

BEAUREGARD PARISH SHERIFF
DERIDDER, LOUISIANA
ANNUAL FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITOR'S REPORT

JUNE 30, 2020

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INDEPENDENT AUDITOR'S REPORT

The Honorable Mark Herford
Sheriff and Ex-Officio Tax Collector
Beauregard Parish Sheriff
DeRidder, Louisiana

Report on the Financial Statements

We 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 Beauregard Parish Sheriff, as of and for the year ended June 30, 2020, 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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

The Honorable Mark Herford
Sheriff and Ex-Officio Tax Collector
Beauregard Parish Sheriff
DeRidder, Louisiana

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Beauregard Parish Sheriff, as of June 30, 2020, and the respective changes in financial position, and where applicable, 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 management's discussion and analysis, budgetary comparison information, schedule of changes in the net OPEB liability and related ratios, schedule of the sheriff's proportionate share of the net pension liability, schedule of the sheriff's pension contributions, and other post-employment benefits (OPEB) funding schedule on pages 40 - 46 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. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Beauregard Parish Sheriff's basic financial statements. The schedule of cash on hand, taxes collected for the current year and an itemized statement of all taxes assessed and uncollected with explanations of uncollected amounts by the Sheriff as the Ex-Officio Tax Collector for the Parish of Beauregard, and schedule of compensation, benefits and other payments to agency head are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedule of cash on hand, taxes collected for the current year and an itemized statement of all taxes assessed and uncollected with explanations of uncollected amounts by the Sheriff as the Ex-Officio Tax Collector for the Parish of Beauregard and schedule of compensation, benefits and other payments to agency head are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of cash on hand, taxes collected for the current year and an itemized statement of all taxes assessed and uncollected with explanations of uncollected amounts by the Sheriff as the Ex-Officio Tax Collector for the Parish of Beauregard and schedule of compensation, benefits and other payments to agency head are fairly stated in all material respects in relation to the basic financial statements as a whole.

The Honorable Mark Herford
Sheriff and Ex-Officio Tax Collector
Beauregard Parish Sheriff
DeRidder, Louisiana

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2020 on our consideration of the Beauregard Parish Sheriff's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Beauregard Parish Sheriff's internal control over financial reporting and compliance.

Handwritten signature of J. M. Windham, CPA in black ink.

DeRidder, Louisiana
December 15, 2020

BASIC FINANCIAL STATEMENTS

Statement of Net Position
June 30, 2020

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 8,098,273	\$ 84,292	\$ 8,182,565
Receivables:			
Taxes			
Ad valorem taxes	10,162	-	10,162
Sales and use taxes	46,935	-	46,935
Occupational license	7,809	-	7,809
Accounts	51,223	3,243	54,466
Intergovernmental:			
Due from federal governments	45,580	-	45,580
Due from state governments	525,366	-	525,366
Due from other funds	48,605	12,104	60,709
Restricted cash and cash equivalents	900,544	-	900,544
Capital assets being depreciated, net	928,939	-	928,939
Total assets	<u>\$ 10,663,436</u>	<u>\$ 99,639</u>	<u>\$ 10,763,075</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows:			
Prepaid insurance	\$ 145,056	\$ -	\$ 145,056
Other post-employment benefits	2,420,048	-	2,420,048
Pensions	2,067,020	-	2,067,020
Total deferred outflows of resources	<u>\$ 4,632,124</u>	<u>\$ -</u>	<u>\$ 4,632,124</u>
Total assets and deferred outflows of resources	<u>\$ 15,295,560</u>	<u>\$ 99,639</u>	<u>\$ 15,395,199</u>
LIABILITIES			
Accounts payable	\$ 540,317	\$ 11,956	\$ 552,273
Salaries payable	212,254	-	212,254
Payroll deductions payable	54,148	-	54,148
Due to other funds	106	-	106
Long term liabilities:			
Net other post-employment benefits liability	10,414,275	-	10,414,275
Net pension liability	3,398,277	-	3,398,277
Total liabilities	<u>\$ 14,619,377</u>	<u>\$ 11,956</u>	<u>\$ 14,631,333</u>
DEFERRED INFLOWS OF RESOURCES			
Pensions	\$ 732,787	\$ -	\$ 732,787
Other post-employment benefits	582,550	-	582,550
Total deferred inflows of resources	<u>\$ 1,315,337</u>	<u>\$ -</u>	<u>\$ 1,315,337</u>
Total liabilities and deferred inflows of resources	<u>\$ 15,934,714</u>	<u>\$ 11,956</u>	<u>\$ 15,946,670</u>

(Continued)

The accompanying notes are an integral part of this statement.

Statement of Net Position
June 30, 2020

	Governmental Activities	Business-type Activities	Total
NET POSITION			
Net investment in capital assets	\$ 928,939	\$ -	\$ 928,939
Unrestricted	(2,468,637)	87,683	(2,380,954)
Restricted	900,544	-	900,544
Total net position	<u>\$ (639,154)</u>	<u>\$ 87,683</u>	<u>\$ (551,471)</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 15,295,560</u>	<u>\$ 99,639</u>	<u>\$ 15,395,199</u> (Concluded)

The accompanying notes are an integral part of this statement.

Statement of Activities
For the Year Ended June 30, 2020

Program Activities	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position		
		Fees, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
General government and administration	\$ 362,098	\$ 911,754	\$ 622	\$ -	\$ 550,278	\$ -	\$ 550,278
Public safety	9,942,392	1,815,519	164,383	59,898	(7,902,592)	-	(7,902,592)
Total governmental activities	<u>\$ 10,304,490</u>	<u>\$ 2,727,273</u>	<u>\$ 165,005</u>	<u>\$ 59,898</u>	<u>\$ (7,352,314)</u>	<u>\$ -</u>	<u>\$ (7,352,314)</u>
Business-type activities:							
Commissary sales	\$ 166,143	\$ 211,652	\$ -	\$ -	\$ -	\$ 45,509	\$ 45,509
Total government	<u>\$ 10,470,633</u>	<u>\$ 2,938,925</u>	<u>\$ 165,005</u>	<u>\$ 59,898</u>	<u>\$ (7,352,314)</u>	<u>\$ 45,509</u>	<u>\$ (7,306,805)</u>
General revenues:							
Taxes:							
Ad valorem taxes					4,505,367	-	4,505,367
Sales taxes					3,383,236	-	3,383,236
State supplemental pay					358,276	-	358,276
Investment earnings					24,117	-	24,117
Sale of assets					2,310	-	2,310
Nonemployer pension contributions					304,325	-	304,325
Rental income					5,465	-	5,465
Transfers					93	-	93
Total general revenues and transfers					<u>8,583,189</u>	<u>-</u>	<u>8,583,189</u>
Change in net position					1,230,875	45,509	1,276,384
Net position at beginning of year					(1,870,029)	42,174	(1,827,855)
Net position at end of year					<u>\$ (639,154)</u>	<u>\$ 87,683</u>	<u>\$ (551,471)</u>

The accompanying notes are an integral part of this statement.

Balance Sheet
Governmental Funds
June 30, 2020

ASSETS	Major Fund		Total Governmental Funds
	General	Sales Tax	
Cash and cash equivalents	\$ 8,098,273	\$ -	\$ 8,098,273
Receivables:			
Taxes			
Ad valorem taxes	10,162	-	10,162
Sales and use taxes	46,935	-	46,935
Occupational license	7,809	-	7,809
Accounts	51,223	-	51,223
Intergovernmental:			
Due from federal governments	45,580	-	45,580
Due from state governments	525,366	-	525,366
Due from other funds	48,605	-	48,605
Restricted cash and cash equivalents	-	900,544	900,544
Total assets	<u>\$ 8,833,953</u>	<u>\$ 900,544</u>	<u>\$ 9,734,497</u>
 DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows:			
Prepaid insurance	<u>\$ 145,056</u>	<u>\$ -</u>	<u>\$ 145,056</u>
Total assets and deferred outflows of resources	<u>\$ 8,979,009</u>	<u>\$ 900,544</u>	<u>\$ 9,879,553</u>
 LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 540,317	\$ -	\$ 540,317
Salaries payable	212,254	-	212,254
Payroll deductions payable	54,148	-	54,148
Due to other funds	106	-	106
Total liabilities	<u>\$ 806,825</u>	<u>\$ -</u>	<u>\$ 806,825</u>
Fund Balances:			
Unassigned	\$ 8,027,128	\$ -	\$ 8,027,128
Nonspendable			
Not in spendable form	145,056	-	145,056
Restricted	-	900,544	900,544
Total fund balances	<u>\$ 8,172,184</u>	<u>\$ 900,544</u>	<u>\$ 9,072,728</u>
Total liabilities and fund balances	<u>\$ 8,979,009</u>	<u>\$ 900,544</u>	<u>\$ 9,879,553</u>

The accompanying notes are an integral part of this statement.

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

Total fund balance - total governmental funds	\$	9,072,728
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds balance sheets.		928,939
Pension related changes in net pension liability that are only reported in the Statement of Net Position as deferred outflows.		2,067,020
Pension related changes in net pension liability that are only reported in the Statement of Net Position as deferred inflows.		(732,787)
Other post-employment benefit related changes in other post-employment benefit liability that are only reported in the statement of net position as deferred inflows.		(582,550)
Other post-employment benefit related changes in other post-employment benefit liability that are only reported in the statement of net position as deferred outflows.		2,420,048
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.		
Other postemployment benefits	\$	(10,414,275)
Net pension liability		(3,398,277)
		<u>(13,812,552)</u>
Net position of governmental activities	\$	<u>(639,154)</u>

The accompanying notes are an integral part of this statement.

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

	<u>Major Fund</u>		<u>Total Governmental Funds</u>
	<u>General</u>	<u>Sales Tax</u>	
Revenues			
Taxes:			
Ad valorem	\$ 4,505,367	\$ -	\$ 4,505,367
Sales taxes	-	3,383,236	3,383,236
Intergovernmental:			
Federal grants	197,332	-	197,332
State grants	23,949	-	23,949
Local grants	3,622	-	3,622
State supplemental pay	358,276	-	358,276
Fees, charges and commissions for services	2,727,273	-	2,727,273
Investment income	19,405	4,712	24,117
Rental income	5,465	-	5,465
Total revenues	<u>\$ 7,840,689</u>	<u>\$ 3,387,948</u>	<u>\$ 11,228,637</u>
Expenditures			
General government			
Tax collector	\$ 342,616	\$ -	\$ 342,616
Public safety			
Administrative	795,678	-	795,678
Community services	91,654	-	91,654
Civil services	335,811	-	335,811
Criminal investigation	4,148,848	-	4,148,848
Custody of prisoners	2,567,299	-	2,567,299
Communications	565,776	-	565,776
Automotive services	417,680	-	417,680
Capital outlay	202,025	-	202,025
Total expenditures	<u>\$ 9,467,387</u>	<u>\$ -</u>	<u>\$ 9,467,387</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (1,626,698)</u>	<u>\$ 3,387,948</u>	<u>\$ 1,761,250</u>

(Continued)

The accompanying notes are an integral part of this statement.

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

	<u>Major Fund</u>		<u>Total Governmental Funds</u>
	<u>General</u>	<u>Sales Tax</u>	
Other financing sources (uses)			
Transfers in	\$ 2,931,093	\$ -	\$ 2,931,093
Transfers out	(31,000)	(2,900,000)	(2,931,000)
Sale of assets	11,400	-	11,400
Total other financing sources (uses)	<u>\$ 2,911,493</u>	<u>\$ (2,900,000)</u>	<u>\$ 11,493</u>
Net change in fund balance	\$ 1,284,795	\$ 487,948	\$ 1,772,743
Fund balances at beginning of year	<u>6,887,389</u>	<u>412,596</u>	<u>7,299,985</u>
Fund balances at end of year	<u>\$ 8,172,184</u>	<u>\$ 900,544</u>	<u>\$ 9,072,728</u>

(Concluded)

The accompanying notes are an integral part of this statement.

Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balance of Governmental Funds to the
Statement of Activities
For the Year Ended June 30, 2020

Net change in fund balances - total governmental funds	\$	1,772,743
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the government-wide statement of activities and changes in net position, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the net amount of capital assets recorded in the current period.		202,025
Governmental funds only report the disposal of fixed assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal.		(9,090)
Depreciation expense on capital assets is reported in the government-wide statement of activities and changes in net position, but they do not require the use of current financial resources. Therefore, depreciation expense is not reported as an expenditure in governmental funds.		(261,412)
Governmental funds do not report net change in other postemployment benefits (OPEB) obligations. However, this obligation does appear in the Statement of Activities since the payable is reported on the Statement of Net Position.		(467,194)
Pension expense is based on employer contributions in the government funds, but is an actuarially calculated expense on the Statement of Activities.		<u>(6,197)</u>
Change in net position of governmental activities	\$	<u><u>1,230,875</u></u>

The accompanying notes are an integral part of this statement.

Statement of Net Position
Proprietary Fund
June 30, 2020

	Business-type Activities Enterprise Fund
	Commissary Fund
ASSETS	
Current Assets	
Cash and cash equivalents	\$ 84,292
Accounts receivable	3,243
Due from other funds	12,104
Total current assets	\$ 99,639
LIABILITIES	
Current Liabilities	
Accounts payable	\$ 11,956
NET POSITION	
Unrestricted	\$ 87,683
Total liabilities and net position	\$ 99,639

The accompanying notes are an integral part of this statement.

Statement of Revenues, Expenses and Changes in Net Position
 Proprietary Fund
 For the Year Ended June 30, 2020

	Business-type Activities <u>Enterprise Fund</u> Commissary <u>Fund</u>
Operating revenues	
Sales to inmates	<u>\$ 211,652</u>
Operating expenses	
Purchases	\$ 143,387
Medical co-payments	22,628
Miscellaneous	128
Total operating expenses	<u>\$ 166,143</u>
Change in net position	\$ 45,509
Net position at beginning of year	<u>42,174</u>
Net position at end of year	<u><u>\$ 87,683</u></u>

The accompanying notes are an integral part of this statement.

Statement of Cash Flows
 Proprietary Fund
 For the Year Ended June 30, 2020

	Business-type Activities <u>Enterprise Fund</u>
Cash flows from operating activities:	
Cash received from customers	\$ 211,353
Cash payments to suppliers for goods and services	(136,831)
Cash payments for inmate medical co-pay	(22,628)
Net cash provided by operating activities	<u>\$ 51,894</u>
Cash flows from noncapital financing activities:	
Cash loaned to other funds	<u>\$ (5,908)</u>
Net cash used by noncapital financing activities	<u>\$ (5,908)</u>
Net increase (decrease) in cash and cash investments	\$ 45,986
Cash and Cash investments, July 1, 2019	38,306
Cash and Cash investments, June 30, 2020	<u><u>\$ 84,292</u></u>
Reconciliation of net operating income from operations to net cash provided by operating activities:	
Income from operations	\$ 45,509
Adjustments to reconcile net operating income from operations to net cash provided by operating activities:	
Change in assets and liabilities:	
Increase in accounts receivable	\$ (171)
Increase in accounts payable	6,556
Net cash provided by operating activities	<u><u>\$ 51,894</u></u>

The accompanying notes are an integral part of this statement.

Statement of Fiduciary Net Position
Custodial Funds
June 30, 2020

	<u>Sheriff's Fund</u>	<u>Tax Collection Fund</u>	<u>Other Funds</u>	<u>Total</u>
ASSETS				
Cash and cash equivalents	\$ 7,294	\$ 1,953,005	\$ 399,267	\$ 2,359,566
Accounts receivable	-	15,667	1,040	16,707
Due from other funds	106	-	-	106
Total assets	<u>\$ 7,400</u>	<u>\$ 1,968,672</u>	<u>\$ 400,307</u>	<u>\$ 2,376,379</u>
LIABILITIES				
Liabilities				
Held for others	\$ 7,400	\$ 111,835	\$ 388,107	\$ 507,342
Due to other funds	-	48,509	12,200	60,709
Total liabilities	<u>\$ 7,400</u>	<u>\$ 160,344</u>	<u>\$ 400,307</u>	<u>\$ 568,051</u>
DEFERRED INFLOWS OF RESOURCES				
Protested taxes	\$ -	\$ 1,808,328	\$ -	\$ 1,808,328
Total liabilities and deferred inflows of resources	<u>\$ 7,400</u>	<u>\$ 1,968,672</u>	<u>\$ 400,307</u>	<u>\$ 2,376,379</u>

The accompanying notes are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

Beauregard Parish Sheriff

Notes to the Financial Statements As of and for the Year Ended June 30, 2020

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, and other services. 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, local sales taxes, parish occupational licenses, state revenue sharing funds, fines, costs, and bond forfeitures imposed by the district court.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

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

B. REPORTING ENTITY

Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification) established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. For financial reporting purposes, in conformance with GASB Codification Section 2100, the sheriff includes all funds, account groups and activities 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 retention of employees, authority over budgeting, the responsibility for deficits, and the receipt and disbursement of funds. Other than certain operating expenditures of the sheriff’s office that are paid by the parish police jury as required by Louisiana law, the sheriff’s office 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 school board, other independently elected parish officials, and municipalities within the parish, are excluded from the accompanying financial statements. These units of government are considered separate reporting entities and issue financial statements separate from those of the parish sheriff.

C. FUND ACCOUNTING

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 relating to certain sheriff functions and activities. A fund is defined as a separate fiscal accounting entity with a self-balancing set of accounts.

Beauregard Parish Sheriff

Notes to the Financial Statements (Continued)

Governmental Funds

Governmental funds account for all or most of the sheriff's general activities. These funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference between a governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources, which may be used to finance future period programs or operations of the sheriff. The following are the sheriff's governmental funds:

General Fund – The primary operating fund of the sheriff and it accounts for all financial resources, except those in other funds. The General Fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according to the sheriff's policy.

Special Revenue Fund – The special revenue fund is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specific purposes other than debt service or capital projects. The special revenue fund is used to deposit a parish wide one-half cent sales tax. The sales tax is to be used to increase beginning salary levels for deputies, to provide for future cost of living salary adjustments and benefits for deputies.

The sheriff has not established a policy for use of the unrestricted fund balance, therefore it considers committed fund balances to be used first, then assigned fund balances to be used next and finally the unassigned fund balance will be used.

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 custodial funds. The custodial 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 modified accrual basis of accounting.

Proprietary Fund

Enterprise Fund – Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the sheriff's proprietary fund is sales of commissary goods to inmates. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the entity's policy to use restricted resources first, and then unrestricted resources as they are needed.

D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

Fund Financial Statements (FFS)

The amounts reflected in the General Fund and Other Funds, of Statements C and E, 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 balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of sheriff operations.

Beauregard Parish Sheriff

Notes to the Financial Statements (Continued)

The amounts reflected in the General Fund and Other Funds, of Statements C and E, 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. 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. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

State revenues sharing, which is based on population and homesteads in the parish, is recorded in the year the taxes are received.

Intergovernmental revenues are recorded when the sheriff is entitled to the funds.

Expenditures and Expenses

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

Other Financing Sources (Uses)

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

Government-Wide Financial Statements (GWFS)

The column labeled Statement of Net Position (Statement A) and the column labeled Statement of Activities (Statement B) display information about the sheriff as a whole. These statements include all the financial activities of the sheriff. Information contained in these columns reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Program Revenues – Program revenues included in the column labeled Statement of Activities (Statement B) are derived directly from sheriff users as a fee for services; program revenues reduce the cost of the function to be financed from the sheriff's general fund.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's enterprise operations. Eliminations of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Beauregard Parish Sheriff

Notes to the Financial Statements (Continued)

E. BUDGET PRACTICES

The financial administrator prepares the proposed budget and submits this to the sheriff for approval. Amended budgets are prepared in the same manner and submitted to the sheriff for approval when a variance greater than five percent exists between budgeted and actual amounts. The proposed budget for 2019-2020 was made available for inspection on June 11, 2019. The proposed budget, prepared on the modified accrual basis of accounting, was published in the official journal ten days prior to the public hearing, which was held at the Beauregard Parish Sheriff's office on June 11, 2019, for comments from taxpayers. The budget is legally adopted and amended, as necessary, by the sheriff.

Expenditure appropriations lapse at year-end. Unexpended appropriations and any excess of revenues over expenditures are carried forward to the subsequent year as beginning fund balance.

Neither encumbrance accounting nor formal integration of the budget into the accounting records is employed as a management control device. However, periodic comparisons of budget and actual amounts are made. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments.

F. CASH AND CASH EQUIVALENTS

Cash includes amounts in demand deposits, interest bearing demand deposits, money market accounts and time deposits. Cash equivalents include amounts in time deposits and those other investments with original maturities of 90 days or less. Under state law, the sheriff may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States. Tax collections must be deposited in a bank domiciled in the parish where the funds are collected. These cash and cash equivalents are also used in the proprietary fund's statement of cash flows.

G. INVESTMENTS

Investments are limited by Louisiana Revised Statute (R.S.) 33:2955 and the sheriff's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

Under state law, the sheriff may invest in United States bonds, treasury notes, or certificates. These are classified as investments, if their original maturities are 90 days or less, they are classified as cash equivalents. Investments are stated at cost. At June 30, 2020 the sheriff had no investments.

H. INVENTORY

The sheriff had no inventory as of June 30, 2020.

I. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as due from other funds or due to other funds on the balance sheet. Short-term interfund loans are classified as interfund receivables/payables.

J. PREPAID ITEMS

Prepaid amounts consist of insurance policy premiums paid in advance.

Beauregard Parish Sheriff

Notes to the Financial Statements (Continued)

K. CAPITAL ASSETS

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

According to GASB 34 the Beauregard Parish Sheriff was not required to retroactively report infrastructure assets in its financial statements, therefore, these assets have not been reported in the financial statements.

Capital assets are recorded in the Statement of Net Position and Statement of Activities. 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>Description</u>	<u>Estimated Lives</u>
Land improvements	40-50 years
Buildings and building improvements	40-50 years
Furniture and fixtures	5-15 years
Vehicles	5-10 years

L. COMPENSATED ABSENCES

The sheriff has the following policy relating to vacation and sick leave:

Sick Leave Policy

1. Sick leave is available only to full-time employees.
2. Sick leave is defined as absence from duty due to a full-time employee suffering from a bona fide illness or injury or other physical incapacity that prevents the performance of normal duties or being quarantined by health authorities and includes bona fide illness, injury or other incapacity of such employee's immediate family, which includes only the parents, spouse, siblings and children of the employee, as well as the employee's spouse's children, which would require the care of the employee.
3. Sick leave shall only be used for those reasons constituting the definition of Sick Leave hereinabove.
4. A maximum of ten (10) days of sick leave per calendar year will accrue at the rate of 0.833 days per month, subject to the following provisions: unused sick leave days may be carried over from one calendar year to the next, but at no time shall an employee be allowed to accumulate more than twenty (20) days of unused sick leave; therefore, once an employee accumulates a total of twenty (20) days of unused sick leave, that employee will not accrue additional sick leave until the month in which some of his/her days of accumulated sick leave is used.
5. If an employee uses six (6) or more consecutive days of sick leave, a certificate from a practicing physician explaining the nature of the qualifying reason for absence and confirming the need to use sick leave must be submitted to the employee's supervisor on behalf of the employee. This certificate will be routed to the Chief Deputy or the Fiscal Administrator and then be placed in the employee's personnel file.
6. Employees will not be paid for any accrued or accumulated unused sick leave remaining at the time of separation from employment.

Beauregard Parish Sheriff

Notes to the Financial Statements (Continued)

- 7. Once all accrued and accumulated sick leave has been exhausted, an employee may utilize any other accrued paid leave in the event of a qualifying reason for absence under sick leave.

Vacation Policy

- 8. All full-time employees shall earn vacation leave according to his/her full-time employment service with the department as outlined in the following chart:

After 6 months, but less than 1 year	5 days
1 through 4 years	10 days
5 through 9 years	13 days
10 or more years	15 days

- 9. All vacation leave must be scheduled with the employee’s supervisor prior to reaching December 31st of each year. Vacation leave may be taken in any full day increment as approved by the supervisor. The supervisor retains the authority to make adjustments or cancel vacation leave as necessary to ensure adequate personnel are on duty at all times. All vacation leave must be taken prior to the end of the calendar year. No vacation leave may be carried over to another year unless the immediate supervisor has prevented an employee from taking the time off due to scheduling problems that prevented the employee from taking the vacation leave off in a timely manner.

M. RESTRICTED NET POSITION

For government-wide statement of net position, net positions are reported as restricted when constraints placed on net position use either:

- 1. externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; or
- 2. imposed by law through constitutional provisions or enabling legislation.

N. EXTRAORDINARY AND SPECIAL ITEMS

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events within the control of the sheriff, which are either unusual in nature or infrequent in occurrence.

O. 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 reductions of expenditures in the fund that is reimbursed. Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transactions are reported as transfers.

P. SALES TAX

The Beauregard Parish Sheriff receives a parish wide one-half cent sales tax. The sales tax is to be used toward the payment of salaries and benefits of deputies. The sales tax is a ten year tax with an expiration date of October 1, 2024.

Q. ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require 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

Beauregard Parish Sheriff

Notes to the Financial Statements (Continued)

reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from these estimates.

R. FUND BALANCES

- Nonspendable The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example, inventories and prepaid amounts. As for the Beauregard Parish Sheriff, the nonspendable fund balance consist of prepaid amounts of insurance premiums.
- Restricted Amounts that are restricted to specific purposes should be reported as *restricted fund balance*. Fund balance should be reported as restricted when constraints placed on the use of resources are either:
- a. Externally imposed by creditors (such as through debt covenants), grantors, contributions, or laws or regulations of other governments; or
 - b. Imposed by law through constitutional provisions or enabling legislation.
- Unassigned Unassigned fund balance is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund.

S. PENSIONS

Financial reporting information pertaining to the Sheriff’s participation in the Sheriff’s Pension and Relief Fund is prepared in accordance with Governmental Accounting Standards Board “GASB” Statement No. 68, *Accounting and Financial Reporting for Pensions*, as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, which have been adopted by the Sheriff for the fiscal year ended June 30, 2020.

The fiduciary net position, as well as additions to and deductions from the fiduciary net position, of the Sheriff’s Pension and Relief Fund have been determined on the same basis as they are reported by the Sheriff’s Pension and Relief Fund. The financial statements were prepared using the accrual basis of accounting. Member and employer contributions are recognized when due, pursuant to formal commitments and statutory requirements. Benefits and refunds of employee contributions are recognized when due and payable in accordance with the statutes governing the Sheriff’s Pension and Relief Fund. Expenses are recognized when the liability is incurred, regardless of when payment is made. Investments are reported at fair value on a trade date basis. The fiduciary net position is reflected in the measurement of the Sheriff’s proportionate share of the plans net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense.

T. RECENTLY ISSUED ACCOUNTING PRONOUNCEMENT

In January 2017, the Governmental Accounting Standards Board (GASB) approved Statement No. 84, “Fiduciary Activities.” GASB Statement No. 84 establishes general criteria for determining when a governmental unit has a fiduciary role for managing certain types of assets. GASB No. 84 replaces *agency funds* with *custodial funds*, which generally are used to report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria. The provisions of GASB Statement No. 84 must be implemented by the Sheriff for periods beginning after December 15, 2018, with earlier application encouraged. The effect of implementation of this statement on the Sheriff’s financial statements has not yet been determined.

Beauregard Parish Sheriff

Notes to the Financial Statements (Continued)

2. LEVIED TAXES

The sheriff levies taxes on real and business personal property located within the boundaries of the Parish. Property taxes are levied by the sheriff on property values assessed by the Beauregard Parish Tax Assessor and approved by the State of Louisiana Tax Commission.

The Beauregard Parish Sheriff and Ex-Officio Tax Collector bills and collects property taxes for the sheriff. Collections are remitted to the sheriff monthly. The sheriff recognizes property tax revenues when levied.

Property Tax Calendar	
Assessment date	January 1, 2019
Levy date	June 30, 2019
Tax bills mailed	October 15, 2019
Total taxes are due	December 31, 2019
Penalties & interest due	January 31, 2020
Lien date	January 31, 2020
Tax sale	May 15, 2020

For the year ended June 30, 2020, taxes of 16.51 mills were levied on property with an assessed valuation totaling \$274,481,446, and were dedicated as follows:

	Authorized Millage	Levied Millage	Expiration Date
Law Enforcement	6.46	6.46	December 31, 2020
Law Enforcement	10.05	10.05	Perpetual

All trade and property tax receivables are shown net of an allowance for uncollectibles. Property taxes are collected and remitted by the local sheriff, if taxes are not paid, a sheriff's sale is held and the property is sold to satisfy the taxes due on that property. Due to this, the majority, if not all property taxes are collected, any allowance account would be immaterial; therefore, one has not been established.

The following is the principal taxpayer and related ad valorem tax revenue for the sheriff:

Taxpayer	Type of Business	Assessed Valuation	% of Total Assessed Valuation	Ad Valorem Tax Revenue for Sheriff
Boise Packaging & Newsprint, L.L.C.	Forestry and paper mill	\$ 31,350,004	11.42%	\$ 517,589
Cheniere Creole Trail Pipeline	Oil and gas	18,753,540	6.83%	309,621
		<u>\$ 50,103,544</u>	<u>18.25%</u>	<u>\$ 827,210</u>

3. CASH AND CASH EQUIVALENTS

At June 30, 2020, the sheriff has cash and cash equivalents (book balances) totaling \$11,442,675 as follows:

Interest bearing demand deposits	\$ 10,993
NOW accounts	6,922,244
Demand deposits	364,023
Petty cash	400
Money market investment accounts	2,697,882
Time deposits	1,447,133
Total	<u>\$ 11,442,675</u>

Beauregard Parish Sheriff

Notes to the Financial Statements (Continued)

The cash and cash equivalents of the Beauregard Parish Sheriff are subject to the following risk:

Custodial Credit Risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the government will not be able to recover its deposits. 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 or exceed 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. Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Sheriff that the fiscal agent bank has failed to pay deposited funds upon demand.

Further, Louisiana Revised Statute 39:1224 states that securities held by a third party shall be deemed to be held in the Sheriff's name.

At June 30, 2020, the Sheriff has \$11,624,579 in deposits (collected bank balances). These deposits are secured from risk by \$1,085,975 of federal deposit insurance and \$10,538,604 of pledged securities held by an unaffiliated bank of the pledgor bank. These pledged securities are deemed by law to be under the control and possession and in the name of the Sheriff and deposits are therefore properly collateralized.

4. RECEIVABLES

The receivables of \$707,025 at June 30, 2020 are as follows:

<u>Class of receivable</u>	<u>General Fund</u>	<u>Proprietary Fund</u>	<u>Fiduciary Funds</u>	<u>Total</u>
Taxes:				
Ad valorem	\$ 10,162	\$ -	\$ -	\$ 10,162
Sales and use	46,935	-	-	46,935
Intergovernmental - grants:				
Federal	45,580	-	-	45,580
State	525,366	-	-	525,366
Accounts	51,223	3,243	16,707	71,173
Occupational license	7,809	-	-	7,809
Total	<u>\$ 687,075</u>	<u>\$ 3,243</u>	<u>\$ 16,707</u>	<u>\$ 707,025</u>

5. PAYABLES

The payables of \$818,675 at June 30, 2020 are as follows:

<u>Class of Payable</u>	<u>General Fund</u>	<u>Proprietary Fund</u>	<u>Total</u>
Accounts	\$ 540,317	\$ 11,956	\$ 552,273
Payroll deductions payable	54,148	-	54,148
Salaries payable	212,254	-	212,254
Total	<u>\$ 806,719</u>	<u>\$ 11,956</u>	<u>\$ 818,675</u>

Beauregard Parish Sheriff

Notes to the Financial Statements (Continued)

6. CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended June 30, 2020 for the primary government is as follows:

	Beginning Balance	Increase	Decrease	Ending Balance
Governmental activities:				
Capital assets being depreciated				
Appliances	\$ 30,983	\$ -	\$ -	\$ 30,983
Buildings	890,552	-	-	890,552
Communications	667,158	-	-	667,158
Computers	871,477	-	-	871,477
Criminal equipment	368,539	-	-	368,539
Firearms	63,812	-	-	63,812
Furniture	154,849	-	-	154,849
Office equipment	46,309	-	-	46,309
Photography	74,589	41,268	-	115,857
Vehicles	2,039,080	160,757	218,402	1,981,435
Total capital assets being depreciated	<u>\$ 5,207,348</u>	<u>\$ 202,025</u>	<u>\$ 218,402</u>	<u>\$ 5,190,971</u>
Less accumulated depreciation for:				
Appliances	\$ 30,983	\$ -	\$ -	\$ 30,983
Buildings	598,129	24,704	-	622,833
Communications	660,372	1,935	-	662,307
Computers	624,533	56,530	-	681,063
Criminal equipment	332,285	5,147	-	337,432
Firearms	63,415	98	-	63,513
Furniture	154,849	-	-	154,849
Office equipment	46,309	-	-	46,309
Photography	73,995	3,328	-	77,323
Vehicles	1,625,062	169,670	209,312	1,585,420
Total accumulated depreciation	<u>\$ 4,209,932</u>	<u>\$ 261,412</u>	<u>\$ 209,312</u>	<u>\$ 4,262,032</u>
Total capital assets being depreciated, net	<u>\$ 997,416</u>	<u>\$ (59,387)</u>	<u>\$ (9,090)</u>	<u>\$ 928,939</u>

Depreciation expense of \$261,412 for the year ended June 30, 2020, was charged to the following governmental functions:

Public safety	\$ 254,258
General administration	7,154
Total	<u>\$ 261,412</u>

7. INTERFUND RECEIVABLES/PAYABLES

The following due to/from balances exists due to payments made out of one fund that relate to the other fund. The balance in each respective due to/from account is expected to be paid within the current year.

Beauregard Parish Sheriff

Notes to the Financial Statements (Continued)

	Due from	Due to
General fund	\$ 48,605	\$ 106
Proprietary fund	12,104	-
Agency funds	106	60,709
Total	<u>\$ 60,815</u>	<u>\$ 60,815</u>

8. INTERFUND TRANSFERS

	Transfer in	Transfer out
Sales tax fund	\$ -	\$ 2,900,000
General fund	2,931,093	31,000
Agency funds	-	-
Proprietary fund	-	93
Total	<u>\$ 2,931,093</u>	<u>\$ 2,931,093</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, and to (2) use unrestricted revenues collected in other funds to finance various programs accounted for in other funds in accordance with budgetary authorizations.

9. LONG-TERM OBLIGATIONS

The following is a summary of the long-term obligation transactions for the year ended June 30, 2020.

	OPEB Liability	Net Pension Liability	Total
Long-term obligations at beginning of year	\$ 8,187,567	\$ 2,767,435	\$ 10,955,002
Additions	2,471,060	1,272,742	3,743,802
Reductions	(244,352)	(641,900)	(886,252)
Long-term obligations at end of year	<u>\$ 10,414,275</u>	<u>\$ 3,398,277</u>	<u>\$ 13,812,552</u>

The following is a summary of the current (due in one year or less) and the long-term (due in more than one year) portions of long-term obligations as of June 30, 2020:

	OPEB Liability	Net Pension Liability	Total
Current portion	\$ -	\$ -	\$ -
Long-term portion	10,414,275	3,398,277	13,812,552
Total	<u>\$ 10,414,275</u>	<u>\$ 3,398,277</u>	<u>\$ 13,812,552</u>

10. PENSION PLAN

Sheriffs' Pension and Relief Fund

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

The System issues an annual publicly available financial statement and required supplementary information for the System. That report may be obtained by writing to the Louisiana Sheriffs' Pension and Relief Fund, PO Box 3163, Monroe, Louisiana 71220, or by calling (318) 362-3191.

Beauregard Parish Sheriff

Notes to the Financial Statements (Continued)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The Sheriffs' Pension and Relief Fund prepares its employer schedules in accordance with Governmental Accounting Statement No. 68 – *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*. GASB Statement No. 68 established standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expenses/expenditures. It provides methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. It also provides methods to calculate participating employer's proportionate share of net pension liability, deferred inflows, deferred outflows, pension expense, and amortization periods for deferred inflows and deferred outflows.

Basis of Accounting

The Sheriffs' Pension and Relief Fund's employer schedules were prepared using the accrual basis of accounting. Employer contributions, for which the employer allocations are based, are recognized in the period in which the employee is compensated for services performed.

Fund Employees

The Fund is not allocated a proportionate share of the net pension liability related to its employees. The net pension liability attributed to the Fund's employees is allocated to the remaining employers based on their respective employer allocation percentage.

Plan Fiduciary Net Position

Plan fiduciary net position is a significant component of the Fund's collective net pension liability. The Fund's plan fiduciary net position was determined using the accrual basis of accounting. The Fund's assets, liabilities, revenues, and expenses were recorded with the use of estimates and assumptions in conformity with accounting principles generally accepted in the United States of America. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements and estimates over the determination of the fair market value of the Fund's investments. Accordingly, actual results may differ from estimated amounts.

Pension Amount Netting

The deferred outflows and deferred inflows of resources attributable to differences between projected and actual earnings on pension plan investments recorded in different years are netted to report only a deferred outflow or a deferred inflow on the schedule of pension amounts. The remaining categories of deferred outflows and deferred inflows are not presented on a net basis.

PLAN DESCRIPTION

The Sheriffs' Pension and Relief Fund (Fund) is a cost-sharing, multiple-employer defined benefit pension plan established in accordance with the provisions of Louisiana Revised Statute 11:2171 to provide retirement, disability and survivor benefits to employees of sheriff's offices throughout the State of Louisiana, employees of the Louisiana Sheriffs' Association, and the Sheriffs' Pension and Relief Fund's office.

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.

Beauregard Parish Sheriff

Notes to the Financial Statements (Continued)

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

For members whose first employment made them eligible for membership in the system beginning on or before June 30, 2006, final average compensation is based on the average monthly earnings during the highest thirty-six consecutive months or joined months if service was interrupted. The earnings to be considered for each twelve-month period within the thirty-six month period shall not exceed 125% of the preceding twelve-month period.

For members whose first employment made them eligible for membership in the system beginning 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 or joined months if service was interrupted. The earnings to be considered for each twelve-month period within the sixty-month period shall not exceed 125% of the preceding twelve-month period.

For members whose first employment made them eligible for membership in the system beginning on or after July 1, 2013, final average compensation is based on the average monthly earnings during the highest sixty consecutive months or joined months if service was interrupted. The earnings to be considered for each twelve-month period within the sixty-month period shall not exceed 115% of the preceding twelve-month period.

Disability Benefits

Members are eligible to receive disability benefits if they have 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 member's 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% of final average compensation if there are more than four children. If a member is eligible for normal retirement at the time of death, the surviving spouse receives an automatic Option 2 benefit. The additional benefit payable to children shall be the same as those available for members who die in the line of duty. In lieu of receiving Option 2 benefit, the surviving spouse may receive a refund of the member's accumulated contributions. All benefits payable to surviving children shall be extended through age twenty-three, if the child is a full time student in good standing and enrolled at a board approved or accredited school, college, or university.

Deferred Benefits

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

Beauregard Parish Sheriff

Notes to the Financial Statements (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.

Funding Policy - Plan members are required by statute to contribute 10.25 percent of their annual covered salary and the Beauregard Parish Sheriff is required to contribute at an actuarially determined rate. The current rate is 12.25 percent 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 Beauregard Parish Sheriff are established and may be amended by state statute. As provided by Louisiana Revised Statute 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 Beauregard Parish Sheriff's contributions to the System for the years ending June 30, 2020, 2019, and 2018 were \$641,900, \$568,999, and \$633,319, 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. Non-employer contributions are recognized as revenue and excluded from pension expense for the year ended June 30, 2020.

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

At June 30, 2020, the Sheriff reported a liability of \$3,398,277 for its proportionate share of net pension liability. The net pension liability was measured as of June 30, 2019 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Sheriff's proportion of the net pension liability was based on a projection of the Sheriff's long-term share of contributions to the pension plan relative to the projected contributions of all participating Sheriffs, actuarially determined. At June 30, 2019 the Sheriff's proportion was .718417%, which was a decrease of .003275% from its proportion measured as of June 30, 2018.

Beauregard Parish Sheriff

Notes to the Financial Statements (Continued)

For the year ended June 30, 2020, the Sheriff recognized pension expense of \$1,179,973. At June 30, 2020, the Sheriff recognized deferred outflows of resources and deferred inflows of resources related to pension from the following:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 651,041
Changes of assumptions	1,038,561	-
Net difference between projected and actual earnings on pension plan investments	122,288	-
Changes in proportion and differences between Sheriff's contributions and proportionate share of contributions	264,271	81,746
Sheriff's contributions subsequent to the measurement date	<u>641,900</u>	<u>-</u>
Total	<u>\$ 2,067,020</u>	<u>\$ 732,787</u>

The \$641,900 reported as deferred outflows of resources related to pensions resulting from the Sheriff's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2020	\$ 243,563
2021	(65,727)
2022	191,365
2023	260,025
2024	63,107
2025	<u>-</u>
Total	<u>\$ 692,333</u>

Actuarial Methods and Assumptions

The net pension liability was measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees' past periods of service, less the amount of the pension plan's fiduciary net position.

The components of the net pension liability of the Sheriff as of June 30, 2019 are as follows:

Total Pension Liability	\$ 30,638,584
Plan Fiduciary Net Position	<u>(27,240,307)</u>
Total Net Pension Liability	<u>\$ 3,398,277</u>

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2019 are as follows:

Valuation Date	June 30, 2019
Actuarial Cost Method	Entry Age Normal Method
Actuarial Assumptions:	
Investment Rate of Return	7.10%, net of investment expense

Beauregard Parish Sheriff

Notes to the Financial Statements (Continued)

Discount Rate	7.10%
Projected Salary Increases	5.50% (2.50% Inflation, 3.00% Merit)
Mortality Rates	RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Table for active members, healthy annuitants and beneficiaries RP-2000 Disabled Lives Mortality Table for disabled annuitants
Expected Remaining Service Lives	2019 – 6 years 2018 – 6 years 2017 – 7 years 2016 – 7 years 2015 – 6 years 2014 – 6 years
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the Fund and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.

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. The 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 7.10%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers and non-employer contributing entities 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.

The long-term expected real rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Estimates of arithmetic real rates of return for each major asset class based on the Fund's target asset allocation as of June 30, 2019, are summarized in the following table:

Beauregard Parish Sheriff

Notes to the Financial Statements (Continued)

Asset Class	Expected Rate of Return		
	Target Asset Allocation	Real Return Arithmetic Basis	Long-term Expected Portfolio Real Rate of Return
Equity Securities	62.00%	7.10%	4.40%
Fixed income	23.00%	3.00%	0.70%
Alternative Investments	15.00%	4.60%	0.60%
Totals	100.00%		5.70%
Inflation			2.40%
Expected Arithmetic Nominal Return			8.10%

Sensitivity to Changes in Discount Rate

The following presents the net pension liability of the Sheriff calculated using the discount rate of 7.10%, as well as what the Sheriff's net pension liability would be if it were calculated using a discount rate that is one percentage point lower 6.10% or one percentage point higher 8.10% than the current rate, as of June 30, 2019:

	Changes in Discount Rate:		
	1.00% Decrease	Current Discount Rate	1.00% Increase
Net Pension Liability	\$ 7,106,317	\$ 3,398,277	\$ 277,623

State of Louisiana, Public Employees Deferred Compensation Plan

The Sheriff offers membership in the State of Louisiana, Public Employees Deferred Compensation Plan, a qualified retirement plan under section 457 of the Internal Revenue Code administered by Great West Life and Annuity Insurance Company.

The Louisiana Deferred Compensation Plan provides state, parish and municipal employees with the opportunity to invest money on a before-tax basis, using payroll deduction. Participants defer federal and state income tax on their contributions. In addition, interest or earnings on the account accumulates tax-deferred. Participants may join the plan with as little as \$10 per pay period, \$20 per month, and contribute up to 100% of taxable compensation, not to exceed \$19,000 and \$19,500 per calendar years for 2019 and 2020, respectively. Additionally, if age 50 or older an additional amount may be deferred (up to \$6,000 and \$6,500 per calendar years 2019 and 2020 respectively) above the annual deferral limit.

A special "catch-up" provision may be used to invest up to \$15,000 per year for three years prior to retirement. Any amount excluded from gross income through salary reduction under a 403(b) annuity, a 401(k) profit-sharing plan or a Simplified Employee Pension (SEP) is to be treated as amounts deferred under this deferred compensation plan. Participants joining the Plan may choose the amount to contribute and the investment option(s). They may revise their choice at any time, transfer monies to other available investment options and may increase, decrease or stop deferrals any time. The Plan offers both a guaranteed option and variable investment options, from which participants may select a fund or combination of funds to satisfy their personal investment objectives. Each of the funds has independent investment objectives and utilizes different investment strategies. With the exception of the Great-West Guaranteed Fund, the remaining investment options are variable in nature. Values of the variable options are not guaranteed as to a fixed dollar amount and may increase or decrease according to the investment experience of the underlying portfolio. The expense to administer the Plan is borne by all participants. The administrative fee is .85% and is assessed on each of the options selected. The variable options also have investment management fees that vary based upon the option chosen. Both the administrative and investment management fees are calculated and deducted daily on a pro-rata basis. There are no annual contract charges or

Beauregard Parish Sheriff

Notes to the Financial Statements (Continued)

transaction charges. At retirement, 100% of the account value will be applied to any of the following settlement options chosen. These options include among others:

- Periodic payment
- Payments over your lifetime
- Payments for a specific time or amount
- Joint and survivor benefits
- Lump-sum payment
- Any combination of the above options

The Plan is administered by Great-West Life and Annuity Insurance Company; 2237 South Acadian Thruway Suite 702; Baton Rouge, LA 70808; (800) 937-7604 or (225) 926-8086.

11. POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

General Information about the OPEB Plan

Plan description – The Beauregard Parish Sheriff’s Office (the Sheriff) provides certain continuing health care and life insurance benefits for its retired employees. The Beauregard Parish Sheriff’s Office’s OPEB Plan (the OPEB Plan) is a single-employer defined benefit OPEB plan administered by the Sheriff. The authority to establish and/or amend the obligation of the employer, employees and retirees rests with the Sheriff. No assets are accumulated in a trust that meets the criteria in Governmental Accounting Standards Board (GASB) Codification Section P52 *Postemployment Benefits Other Than Pensions—Reporting For Benefits Not Provided Through Trusts That Meet Specified Criteria—Defined Benefit*.

Benefits Provided – Medical and life insurance benefits are provided to employees upon actual retirement. The employer pays 100% of the medical coverage for the retiree only (not dependents). Employees are covered by a retirement system whose retirement eligibility (D.R.O.P. entry) age is the earlier of completion of 30 years of service or attainment of 55 with 15 years of service.

Life insurance coverage is continued to retirees by election and is based on a blended rate for active and retired employees. The employer pays for \$10,000 of life insurance after retirement for retirees, but insurance coverage amounts are reduced to 75% of the original amount at age 65 and to 50% of the original amount at age 70.

Employees covered by benefit terms – At June 30, 2020, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	38
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	101
	139

Total OPEB Liability

The Sheriff’s total OPEB liability of \$10,414,275 was measured as of June 30, 2020 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and other inputs – The total OPEB liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary increases	3.00%, including inflation
Discount Rate	2.21%, net of OPEB plan investment expense, including inflation

Beauregard Parish Sheriff

Notes to the Financial Statements (Continued)

Healthcare cost trend rates	5.50% annually until year 2030, then 4.50%
Mortality	SOA RP-2014 table

The discount rate was based on the Bond Buyers' 20 Year General Obligation municipal bond index as of June 30, 2019, the end of the applicable measurement period.

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of ongoing evaluations of the assumptions from July 1, 2009 to June 30, 2020.

Changes in the Total OPEB Liability

Balance at June 30, 2019	<u>\$ 8,187,567</u>
Changes for the year:	
Service cost	196,977
Interest	290,012
Differences between expected and actual experience	(494,430)
Changes in assumptions	2,478,501
Benefit payments and net transfers	<u>(244,352)</u>
Net changes	<u>\$ 2,226,708</u>
Balance at June 30, 2020	<u>\$ 10,414,275</u>

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

	1.00% Decrease (1.21%)	Current Discount Rate (2.21%)	1.00% Increase (3.21%)
Total OPEB liability	<u>\$ 12,450,681</u>	<u>\$ 10,414,275</u>	<u>\$ 8,831,587</u>

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

	1.00% Decrease (4.50%)	Current Trend (5.50%)	1.00% Increase (6.50%)
Total OPEB liability	<u>\$ 9,011,202</u>	<u>\$ 10,414,275</u>	<u>\$ 12,186,910</u>

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

For the year ended June 30, 2020, the Sheriff recognized OPEB expense of \$711,546. At June 30, 2020, the Sheriff reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 83,375	\$ 582,550
Changes in assumptions	2,336,673	-
Total	<u>\$ 2,420,048</u>	<u>\$ 582,550</u>

Beauregard Parish Sheriff

Notes to the Financial Statements (Continued)

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

Year ended June 30:		
2020	\$	224,557
2021		224,557
2022		224,557
2023		224,557
2024		224,557
Thereafter		714,713

12. TAXES PAID UNDER PROTEST

The net position held for others in the agency funds at June 30, 2020, as reflected on Statement J, include \$1,808,328 of taxes paid under protest along with interest earned to date on the investment of these funds. These funds are held pending resolution of the protest and are accounted for in the Tax Collection Agency Fund.

13. RESTRICTED FUND BALANCES

The sales tax fund had \$900,544 of restricted fund balance as of June 30, 2020. The fund balance is restricted by a ten year sales tax proposition passed by the voters of the parish with an expiration date of October 1, 2024.

14. EX-OFFICIO TAX COLLECTOR

The amount of cash on hand at year end was \$1,953,005. The unsettled balances of the Tax Collector Fund at June 30, 2020 consist of the following:

Ad valorem taxes	\$	1,702,628
Refunds		248,434
Sales taxes		17,610
Total	\$	<u>1,968,672</u>

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

Beauregard Parish School Board	\$	4,861,768
Beauregard Parish Police Jury		17,075,599
Beauregard Parish Library		2,146,827
Beauregard Parish Assessor		1,270,070
Beauregard Parish Sheriff		4,509,430
Louisiana Department of Agriculture and Forestry		46,606
Beauregard Parish Waterworks District No. 2		732,713
Beauregard Parish Fire District No. 1		557,459
Beauregard Parish Fire District No. 2		661,827
Beauregard Parish Fire District No. 3		253,175
Beauregard Parish Fire District No. 4		423,023
City of DeRidder		829,055
Town of Merryville		21,887
Beauregard Parish Waterworks District No. 5		116,670
Beauregard Parish Waterworks District No. 6		44,736
Total	\$	<u>33,550,845</u>

Beauregard Parish Sheriff

Notes to the Financial Statements (Concluded)

For the fiscal year ended June 30, 2020, the ad valorem taxes assessed and uncollected were due to movable property and the amounts are as follows:

	<u>Uncollectible</u>	<u>Bankruptcy</u>	<u>Pending Payment</u>	<u>Change Order</u>	<u>Total</u>
Beauregard Parish Police Jury	\$ 16,693	\$ -	\$ 1,913	\$ 251	\$ 18,857
Beauregard Parish School Board	31,353	-	3,142	894	35,389
Beauregard Parish Assessor	2,662	-	267	76	3,005
Beauregard Parish Library	4,500	-	451	128	5,079
Beauregard Parish Sheriff	9,453	-	947	270	10,670
LA Department of Forestry	-	-	19	-	19
Beauregard Parish Waterworks					
District No. 6	350	-	2	-	352
Beauregard Parish Fire District No. 1	879	-	54	34	967
Beauregard Parish Fire District No. 3	9,331	-	217	7	9,555
Town of Merryville	-	-	22	-	22
City of DeRidder	63	-	125	75	263
Beauregard Parish Waterworks					
District No. 5	-	-	26	-	26
Beauregard Parish Waterworks					
District No. 2	2,184	-	96	100	2,380
Total	<u>\$ 77,468</u>	<u>\$ -</u>	<u>\$ 7,281</u>	<u>\$ 1,835</u>	<u>\$ 86,584</u>

The Beauregard Parish Sheriff collects and distributes sales taxes for the following governments:

	<u>Total Collections</u>	<u>Collection Cost</u>	<u>Final Distribution</u>
Beauregard Parish School Board	\$ 13,434,171	\$ 6,216	\$ 13,427,955
(Outside all corporate limits 2.00%)			
(Inside DeRidder city limits 2.00%)			
(Inside Merryville city limits 1.00%)			
Beauregard Parish Policy Jury	7,272,236	6,302	7,265,934
(Outside all corporate limits 2.25%)			
(Inside DeRidder city limits .25%)			
(Inside Merryville city limits .25%)			
Beauregard Parish Sheriff (.50%)	3,385,934	1,523	3,384,411
City of DeRidder (2.25%)	9,020,269	6,530	9,013,739
Town of Merryville (3.25%)	357,430	394	357,036
Attorney fees	1,047	-	1,047
Total	<u>\$ 33,471,087</u>	<u>\$ 20,965</u>	<u>\$ 33,450,122</u>

The Beauregard Parish Sheriff collects and distributes occupational licenses for the following governments:

	<u>Total Collections</u>
Beauregard Parish Policy Jury	\$ 248,247
City of DeRidder	550,940
Town of Merryville	39,215
Total	<u>\$ 838,402</u>

REQUIRED SUPPLEMENTAL INFORMATION

General Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balances
 Budget and Actual
 For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amount	Budget to Actual differences over (under)
	Original	Final		
Revenues				
Taxes:				
Ad valorem	\$ 4,350,000	\$ 4,500,000	\$ 4,505,367	\$ 5,367
Intergovernmental:				
Federal grants	204,000	196,000	197,332	1,332
State grants	39,000	26,000	23,949	(2,051)
Local grants	53,000	4,000	3,622	(378)
State supplemental pay	350,000	358,000	358,276	276
Fees, charges and commissions for services	2,182,000	2,646,500	2,727,273	80,773
Investment income	13,500	25,500	19,405	(6,095)
Rental income	500	-	5,465	5,465
Miscellaneous	-	600	-	(600)
Total revenues	<u>\$ 7,192,000</u>	<u>\$ 7,756,600</u>	<u>\$ 7,840,689</u>	<u>\$ 84,089</u>
Expenditures				
General government				
Tax collector	\$ 375,000	\$ 362,000	\$ 342,616	\$ 19,384
Public Safety				
Administrative	855,000	807,000	795,678	11,322
Community services	106,000	93,000	91,654	1,346
Civil services	350,000	337,000	335,811	1,189
Criminal investigation	4,297,750	4,176,000	4,148,848	27,152
Custody of prisoners	2,727,750	2,587,000	2,567,299	19,701
Communications	575,000	582,000	565,776	16,224
Automotive services	690,000	387,000	417,680	(30,680)
Capital outlay	-	200,000	202,025	(2,025)
Total expenditures	<u>\$ 9,976,500</u>	<u>\$ 9,531,000</u>	<u>\$ 9,467,387</u>	<u>\$ 63,613</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (2,784,500)</u>	<u>\$ (1,774,400)</u>	<u>\$ (1,626,698)</u>	<u>\$ 147,702</u>
Other financing sources (uses):				
Transfers in	\$ 2,754,500	\$ 2,925,000	\$ 2,931,093	\$ 6,093
Transfers out	-	-	(31,000)	(31,000)
Sale of assets	30,000	11,500	11,400	(100)
Total other financing sources (uses)	<u>\$ 2,784,500</u>	<u>\$ 2,936,500</u>	<u>\$ 2,911,493</u>	<u>\$ (25,007)</u>
Net change in fund balance	\$ -	\$ 1,162,100	\$ 1,284,795	\$ 122,695
Fund balances at beginning of year	<u>6,898,697</u>	<u>6,887,389</u>	<u>6,887,389</u>	<u>-</u>
Fund balances at end of year	<u>\$ 6,898,697</u>	<u>\$ 8,049,489</u>	<u>\$ 8,172,184</u>	<u>\$ 122,695</u>

Special Revenue Fund
Sales Tax Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amount	Budget to Actual differences over (under)
	Original	Final		
Revenues				
Taxes:				
Sales	\$ 2,700,000	\$ 3,300,000	\$ 3,383,236	\$ 83,236
Investment income	4,500	5,000	4,712	(288)
Total revenues	<u>\$ 2,704,500</u>	<u>\$ 3,305,000</u>	<u>\$ 3,387,948</u>	<u>\$ 82,948</u>
Expenditures				
General government	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 2,704,500</u>	<u>\$ 3,305,000</u>	<u>\$ 3,387,948</u>	<u>\$ 82,948</u>
Other financing sources (uses):				
Transfers out	<u>\$ (2,704,500)</u>	<u>\$ (2,900,000)</u>	<u>\$ (2,900,000)</u>	<u>\$ -</u>
Net change in fund balance	\$ -	\$ 405,000	\$ 487,948	\$ 82,948
Fund balances at beginning of year	<u>317,785</u>	<u>412,596</u>	<u>412,596</u>	<u>-</u>
Fund balances at end of year	<u><u>\$ 317,785</u></u>	<u><u>\$ 817,596</u></u>	<u><u>\$ 900,544</u></u>	<u><u>\$ 82,948</u></u>

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

	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019
Sheriff's proportion of the net pension liability (asset)	.659117%	.661954%	.630562%	.671228%	.721692%
Sheriff's proportionate share of the net pension liability (asset)	\$ 2,610,107	\$ 2,950,671	\$ 4,002,111	\$ 2,906,601	\$ 2,767,435
Sheriff's covered-employee payroll	\$ 4,356,995	\$ 4,306,436	\$ 4,649,258	\$ 4,966,629	\$ 4,644,890
Sheriff's proportionate share of the net pension liability (asset) as a percentage of it's covered-employee payroll	59.91%	68.52%	86.08%	58.52%	59.58%
Plan fiduciary net position as a percentage of the total pension liability	87.34%	86.60%	82.10%	88.48%	90.41%

(Continued)

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

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

	<u>June 30, 2020</u>
Sheriff's proportion of the net pension liability (asset)	.718417%
Sheriff's proportionate share of the net pension liability (asset)	\$ 3,398,277
Sheriff's covered-employee payroll	\$ 5,240,000
Sheriff's proportionate share of the net pension liability (asset) as a percentage of it's covered-employee payroll	64.85%
Plan fiduciary net position as a percentage of the total pension liability	88.91%

(Concluded)

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

Schedule of the Sheriff's Pension Contributions
For the Year Ended June 30, 2020

	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019
Contractually required contribution	\$ 625,413	\$ 592,135	\$ 616,026	\$ 633,319	\$ 568,999
Contributions in relation to the contractually required contribution	<u>625,413</u>	<u>592,135</u>	<u>616,026</u>	<u>633,319</u>	<u>568,999</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Sheriff's covered-payroll	\$ 4,356,995	\$ 4,306,436	\$ 4,649,258	\$ 4,966,629	\$ 4,644,890
Contributions as a percentage of covered-employee payroll	14.25%	13.75%	13.25%	12.75%	12.25%

(Continued)

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

Schedule of the Sheriff's Pension Contributions
For the Year Ended June 30, 2020

	June 30, 2020
Contractually required contribution	\$ 641,900
Contributions in relation to the contractually required contribution	<u>641,900</u>
Contribution deficiency (excess)	<u><u>\$ -</u></u>
Sheriff's covered-payroll	\$ 5,240,000
Contributions as a percentage of covered-employee payroll	12.25%

(Concluded)

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

Schedule of Changes in Net OPEB Liability and Related Ratios
For the Year Ended June 30, 2020

	June 30, 2018	June 30, 2019	June 30, 2020
Total OPEB Liability			
Service cost	\$ 201,646	\$ 145,516	\$ 196,977
Interest	287,217	284,726	290,012
Changes of benefit terms	-	-	-
Differences between expected and actual experience	(166,899)	92,639	(494,430)
Changes of assumptions	-	148,401	2,478,501
Benefit payments	(261,904)	(276,309)	(244,352)
Net change in total OPEB liability	<u>\$ 60,060</u>	<u>\$ 394,973</u>	<u>\$ 2,226,708</u>
Total OPEB liability - beginning	<u>\$ 7,732,534</u>	<u>\$ 7,792,594</u>	<u>\$ 8,187,567</u>
Total OPEB liability - ending	<u><u>\$ 7,792,594</u></u>	<u><u>\$ 8,187,567</u></u>	<u><u>\$ 10,414,275</u></u>
Covered-employee payroll	\$ 3,954,761	\$ 4,073,404	\$ 4,213,478
Net OPEB liability as a percentage of covered-employee payroll	197.04%	201.00%	247.16%
Notes to Schedule:			
<i>Benefit Changes:</i>	None	None	None
<i>Changes of Assumptions:</i>	None	None	None
<i>Discount Rate:</i>	3.62%	3.50%	2.21%
<i>Mortality:</i>	RP-2000	RP-2000	RP-2014
<i>Trend:</i>	5.50%	5.50%	Variable

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

OTHER SUPPLEMENTAL INFORMATION

Schedule of Cash on Hand, Taxes Collected for the Current Year
and an Itemized Statement of All Taxes Assessed and Uncollected
with Explanations of Uncollected Amounts by the Sheriff as the
Ex-Officio Tax Collector for the Parish of Beauregard
For the Year Ended June 30, 2020

Taxes collected as of June 30, 2020

Type of Taxes	Amount
Ad valorem taxes	\$ 32,587,776
Interest on delinquent taxes	20,196
Tax notices/adv/cost	59,851
La Tax Commission Assessment fees	29,098
Prior year taxes	17,120
Payments in lieu of taxes	15,613
State revenue sharing	731,113
Redemptions received	35,637
Sales taxes	33,471,087
Occupational licenses	838,722

Uncollected ad valorem taxes as of June 30, 2020

Parcel Number	Assessed Amount	Reason for failure to collect
110102550G	667	Change order
1332346550K	356	Change order
1337368244F	304	Change order
1332621113C	73	Change order
1334000129A	21	Change order
0705222400	44	Change order
1301996030F	371	Change order
0336487005	21	Pending payment
0805722500	56	Pending payment
0805519888	243	Pending payment
0705010562A	442	Pending payment
0337395700B	32	Pending payment
0604506502	23	Pending payment
0604150503	13	Pending payment
0604451300B	1,547	Pending payment
0403500990	206	Pending payment
0201896300A	12	Pending payment
0228073503	135	Pending payment
0604469810	298	Pending payment
0227926995	124	Pending payment
0336458520	63	Pending payment
0604312497	49	Pending payment
1336121303D	90	Pending payment

(Continued)

Schedule of Cash on Hand, Taxes Collected for the Current Year
and an Itemized Statement of All Taxes Assessed and Uncollected
with Explanations of Uncollected Amounts by the Sheriff as the
Ex-Officio Tax Collector for the Parish of Beauregard
For the Year Ended June 30, 2020

Uncollected ad valorem taxes as of June 30, 2020

<u>Parcel Number</u>	<u>Assessed Amount</u>	<u>Reason for failure to collect</u>
050370656113	7	Pending payment
0101030000BD	29	Pending payment
0336722816	11	Pending payment
0101290304	69	Pending payment
0302108549	60	Pending payment
0805381304	35	Pending payment
1336179671B	149	Pending payment
0336738508	168	Pending payment
0604158600	66	Pending payment
0604189497A	616	Pending payment
0336814506D	137	Pending payment
0604813612A	20	Pending payment
0101071153	430	Pending payment
0805381398	4	Pending payment
0705072061	85	Pending payment
020165506	78	Pending payment
0228178790	28	Pending payment
0503548250	38	Pending payment
0503849236	35	Pending payment
0604055500A	212	Pending payment
0604818565	380	Pending payment
0101188003	46	Pending payment
0302839504	36	Pending payment
0302892710	24	Pending payment
0503706561C	13	Pending payment
0705084504	44	Pending payment
0335981751	578	Pending payment
0704978110	443	Pending payment
0336580252C	11	Pending payment
0302828502	35	Pending payment
0201439006	40	Pending payment
1604002306AI	1,130	Uncollectible
1201931095	2,593	Uncollectible
1101065718	233	Uncollectible
0805586900	987	Uncollectible
1101025550H	979	Uncollectible
0302085865C	87	Uncollectible
1805803900D	35,606	Uncollectible
1332180697BB	76	Uncollectible
0604297765	663	Uncollectible

(Continued)

Schedule of Cash on Hand, Taxes Collected for the Current Year
and an Itemized Statement of All Taxes Assessed and Uncollected
with Explanations of Uncollected Amounts by the Sheriff as the
Ex-Officio Tax Collector for the Parish of Beauregard
For the Year Ended June 30, 2020

Uncollected ad valorem taxes as of June 30, 2020

<u>Parcel Number</u>	<u>Assessed Amount</u>	<u>Reason for failure to collect</u>
1101065717	13,314	Uncollectible
1705181175	20,509	Uncollectible
030208565D	233	Uncollectible
0403311310E	90	Uncollectible
1604491723A	407	Uncollectible
0336681921	105	Uncollectible
0337771509	399	Uncollectible
0337841000	16	Uncollectible
0337298900	21	Uncollectible
0337771509C	21	Uncollectible

(Concluded)

STATE OF LOUISIANA, PARISH OF BEAUREGARD

AFFIDAVIT

Mark Herford, Sheriff of Beauregard Parish

BEFORE ME, the undersigned authority, personally came and appeared, Mark Herford, the sheriff of Beauregard Parish, State of Louisiana, who after being duly sworn, deposed and said:

The following information is true and correct:

\$ 1,953,006 is the amount of cash on hand in the tax collector account on June 30, 2020;

He further deposed and said:

All itemized statements of the amount of taxes collected for tax year 2019, by taxing authority, are true and correct.

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

Handwritten signature of Mark Herford over a horizontal line, with the printed text "Signature" and "Sheriff of Beauregard" below it.

SWORN to and subscribed before me, Notary, this 11th day of December 2020, in my office DeRidder, Louisiana.

Handwritten signature "Sara Franks" over a horizontal line, with "(Signature)" to the right. Below that, "Sara Franks" over a horizontal line, with "# 153101" to the right. Below that, "Notary Public" and "Expires at death" over a horizontal line, with "(Commission)" to the right.

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

Agency Head Name - Ricky L. Moses, Sheriff (through 6/30/2020)

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 165,869
Benefits - insurance	10,478
Benefits - retirement	44,309
Deferred compensation	12,750
Benefits - other	-
Car allowance	-
Vehicle provided by government	-
Cell phone	-
Dues	-
Vehicle rental	-
Per diem	250
Reimbursements	-
Travel	-
Registration fees	325
Conference travel	-
Housing	510
Unvouchered expenses	-
Special meals	-
Other	-

OTHER REPORTS

Schedule of Prior Year Audit Findings
Year Ended June 30, 2020

There were no prior year audit findings reported as of June 30, 2019.

Schedule of Current Year Audit Findings and Management's Response
Year Ended June 30, 2020

There were no current year audit findings reported as of June 30, 2020.

Windham & Reed, L.L.C.

A Professional Corporation

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John A. Windham, CPA
Charles M. Reed, Jr., CPA

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

The Honorable Mark Herford
Sheriff and Ex-Officio Tax Collector
Beauregard Parish Sheriff
DeRidder, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Beauregard Parish Sheriff as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Beauregard Parish Sheriff's basic financial statements, and have issued our report thereon dated December 15, 2020.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

The Honorable Mark Herford
Sheriff and Ex-Officio Tax Collector
Beauregard Parish Sheriff
DeRidder, Louisiana

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the sheriff's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "John U. Windham, CPA". The signature is written in a cursive style with a large initial 'J'.

DeRidder, Louisiana
December 15, 2020