ 6,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,000</u>
Capital assets being depreciated:				
Buildings and improvements	3,208,055	2,000,000	-	5,208,055
Furniture and equipment	159,995	83,506	-	243,501
Transportation equipment	53,954	4,500	-	58,454
Total capital assets being depreciated	<u>3,422,004</u>	<u>2,088,006</u>	<u>-</u>	<u>5,510,010</u>
Less accumulated depreciation for:				
Buildings and improvements	1,565,892	111,666	-	1,677,558
Furniture and equipment	74,458	29,293	-	103,751
Transportation equipment	48,179	2,575	-	50,754
Total accumulated depreciated	<u>1,688,529</u>	<u>143,534</u>	<u>-</u>	<u>1,832,063</u>
Business type activities capital assets, net:	<u>\$ 1,739,475</u>	<u>\$ 1,944,472</u>	<u>\$ -</u>	<u>\$ 3,683,947</u>

Depreciation expense in the amount of \$340,649 was charged to public safety.

CALDWELL PARISH SHERIFF  
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Notes to the Financial Statements

6. PENSION PLAN

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

**Plan Description**

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

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

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

CALDWELL PARISH SHERIFF  
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Notes to the Financial Statements

6. PENSION PLAN (Continued)

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

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

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

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

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

CALDWELL PARISH SHERIFF  
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Notes to the Financial Statements

6. PENSION PLAN (Continued)

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

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

*Contributions.* Plan members are required by state statute to contribute 10.25% of their annual covered salary and the Caldwell Parish Sheriff is required to contribute at an actuarially determined rate. The current rate is 13.25% of annual covered payroll. Contributions to the System also include one-half of one percent of the taxes shown to be collectible by the tax rolls of each parish and funds as required and available from insurance premium taxes. The contribution requirements of plan members and the Caldwell Parish Sheriff are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Caldwell Parish Sheriff's contributions to the System for the years ending June 30, 2017, 2016, and 2015 were \$303,470 and \$300,561 and \$340,140, respectively, equal to the required contributions for each year.

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

CALDWELL PARISH SHERIFF  
Columbia, Louisiana

Notes to the Financial Statements

6. PENSION PLAN (Continued)

**Pension Liabilities, Pension Expense, and Pension-Related Deferrals**

At June 30, 2017, the Sheriff reported liability of \$1,962,765 for its proportionate share of the Net Pension Liability for both plans. The Net Pension Liabilities were measured as of June 30, 2016, and the total pension liability used to calculate the Net Pension Obligation for each plan was determined by an actuarial valuation as of that date. The Sheriff's proportion of the Net Pension Liability was based on a projection of the Sheriff's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2016, the Sheriff's proportion was 0.309248%, which represented an decrease of .002994 percentage points from its proportions measured as of June 30, 2015.

For the year ended June 30, 2017, the Sheriff recognized pension expense of \$86,620 which includes current year amortization of deferrals related to pensions of \$57,892.

At June 30, 2017, the Sheriff reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 205,872
Changes of assumptions	160,352	-
Net difference between projected and actual earnings on pension plan investments	491,575	-
Changes in proportion	67,505	62,923
Differences between actual contributions and proportionate share of contributions	-	9,281
Contributions subsequent to the measurement date	<u>303,470</u>	<u>-</u>
Total	<u>\$ 1,022,902</u>	<u>\$ 278,076</u>

The Sheriff reported \$303,470 as deferred outflows of resources related to pensions resulting from Sheriff contributions subsequent to the measurement date of June 30, 2016, will be recognized as a reduction of the Net Pension Liability in the year ended June 30, 2017.

CALDWELL PARISH SHERIFF  
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Notes to the Financial Statements

6. PENSION PLAN (Continued)

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

Year	Total
2018	\$ 57,892
2019	57,892
2020	201,078
2021	120,566
2022	1,965
2023	1,963
	\$ 441,356

**Actuarial Assumptions**

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2016, are as follows:

<b>Actuarial cost method</b>	Entry Age Normal
<b>Amortization approach</b>	Closed
<b>Expected Remaining Service Lives</b>	7 years
<b>Investment rate of return</b>	7.6% net of investment expenses.
<b>Discount rate</b>	7.5%
<b>Inflation rate</b>	3.0% per annum
<b>Projected salary increases</b>	5.5%
<b>Cost-of-living adjustments</b>	The present value of future retirement benefits is based on benefits currently being paid by the Fund and includes previously granted cost-of-living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.
<b>Mortality</b>	Mortality rates based on the RP-2000 Sex Distinct Mortality Table.

CALDWELL PARISH SHERIFF  
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Notes to the Financial Statements

6. PENSION PLAN (Continued)

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

The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the Fund's actuary. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

Current discount rate	7.5%	\$1,962,765
One percentage point decrease	6.5%	\$3,330,030
One percentage point increase	8.5%	\$834,249

**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, 2017, the Sheriff recognized revenue as a result of support received from non-employer contributing entities of \$120,129 for its participation in the Fund.

CALDWELL PARISH SHERIFF  
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Notes to the Financial Statements

6. PENSION PLAN (Continued)

**Payables to the Pension Plan**

The Sheriff recorded accrued liabilities to each of the retirement systems for the year ended June 30, 2017. The amounts due are included in liabilities under the amounts reported as salaries and benefits payable. At June 30, 2017, \$-0- was payable to the Fund.

7. LEASES

The Sheriff records assets acquired through capital leases as an asset and an obligation in the accompanying financial statements in the government-wide financial statements. The Sheriff has entered into lease-purchase agreements for patrol vehicles and mowing equipment. The original net present value of the leases amounted to \$435,889. Terms of the leases are as follows:

	Balance at Year End
A vehicle lease payable in annual payments of \$44,108, including interest at 3.75%, through December 21, 2018	\$ 83,482
An equipment lease payable in quarterly installments of \$16,703, including interest at 2.89%, through March 2018	49,384
	\$ 132,866

Future minimum payments are as follows:

Year ended June 30:	
2018	94,217
2019	44,098
Total payments	138,315
Less: Amount representing interest	(5,449)
Total	\$ 132,866

The net present value of assets acquired via capital lease is amortized over the useful lives of the acquired capital assets and is included in depreciation expense.

CALDWELL PARISH SHERIFF  
Columbia, Louisiana

Notes to the Financial Statements

8. LITIGATION AND CLAIMS

At June 30, 2017, the Sheriff is involved in several lawsuits. The Sheriff's attorney has advised that at this stage in the proceedings he cannot offer an opinion as to the probable outcome of these lawsuits and claims. Management feels that any uninsured exposure, if any, would not be material to the financial statements.

9. CHANGES IN AGENCY FUND BALANCES

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

	Balance at Beginning of Year	Additions	Reductions	Balance at End of Year
Tax Collector Fund	\$ 154,648	\$ 8,794,528	\$ (8,801,664)	\$ 147,512
Fines Fund	3,015	402,623	(404,787)	851
Cash Bonds Fund	-	19,725	-	19,725
CCC Commissary Fund	10,715	-	(10,715)	-
CCC Inmate Fund	9,535	796,340	(765,206)	40,669
Total	<u>\$ 177,913</u>	<u>\$ 10,013,216</u>	<u>\$ (9,982,372)</u>	<u>\$ 208,757</u>

10. LONG-TERM DEBT

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

The following is a summary of bonds payable for the year ended June 30, 2017:

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

\$ 2,440,000

CALDWELL PARISH SHERIFF  
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Notes to the Financial Statements

10. LONG-TERM DEBT (Continued)

Future maturities of long-term debt as of June 30, 2017, are as follows:

Year ended June 30:	<u>Principal</u>	<u>Interest</u>	<u>Total Payments</u>
2018	\$ 85,000	\$ 102,438	\$ 187,438
2019	90,000	99,812	189,812
2020	90,000	97,113	187,113
2021	95,000	94,337	189,337
2022	95,000	91,488	186,488
2023-2027	525,000	408,631	933,631
2028-2032	640,000	288,250	928,250
2033-2037	820,000	106,250	926,250
Total	<u>\$ 2,440,000</u>	<u>\$ 1,288,319</u>	<u>\$ 3,728,319</u>

Changes in long-term debt are as follows:

	<u>Beginning of Year</u>	<u>Issued</u>	<u>Retired</u>	<u>End of Year</u>	<u>Amounts Due Within One Year</u>
Governmental activities:					
Capital leases	\$ 236,645	\$ -	\$ 103,779	\$ 132,866	\$ 90,352
Net pension liability	799,234	323,310	193,793	928,751	193,793
Other post-employment benefit	1,503,105	104,419	-	1,607,524	-
	<u>\$ 2,538,984</u>	<u>\$ 427,729</u>	<u>\$ 297,572</u>	<u>\$ 2,669,141</u>	<u>\$ 284,145</u>
Business-type activities:					
Revenue bonds	\$ 476,973	\$ 2,440,000	\$ 476,973	\$ 2,440,000	\$ 85,000
Other debt	-	250,000	250,000	-	-
Net pension liability	592,590	657,181	215,757	1,034,014	215,757
Other post-employment benefit	1,964,836	356,997	-	2,321,833	-
	<u>\$ 3,034,399</u>	<u>\$ 3,704,178</u>	<u>\$ 942,730</u>	<u>\$ 5,795,847</u>	<u>\$ 300,757</u>

11. ON-BEHALF PAYMENTS

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

12. RISK MANAGEMENT

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

CALDWELL PARISH SHERIFF  
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Notes to the Financial Statements

13. SUBSEQUENT EVENTS

The Sheriff evaluated its June 30, 2017 financial statements through February 9, 2018, the date the financial statements were available to be issued. The Sheriff is not aware of any additional subsequent events which would require recognition or disclosure in the financial statements.

14. OTHER POST-EMPLOYMENT BENEFITS

The Sheriff provides certain continuing health care and life insurance benefits for the Sheriff's retired employees. Substantially, all of the Sheriff's employees become eligible for these benefits if they reach normal retirement age while working for the Sheriff. Those benefits for retirees are provided through Blue Cross/Blue Shield whose monthly premiums are paid by the Sheriff. The Sheriff pays the premiums on a "pay-as-you-go" basis. For the year ended June 30, 2017, there were five retirees and the costs of their benefits totaled \$89,011.

The Sheriff's Annual Required Contribution ("ARC") is an amount actuarially-determined in accordance with GASB 45, which is being implemented prospectively for the year ended June 30, 2017. The ARC represents a level of funding that, if paid on an ongoing basis, would cover normal cost each year and amortize the beginning Unfunded Actuarial Liability ("UAL") over a period of 30 years. A 30-year, closed amortization period has been used with a level-dollar amortization factor. The total ARC for the fiscal year 2017 is \$552,946 which consists of normal cost of \$348,232, amortization of UAL of \$186,015, and interest of \$18,699.

The following table presents the Sheriff's OPEB obligation for the year ended June 30, 2017:

Beginning OPEB obligation	\$ 3,467,941
Annual Required Contribution	552,946
ARC adjustment	(123,898)
Interest	<u>121,378</u>
Annual OPEB cost	550,426
Less: current year premiums paid	<u>(89,010)</u>
Increase in net OPEB obligation	<u>461,416</u>
Ending net OPEB obligation	\$ <u>3,929,357</u>

Utilizing the pay-as-you-go method, the Sheriff contributed 16.2% of the annual OPEB cost during 2017.

CALDWELL PARISH SHERIFF  
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Notes to the Financial Statements

14. OTHER POST-EMPLOYMENT BENEFITS (Continued)

Actuarial Methods and Assumptions. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the June 30, 2016 actuarial valuation, the “Entry Age Normal” method was used, employees and retirees as of the valuation date were used and employees to be hired in the future were not considered. The actuarial assumptions included a 3.5 percent investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of 9.0 percent initially, reduced by decrements to an ultimate rate of 5.0 percent after eight years. The RP-2000 Employee Mortality Table was used in the actuarial calculation. The turnover scale and retirement rates were based on rates used in the valuation of the Sheriffs’ Pension and Relief Fund. The remaining amortization period at June 30, 2017 was 22 years.

Funded Status. The funded status of the plan as of June 30, was as follows:

Actuarial valuation date	<u>2009</u>	<u>2012</u>	<u>2015</u>
Actuarial value of assets	\$0	\$0	\$0
Actuarial Accrued Liability	\$3,755	\$5,239	\$5,207
Unfunded Actuarial Accrued Liability	\$3,755	\$5,239	\$5,207
Funded ratio	0%	0%	0%
Covered payroll (active plan members)	\$1,639	\$2,532	\$2,606
UAAL as a % of covered payroll	229.1%	206.9%	199.8%

REQUIRED SUPPLEMENTARY  
INFORMATION

CALDWELL PARISH SHERIFF  
Columbia, Louisiana

Budgetary Comparison Schedule - General Fund

For the Year Ended June 30, 2017

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Ad valorem taxes	\$ 1,810,000	\$ 1,800,000	\$ 1,761,777	\$ (38,223)
Intergovernmental revenues:				
State grants:				
State supplemental pay	144,000	160,000	105,305	(54,695)
State revenue sharing (net)	46,000	34,000	45,972	11,972
Miscellaneous	31,000	85,000	52,346	(32,654)
Fees, fines, and charges for services:				
Civil and criminal fees	40,000	40,000	37,208	(2,792)
Fines	30,000	30,000	27,020	(2,980)
Charges for services and programs	207,000	300,000	323,119	23,119
Mowing contract	146,000	149,000	148,777	(223)
Miscellaneous	32,000	50,000	46,788	(3,212)
Total revenues	<u>2,486,000</u>	<u>2,648,000</u>	<u>2,550,312</u>	<u>(97,688)</u>
Expenditures:				
Current -				
Public safety:				
Personal services and related benefits	1,836,000	2,000,000	1,974,820	25,180
Operating services	408,000	600,000	537,939	62,061
Materials and supplies	225,000	240,000	231,497	8,503
Travel and other charges	10,000	16,000	17,981	(1,981)
Debt service	56,000	100,000	114,261	(14,261)
Capital outlay	192,000	140,000	115,545	24,455
Total expenditures	<u>2,727,000</u>	<u>3,096,000</u>	<u>2,992,043</u>	<u>103,957</u>
Deficiency of revenues under expenditures	(241,000)	(448,000)	(441,731)	6,269
Other financing sources (uses):				
Transfers in (out)	250,000	350,000	316,430	(33,570)
Total other financing sources (uses)	<u>250,000</u>	<u>350,000</u>	<u>316,430</u>	<u>(33,570)</u>
Change in fund balances	9,000	(98,000)	(125,301)	(27,301)
Fund balance, beginning	<u>305,137</u>	<u>305,137</u>	<u>305,137</u>	<u>-</u>
Fund balance, ending	<u>\$ 314,137</u>	<u>\$ 207,137</u>	<u>\$ 179,836</u>	<u>\$ (27,301)</u>

OTHER SUPPLEMENTAL INFORMATION

## FIDUCIARY FUND TYPE - AGENCY FUNDS

### TAX COLLECTOR FUND

Article V, Section 27 of the Louisiana Constitution of 1974 provides that the Sheriff will serve as the collector of state and parish taxes and fees. The Tax Collector Fund accounts for the collection and distribution of these taxes and fees to the appropriate taxing bodies. It also accounts for collections of bonds, fines, and costs and payment of these collections to the recipients in accordance with applicable laws.

### FINES FUND

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

### INMATE FUNDS

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

### COMMISSARY FUNDS

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

CALDWELL PARISH SHERIFF  
Columbia, Louisiana

Fiduciary Fund Type - Agency Funds  
Combining Balance Sheet

June 30, 2017

	<u>TAX COLLECTOR FUND</u>	<u>FINES FUND</u>	<u>CPSO JAIL COMMISSARY &amp; INMATE FUND</u>	<u>CCC COMMISSARY FUND</u>	<u>CCC INMATE FUND</u>	<u>TOTAL</u>
<b>ASSETS</b>						
Cash and cash equivalents	<u>\$ 147,512</u>	<u>\$ 851</u>	<u>\$ 19,725</u>	<u>\$ -</u>	<u>\$ 40,669</u>	<u>\$ 208,757</u>
<b>LIABILITIES</b>						
Due to taxing bodies and others	<u>\$ 147,512</u>	<u>\$ 851</u>	<u>\$ 19,725</u>	<u>\$ -</u>	<u>\$ 40,669</u>	<u>\$ 208,757</u>

CALDWELL PARISH SHERIFF  
Columbia, Louisiana

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

For the Year Ended June 30, 2017

	TAX COLLECTOR FUND	FINES FUND	CASH BONDS FUND	CCC COMMISSARY FUND	CCC INMATE FUND	TOTAL
BALANCES AT BEGINNING OF YEAR	\$ 154,648	\$ 3,015	\$ -	\$ 10,715	\$ 9,535	\$ 177,913
ADDITIONS						
Garnishments	-	3,015	-	-	-	3,015
Sheriff's sales	-	399,608	-	-	-	399,608
Taxes, fees, etc., paid to tax collector	8,794,528	-	-	-	-	8,794,528
Commissary sales	-	-	-	-	-	-
Inmate receipts	-	-	-	-	796,340	796,340
Other additions	-	-	19,725	-	-	19,725
Total additions	8,794,528	402,623	19,725	-	796,340	10,013,216
REDUCTIONS						
Litigants	-	69,996	-	-	-	69,996
Taxes, fees, etc., distributed to taxing bodies and others	8,801,664	296,546	-	-	-	9,098,210
Commissary supplies	-	-	-	-	-	-
Inmate disbursements	-	-	-	-	765,206	765,206
Other settlements	-	38,245	-	10,715	-	48,960
Total reductions	8,801,664	404,787	-	10,715	765,206	9,982,372
BALANCES AT END OF YEAR	\$ 147,512	\$ 851	\$ 19,725	\$ -	\$ 40,669	\$ 208,757

CALDWELL PARISH SHERIFF  
Columbia, Louisiana

Schedule of Cash in Tax Collector Account

June 30, 2017

Cash and cash equivalents	\$ 147,512
Restricted cash - protested taxes	<u>-</u>
Total cash	<u><u>\$ 147,512</u></u>

CALDWELL PARISH SHERIFF  
Columbia, Louisiana

Schedule of 2016 Ad Valorem Taxes Assessed and Collected

For the Year Ended June 30, 2017

	Taxes Assessed	Taxes Collected	Amount Uncollected
Taxing Authority:			
Caldwell Parish Assessor	\$ 441,583	\$ 434,973	\$ 6,610
Caldwell Parish Gravity Drainage District No. 1	161,719	159,358	2,361
Caldwell Parish Law Enforcement District	1,807,898	1,781,238	26,660
Caldwell Parish Police Jury	2,185,028	2,151,776	33,252
Caldwell Parish School Board	3,423,014	3,372,177	50,837
Columbia Heights Sewer District	116,583	114,434	2,149
Kelly Water District	48,479	48,355	124
Louisiana Forestry Commission	17,617	17,608	9
Louisiana Tax Commission	5,917	5,917	-
Tensas Basin Levee District	66,150	65,344	806
	<u>\$ 8,273,988</u>	<u>\$ 8,151,180</u>	<u>\$ 122,808</u>

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



STATE OF LOUISIANA  
PARISH OF CALDWELL

Post Office Box 60  
Columbia, LA 71418

**CLAY BENNETT  
CALDWELL PARISH SHERIFF**



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

**AFFIDAVIT**

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

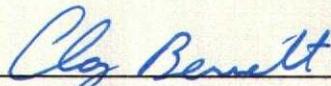
**The following information is true and correct:**

**\$147,512 is the amount of cash on hand in the tax collector account on June 30, 2017;**

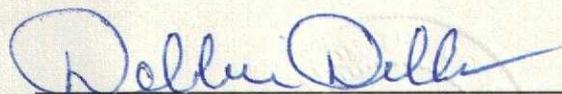
He further deposed and said:

**All itemized statements of the amount of taxes collected for tax year 2016, by taxing authority, are true and correct.**

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

  
\_\_\_\_\_  
Clay Bennett  
Sheriff of Caldwell Parish

**SWORN** to and subscribed before me, Notary, this 9th day of February, 2018, in my office in Columbia, Louisiana.

  
\_\_\_\_\_

**Debbie Dollar, #77910  
Commission: Sheriff's Term**

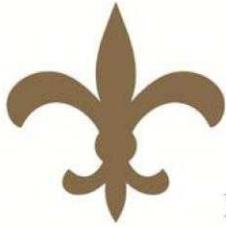
CALDWELL PARISH SHERIFF  
Columbia, Louisiana

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

For the Year Ended June 30, 2017

	Amount
Agency Head-Sheriff Clay Bennett	
Salary	\$ 163,338
Benefits-insurance	21,571
Benefits-retirement	20,184
Benefits-other	-
Car allowance	-
Vehicle provided by government	-
Per diem	-
Reimbursements	-
Travel	-
Registration fees	-
Conference travel	-
Continuing professional education fees	-
Housing	-
Unvouchered expenses	16,394
Special meals	-
	<hr/>
	<u>\$ 221,487</u>

COMPLIANCE  
AND  
INTERNAL CONTROL



# J. Aaron Cooper , CPA, LLC

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P.O. Box 918 • 510 North Cutting Avenue • Jennings, Louisiana 70546  
768 Parish Line Road • DeRidder, Louisiana 70634

*Member of the American Institute of Certified Public Accountants and the Society of Louisiana Certified Public Accountants*

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

Caldwell Parish Sheriff  
Columbia, Louisiana

I have audited the basic financial statements of the Caldwell Parish Sheriff as of and for the year ended June 30, 2017, and have issued my report thereon dated February 9, 2018. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### Internal Control Over Financial Reporting

Management of Caldwell Parish Sheriff is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing my audit, I considered Caldwell Parish Sheriff's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Caldwell Parish Sheriff's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the Caldwell Parish Sheriff's internal control over financial reporting.

My consideration of the internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in the internal control that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified a certain deficiency in internal control over financial reporting that we consider to be a material weakness and another deficiency that we consider to be a significant deficiency.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control that results in more than a reasonable possibility that a material misstatement of the financial statements will not be prevented, or detected and corrected, on a timely basis. I consider Item 01-17(IC) in the accompanying schedule of findings and questioned costs to be a material weakness.

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. I consider Item 02-17(IC) in the accompanying schedule of findings and questioned costs to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Caldwell Parish Sheriff's basic financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed instances of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as Item 01-17(C) and 02-17(C).

No separate management letter was issued for this engagement.

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

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

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

DeRidder, Louisiana  
February 9, 2018

CALDWELL PARISH SHERIFF  
Columbia, Louisiana

Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2017

**Section I – Summary of Audit Results**

Financial Statements

Type of auditor's report issued	Unqualified
Internal control over financial reporting:	
• Material weaknesses identified?	Yes
• Significant deficiencies identified that are not considered to be material weaknesses?	Yes
Noncompliance material to the financial statements?	No

Federal Awards – N/A

CALDWELL PARISH SHERIFF  
Columbia, Louisiana

Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2017

**Internal Control**

*Finding 2017-1(IC) – Segregation of duties*

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

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

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

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

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

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

*Finding 2017-2(IC) – Ad valorem tax collections*

Finding. During our testing of ad valorem tax collections, it appears that the tax notices for personal property assessments were not distributed, resulting in uncollected taxes.

Criteria. Internal controls should be implemented to ensure that all revenues are collected timely.

Effect. Taxes for the parish could go uncollected.

Cause. It appears that the new tax software implemented this year did not print out the tax notices for the personal property tax assessments when the real property notices were printed.

Recommendation. The Sheriff's office should immediately send out assessment notices for the personal property taxes and begin collection efforts. Additionally, the Sheriff's office should consult with the tax software company to ensure that all tax notices are printed for future tax years.

Planned corrective action. The Sheriff concurs with the finding and will implement the auditor's recommendation. The Sheriff has begun collections of the personal property taxes and has collected some of the taxes due.

CALDWELL PARISH SHERIFF  
Columbia, Louisiana

Schedule of Findings and Questioned Costs (concluded)  
For the Year Ended June 30, 2017

**Compliance**

*Finding 2017-1(C) – Timely audit submission*

Finding. Audited financial statements were not submitted within six months of year end.

Criteria. State law requires audited financial statements of governments to be submitted within six months of year end.

Effect. The Sheriff's office would not be in compliance with state law. Additionally, its state funding is withheld until the audit is submitted.

Cause. The auditor was behind schedule on his June 30, 2017 audits due to the statewide agreed-upon procedures.

Recommendation. Auditor will ensure appropriate resources are dedicated to audit in future to ensure compliance.

Planned corrective action. Management concurs with the finding and will implement the recommendation.

*Finding 2017-2(C) – Competitive purchasing*

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

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

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

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

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

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

CALDWELL PARISH SHERIFF  
Columbia, Louisiana

Schedule of Prior Year Findings  
For the Year Ended June 30, 2017

**Internal Control**

*Finding 2016-1(IC) – Segregation of duties*

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

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

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

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

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

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

*Finding 2016-2(IC) – Tax collection system reporting*

Finding. Some of the reports from computerized tax collection system contains errors.

Criteria. In order to properly account for tax collection, the reporting from the tax collection software needs to be accurate.

Effect. Inaccurate reports from the tax software could cause misstatements.

Cause. The cause of the deficiency is due to the tax software.

Recommendation. Based on the issues with the tax software over the last several years it is recommended that a new system be implemented.

Corrective Action Taken. The Sheriff has implemented a new system which worked much better for the 2016 tax year.

CALDWELL PARISH SHERIFF  
Columbia, Louisiana

Schedule of Findings and Questioned Costs (continued)  
For the Year Ended June 30, 2017

**Compliance**

*Finding 2016-1(C) – Collateralization of deposits*

Finding. One of the banks did not provide adequate collateralization for deposits.

Criteria. State law requires public deposits to be either covered by federal insurance or collateralized with pledged securities.

Effect. The Sheriff could lose some of its deposits if the bank fails.

Cause. The bank failed to adequately monitor the deposit levels for the Sheriff's accounts and to pledge securities for the amount over FDIC insurance amounts. However, the management also has responsibility for compliance.

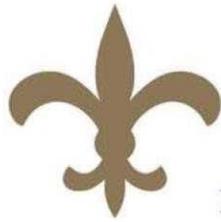
Recommendation. Compliance should be checked at least monthly.

Corrective Action Taken. All bank deposits were properly collateralized at June 30, 2017.

**CALDWELL PARISH SHERIFF**

**STATEWIDE AGREED-UPON  
PROCEDURES REPORT**

**For the Year Ended June 30, 2017**



# J. Aaron Cooper , CPA, LLC

P.O. Box 918 • 510 North Cutting Avenue • Jennings, Louisiana 70546

*Member of the American Institute of Certified Public Accountants and the Society of Louisiana Certified Public Accountants,  
Recipient of Advanced Single Audit Certificate*

## INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Caldwell Parish Sheriff  
DeRidder, Louisiana

I have performed the procedures enumerated below, which were agreed to by the Caldwell Parish Sheriff and the Legislative Auditor, State of Louisiana, on the control and compliance areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2016 through June 30, 2017. The Entity's management is responsible for those control and compliance areas identified in the SAUPs.

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

The procedures and associated findings are as follows:

### ***Written Policies and Procedures***

---

1. Obtain the entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the entity does not have any written policies and procedures), as applicable:
  - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget
  - b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
  - c) ***Disbursements***, including processing, reviewing, and approving
  - d) ***Receipts***, including receiving, recording, and preparing deposits
  - e) ***Payroll/Personnel***, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
  - f) ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process

- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy. Note: Ethics requirements are not applicable to nonprofits.
- j) **Debt Service**, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

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

***Board (or Finance Committee, if applicable)***

---

- 2. Obtain and review the board/committee minutes for the fiscal period, and:
  - a) Report whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.
  - b) Report whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the entity's prior audit (GAAP-basis).
    - If the budget-to-actual comparisons show that management was deficit spending during the fiscal period, report whether there is a formal/written plan to eliminate the deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, report whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan.
  - c) Report whether the minutes referenced or included non-budgetary financial information (e.g. approval of contracts and disbursements) for at least one meeting during the fiscal period.

*This section is not applicable.*

### ***Bank Reconciliations***

---

3. Obtain a listing of client bank accounts from management and management's representation that the listing is complete.
4. Using the listing provided by management, select all of the entity's bank accounts (if five accounts or less) or one-third of the bank accounts on a three year rotating basis (if more than 5 accounts). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity fund accounts may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* For each of the bank accounts selected, obtain bank statements and reconciliations for all months in the fiscal period and report whether:
  - a) Bank reconciliations have been prepared;
  - b) Bank reconciliations include evidence that a member of management or a board member (with no involvement in the transactions associated with the bank account) has reviewed each bank reconciliation; and
  - c) If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period.

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

### ***Collections***

---

5. Obtain a listing of cash/check/money order (cash) collection locations and management's representation that the listing is complete.
6. Using the listing provided by management, select all of the entity's cash collection locations (if five locations or less) or one-third of the collection locations on a three year rotating basis (if more than 5 locations). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity funds may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* **For each cash collection location selected:**
  - a) Obtain existing written documentation (e.g. insurance policy, policy manual, job description) and report whether each person responsible for collecting cash is (1) bonded, (2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account (report if there are compensating controls performed by an outside party), and (3) not required to share the same cash register or drawer with another employee.
  - b) Obtain existing written documentation (e.g. sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and report whether the entity has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the cash collection location selected.

- c) Select the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:
- Using entity collection documentation, deposit slips, and bank statements, trace daily collections to the deposit date on the corresponding bank statement and report whether the deposits were made within one day of collection. If deposits were not made within one day of collection, report the number of days from receipt to deposit for each day at each collection location.
  - Using sequentially numbered receipts, system reports, or other related collection documentation, verify that daily cash collections are completely supported by documentation and report any exceptions.
7. Obtain existing written documentation (e.g. policy manual, written procedure) and report whether the entity has a process specifically defined (identified as such by the entity) to determine completeness of all collections, including electronic transfers, for each revenue source and agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation) by a person who is not responsible for collections.

*Cash receipts are primarily received at the Sheriff's Office in the courthouse. The Sheriff and Chief Civil Deputy are bonded. There are two primary sources of revenue for the Sheriff; ad valorem tax collections and receipts from the state Department of Corrections (DOC) for housing state prisoners.*

*The ad valorem tax assessments are uploaded from the tax assessor's database into the Sheriff's tax system. Only changes that are approved by the Louisiana Tax Commission are made to the system. Ad valorem collections are made at the Sheriff's office in the courthouse and entered into the tax system and a receipt is provided to taxpayer. Then the collections per the system are reconciled to the deposit.*

*Monthly receipts from the DOC are deposited directly into the Sheriff's account via ACH. The Chief Civil Deputy verifies that the amount is correct. Since there are only twelve such receipts per year and the amounts are so large, no additional procedures are considered necessary.*

***Disbursements – General (excluding credit card/debit card/fuel card/P-Card purchases or payments)***

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8. Obtain a listing of entity disbursements from management or, alternately, obtain the general ledger and sort/filter for entity disbursements. Obtain management's representation that the listing or general ledger population is complete.
9. Using the disbursement population from #8 above, randomly select 25 disbursements (or randomly select disbursements constituting at least one-third of the dollar disbursement population if the entity had less than 25 transactions during the fiscal period), excluding credit card/debit card/fuel card/P-card purchases or payments. Obtain supporting documentation (e.g. purchase requisitions, system screens/logs) for each transaction and report whether the supporting documentation for each transaction demonstrated that:
  - a) Purchases were initiated using a requisition/purchase order system or an equivalent electronic system that separates initiation from approval functions in the same manner as a requisition/purchase order system.
  - b) Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase.
  - c) Payments for purchases were not processed without (1) an approved requisition and/or purchase order, or electronic equivalent; a receiving report showing receipt of goods purchased, or electronic equivalent; and an approved invoice.
10. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the person responsible for processing payments is prohibited from adding vendors to the entity's purchasing/disbursement system.
11. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the persons with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases.
12. Inquire of management and observe whether the supply of unused checks is maintained in a locked location, with access restricted to those persons that do not have signatory authority, and report any exceptions. Alternately, if the checks are electronically printed on blank check stock, review entity documentation (electronic system control documentation) and report whether the persons with signatory authority have system access to print checks.
13. If a signature stamp or signature machine is used, inquire of the signer whether his or her signature is maintained under his or her control or is used only with the knowledge and consent of the signer. Inquire of the signer whether signed checks are likewise maintained under the control of the signer or authorized user until mailed. Report any exceptions.

*I downloaded listings of all disbursements for the various funds from the accounting system and combined them and randomly selected 25 for testing (excluding credit card transactions). All checks are dual signed (one signature is the Sheriff who is not involved in the accounting process). One purchase did not include a purchase order. Due to the small staff size of the Sheriff's office, the Chief Civil Deputy performs substantially all accounting functions, including setting up new vendors. Check stock is stored in the Chief Civil Deputy's office which is locked when she is not there. The Chief Civil Deputy controls the signed checks until mailed.*

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

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14. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards), including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

15. Using the listing prepared by management, randomly select 10 cards (or at least one-third of the cards if the entity has less than 10 cards) that were used during the fiscal period, rotating cards each year. If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner.

Obtain the monthly statements, or combined statements if multiple cards are on one statement, for the selected cards. Select the monthly statement or combined statement with the largest dollar activity for each card (for a debit card, select the monthly bank statement with the largest dollar amount of debit card purchases) and:

- a) Report whether there is evidence that the monthly statement or combined statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.)]
- b) Report whether finance charges and/or late fees were assessed on the selected statements.

16. Using the monthly statements or combined statements selected under #15 above, obtain supporting documentation for all transactions for each of the 10 cards selected (i.e. each of the 10 cards should have one month of transactions subject to testing).

- a) For each transaction, report whether the transaction is supported by:
  - An original itemized receipt (i.e., identifies precisely what was purchased)
  - Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.
  - Other documentation that may be required by written policy (e.g., purchase order, written authorization.)
- b) For each transaction, compare the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the entity's written purchasing/disbursement policies and the Louisiana Public Bid Law and report any exceptions.
- c) For each transaction, compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions. If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

*The Sheriff's office maintains one credit card to be used for office purposes (primarily travel). Total charges to this card for the year was approximately \$3,000. Additionally, the Sheriff's office utilizes a fuel card service that tracks fuel charges by card. There are 24 cards used in this program. I obtained a listing of all credit cards and selected 10 for testing. For each card, I determined the month with the largest activity and performed the foregoing tests without exception.*

### *Travel and Expense Reimbursement*

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17. Obtain from management a listing of all travel and related expense reimbursements, by person, during the fiscal period or, alternately, obtain the general ledger and sort/filter for travel reimbursements. Obtain management's representation that the listing or general ledger is complete.
18. Obtain the entity's written policies related to travel and expense reimbursements. Compare the amounts in the policies to the per diem and mileage rates established by the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)) and report any amounts that exceed GSA rates.
19. Using the listing or general ledger from #17 above, select the three persons who incurred the most travel costs during the fiscal period. Obtain the expense reimbursement reports or prepaid expense documentation of each selected person, including the supporting documentation, and choose the largest travel expense for each person to review in detail. For each of the three travel expenses selected:
  - a) Compare expense documentation to written policies and report whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging). If the entity does not have written policies, compare to the GSA rates (#18 above) and report each reimbursement that exceeded those rates.
  - b) Report whether each expense is supported by:
    - An original itemized receipt that identifies precisely what was purchased. [Note: An expense that is reimbursed based on an established per diem amount (e.g., meals) does not require a receipt.]
    - Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).
    - Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance)
  - c) Compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.
  - d) Report whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

*There was only one travel reimbursement paid during the year. All other travel related expenses were paid directly by check or charged to the credit card. The reimbursement was tested without exception.*

## *Contracts*

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20. Obtain a listing of all contracts in effect during the fiscal period or, alternately, obtain the general ledger and sort/filter for contract payments. Obtain management's representation that the listing or general ledger is complete.
21. Using the listing above, select the five contract "vendors" that were paid the most money during the fiscal period (excluding purchases on state contract and excluding payments to the practitioner). Obtain the related contracts and paid invoices and:
  - a) Report whether there is a formal/written contract that supports the services arrangement and the amount paid.
  - b) Compare each contract's detail to the Louisiana Public Bid Law or Procurement Code. Report whether each contract is subject to the Louisiana Public Bid Law or Procurement Code and:
    - If yes, obtain/compare supporting contract documentation to legal requirements and report whether the entity complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder)
    - If no, obtain supporting contract documentation and report whether the entity solicited quotes as a best practice.
  - c) Report whether the contract was amended. If so, report the scope and dollar amount of the amendment and whether the original contract terms contemplated or provided for such an amendment.
  - d) Select the largest payment from each of the five contracts, obtain the supporting invoice, compare the invoice to the contract terms, and report whether the invoice and related payment complied with the terms and conditions of the contract.
  - e) Obtain/review contract documentation and board minutes and report whether there is documentation of board approval, if required by policy or law (e.g. Lawrason Act or Home Rule Charter).

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

*During testing of the five largest vendors, there were instances of purchases from one vendor that the Sheriff's office received quotes, however, the purchases should have been formally bid. Additionally, there were purchases from another vendor for which three quotes should have been received. It is the Sheriff's intention to switch to state contracts for these purchases in the future.*

## ***Payroll and Personnel***

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22. Obtain a listing of employees (and elected officials, if applicable) with their related salaries, and obtain management's representation that the listing is complete. Randomly select five employees/officials, obtain their personnel files, and:
  - a) Review compensation paid to each employee during the fiscal period and report whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.
  - b) Review changes made to hourly pay rates/salaries during the fiscal period and report whether those changes were approved in writing and in accordance with written policy.
23. Obtain attendance and leave records and randomly select one pay period in which leave has been taken by at least one employee. Within that pay period, randomly select 25 employees/officials (or randomly select one-third of employees/officials if the entity had less than 25 employees during the fiscal period), and:
  - a) Report whether all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)
  - b) Report whether there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees/officials.
  - c) Report whether there is written documentation that the entity maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees/officials that earn leave.
24. Obtain from management a list of those employees/officials that terminated during the fiscal period and management's representation that the list is complete. If applicable, select the two largest termination payments (e.g., vacation, sick, compensatory time) made during the fiscal period and obtain the personnel files for the two employees/officials. Report whether the termination payments were made in strict accordance with policy and/or contract and approved by management.
25. Obtain supporting documentation (e.g. cancelled checks, EFT documentation) relating to payroll taxes and retirement contributions during the fiscal period. Report whether the employee and employer portions of payroll taxes and retirement contributions, as well as the required reporting forms, were submitted to the applicable agencies by the required deadlines.

*I randomly selected 25 employees for testing of compensation paid. Salaries and salary changes are all verbally approved by the Sheriff, however, there are no written approvals for these items. For testing of leave documentation, I selected the payroll period ended August 31, 2016, for testing using the same 25 employees. No exceptions were noted. I then identified employees who had terminated during the year and agreed the two largest payments to the underlying documentation. Finally, using the general ledger I identified payments made during the year for retirement and payroll taxes and identified the related pay date. All payments were made timely.*

***Ethics (excluding nonprofits)***

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

*I randomly selected five employees from the previous sample of 25 employees tested and obtained the certificates documenting the ethics training for those employees. According to management, no ethics violations were reported during the year.*

***Debt Service (excluding nonprofits)***

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

*Series 2016 Revenue and Refunding Bonds were issued during the year. The issue was properly documented and approved. All debt service payments were properly and timely made. There are no taxes collected for debt service.*

***Other***

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

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

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

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

J. Aaron Cozart, CPA, LLC

February 9, 2018