

LINCOLN PARISH SHERIFF
Ruston, Louisiana

Annual Financial Statements
With Independent Auditor's Report
As of and for the Year Ended
June 30, 2020
With Supplemental Information Schedules

LINCOLN PARISH SHERIFF
Ruston, Louisiana

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Independent Auditor's Report

HONORABLE STEPHEN WILLIAMS
LINCOLN PARISH SHERIFF
Ruston, Louisiana

Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities, major fund, fiduciary funds, and the aggregate remaining fund information of the Lincoln Parish Sheriff, a component unit of the Lincoln Parish Police Jury, 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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Lincoln Parish Sheriff'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 Lincoln Parish Sheriff's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the government activities, major fund, fiduciary fund information, and the aggregate remaining fund information of the Lincoln Parish Sheriff as of June 30, 2020, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

As described in Note 15 to the financial statements, operations of the Lincoln Parish Sheriff are impacted by the pandemic caused by the Coronavirus/COVID-19. The Lincoln Parish Sheriff is uncertain how and to what extent the pandemic will negatively affect operations, financial position, cash flows, and the ability to provide services. My opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Budgetary Comparison Schedule and notes to required supplementary information, the Schedule of Changes in Net OPEB Liability and Related Ratios, the Schedule of Employer's share of the Net Pension Liability, and the Schedule of Employer Contributions, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with managements's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other Information

My audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Lincoln Parish Sheriff's office basic financial statements. The accompanying schedule of compensation, benefits and other payments to agency head on page 55 and the Sheriff's sworn affidavit presented on page 53 are presented for the purpose of additional analysis and are not a required part of the financial statements.

These schedules 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 financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the schedule of compensation, benefits and other

LINCOLN PARISH SHERIFF
Ruston, Louisiana
Independent Auditor's Report,
June 30, 2020

payments and the Sheriff's sworn affidavit are fairly stated, in all material respects, in relation to the basic financial statements.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, I have also issued a report dated October 22, 2020, on my consideration of the Lincoln Parish Sheriff's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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 Lincoln Parish Sheriff's internal control over financial reporting and compliance.



West Monroe, Louisiana
October 22, 2020

**REQUIRED SUPPLEMENTARY INFORMATION
PART I**

LINCOLN PARISH SHERIFF
Ruston, Louisiana

Management's Discussion and Analysis
June 30, 2020

As management of the Lincoln Parish Sheriff, I offer readers of the Lincoln Parish Sheriff's financial statements this narrative overview and analysis of the financial activities of the Lincoln Parish Sheriff for the fiscal year ended June 30, 2020. Please read it in conjunction with the basic financial statements and the accompanying notes to the financial statements.

Overview of the Financial Statements

This Management Discussion and Analysis document introduces the Sheriff's basic financial statements. The annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (Government-wide Financial Statements) provide information about the financial activities as a whole and illustrate a longer-term view of the Sheriff's finances. The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Fund (Fund Financial Statements) tell how these services were financed in the short term as well as what remains for future spending. Fund Financial Statements also report the operations in more detail than the Government-Wide Financial Statements by providing information about the most significant funds. This report also contains other supplementary information in addition to the basic financial statements themselves.

Our auditor has provided assurance in her independent auditor's report that the Basic Financial Statements are fairly stated. The auditor, regarding the Required Supplemental Information and the Supplemental Information is providing varying degrees of assurance. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts in the Financial Section.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the Lincoln Parish Sheriff's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the Lincoln Parish Sheriff's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Lincoln Parish Sheriff is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (for example, earned, but unused, sick leave).

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Lincoln Parish Sheriff, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Lincoln Parish Sheriff can be divided into two categories: governmental funds and fiduciary (agency) funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Lincoln Parish Sheriff adopts an annual appropriated budget for the general fund and the special revenue fund. A budgetary comparison statement is provided for the major funds to demonstrate compliance with this budget.

Fiduciary funds. Fiduciary (agency) funds are used to account for resources held for the benefit of parties outside the government. Since these resources are not available to support the Lincoln Parish Sheriff's programs, fiduciary (agency) funds are not reflected in the government-wide financial statement.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information in addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the Lincoln Parish Sheriff's performance.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. At the close of the most recent fiscal year, liabilities of the Lincoln Parish Sheriff exceeded assets by \$4,453,711. Assets (e.g., equipment) of the Lincoln Parish Sheriff exceed net position due to the Net OPEB and Net Pension liabilities. These assets are not available for future spending.

An additional portion of the Lincoln Parish Sheriff's net position represents resources that are subject to external restrictions (e.g., debt service). The balance in unrestricted net position is affected by two factors: 1) resources expended, over time, by the Lincoln Parish Sheriff to acquire capital assets from sources other than internally generated funds (i.e., debt), and 2) required depreciation on assets.

STATEMENT OF NET POSITION

	<u>2020</u>	<u>2019</u>
ASSETS		
Cash and cash equivalents	\$3,457,555	\$3,297,714
Investments	2,185,987	2,184,495
Receivables	436,082	590,016
Capital assets (net of accumulated depreciation)	<u>6,581,867</u>	<u>6,975,306</u>
TOTAL ASSETS	<u>12,661,491</u>	<u>13,047,531</u>
DEFERRED OUTFLOWS OF RESOURCES		
Pension and OPEB related	<u>7,028,767</u>	<u>4,269,349</u>
LIABILITIES		
Accounts payable	33,570	36,806
Salaries payable	297,063	230,919
Long-term liabilities:		
Compensated absences payable	328,223	299,081
Net pension liability	3,583,934	3,768,884
Net OPEB Obligation	<u>14,875,602</u>	<u>10,885,821</u>
TOTAL LIABILITIES	<u>19,118,392</u>	<u>15,221,511</u>
DEFERRED INFLOWS OF RESOURCES		
Pension and OPEB related	5,025,577	5,242,580
NET POSITION		
Invested in capital assets	6,581,867	6,975,306
Unrestricted	<u>(11,035,578)</u>	<u>(10,122,517)</u>
TOTAL NET PENSION	<u>(\$4,453,711)</u>	<u>(\$3,147,211)</u>

STATEMENT OF ACTIVITIES

	<u>2020</u>	<u>2019</u>
Public safety:		
Personal services and related benefits	\$9,171,837	\$11,525,729
Operating services	959,389	1,118,096
Materials and supplies	272,904	583,382
Travel and other charges	75,527	84,736
Intergovernmental	2,237,172	2,038,421
Depreciation expense	426,455	516,364
Total Program Expenses	<u>13,143,284</u>	<u>15,866,728</u>
Program revenues:		
Charges for services:		
Commissions on licenses and taxes	202,827	244,431
Civil and criminal fees	310,003	333,279
Court attendance	10,506	10,812
Transportation of prisoners	264,002	208,150
Bond forfeiture	13,771	49,165
Total program revenues	<u>801,109</u>	<u>845,837</u>
Net Program Expenses	<u>(12,342,175)</u>	<u>(15,020,891)</u>
General revenues:		
Taxes:		
Ad valorem	5,140,366	5,093,858
Sales	2,231,949	2,223,750
Grants and contributions not restricted to specific programs:		
Federal sources	102,853	61,924
State sources	800,937	737,319
Local sources	200,000	257,055
Interest earned	59,494	61,064
Intergovernmental	2,144,956	1,897,608

Miscellaneous	\$355,120	\$511,988
Special item - gain on disposal of assets		(2,350)
Change in Net Position	(1,306,500)	(4,178,675)
Net Position - Beginning of year	(3,147,211)	1,031,464
Net Position - End of year	<u>(\$4,453,711)</u>	<u>(\$3,147,211)</u>

Financial Analysis of the Government's Funds

As noted earlier, the Lincoln Parish Sheriff uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the governmental funds is to provide information on near-term inflows, outflows, and balances of expendable resources. Such information is useful in assessing the financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of June 30, 2020, combined governmental fund balances of \$5,748,991 showed a decrease of \$55,509 over June 30, 2019. The General Fund's portion of the unassigned fund balance of \$5,609,088 shows a decrease (of approximately \$48,289) from the prior year amount.

General Fund Budgetary Highlights

The differences in the original and final budgeted revenues were due to increases in other state grants, intergovernmental, and other revenue and decreases in sales tax, federal grants, state supplemental pay, local grants, commissions on licenses and taxes, civil and criminal fees, court attendance, transportation of prisoners, bond forfeitures, use of money and property and proceeds from disposal of assets. Expenditures required an increase in operating services, capital outlay, and intergovernmental and decreases in personal services and benefits, materials and supplies and travel and other charges.

Capital Asset and Debt Administration

Capital assets. The Lincoln Parish Sheriff's investment in capital assets for its governmental activities as of June 30, 2020, amounts to \$6,581,867 (net of accumulated depreciation). This investment includes furniture, vehicles and equipment. The increase in capital assets for the year was \$33,016. There were decreases of \$14,635 for the year.

Long-term debt. At the end of the fiscal year, Lincoln Parish Sheriff had debt outstanding of \$18,787,759. Of this amount, \$325,223 is for compensated absences payable. The Lincoln Parish Sheriff contributes to a single-employer defined benefit healthcare plan ("the Retiree Health Plan"). The plan provides lifetime healthcare insurance for eligible retirees through the sheriff's group health insurance plan. Net OPEB obligation associated with the Retiree Health Plan at June 30, 2020 is \$14,875,602. Net Pension obligation associated with the Pension Plan at June 30, 2020 is \$3,583,934.

Requests for Information

This financial report is designed to provide a general overview of the Lincoln Parish Sheriff's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Lincoln Parish Sheriff, 100 West Texas Avenue, Ruston, LA 71270.

BASIC FINANCIAL STATEMENTS

LINCOLN PARISH SHERIFF
Ruston, Louisiana

STATEMENT OF NET POSITION
June 30, 2020

ASSETS	
Cash and cash equivalents	\$3,457,555
Investments	2,185,987
Receivables	436,082
Capital assets (net of accumulated depreciation)	<u>6,581,867</u>
TOTAL ASSETS	<u>12,661,491</u>
 DEFERRED OUTFLOWS OF RESOURCES	
Pension and OPEB	<u>7,028,767</u>
 LIABILITIES	
Accounts payable	33,570
Salaries payable	297,063
Long term liabilities:	
Compensated absences payable	328,223
Net pension liability	3,583,934
Net OPEB obligation	<u>14,875,602</u>
TOTAL LIABILITIES	<u>19,118,392</u>
 DEFERRED INFLOWS OF RESOURCES	
Pension and OPEB	5,025,577
 NET POSITION	
Invested in capital assets	6,581,867
Unrestricted	<u>(11,035,578)</u>
TOTAL NET POSITION	<u>(\$4,453,711)</u>

See independent auditor's report and the related notes to the financial statements.

LINCOLN PARISH SHERIFF
Ruston, Louisiana

STATEMENT OF ACTIVITIES
June 30, 2020

Public Safety:	
Personal services and related benefits	\$9,171,837
Operating services	959,389
Materials and supplies	272,904
Travel and other charges	75,527
Intergovernmental	2,237,172
Depreciation expense	426,455
Total Program Expenses	<u>13,143,284</u>
Program revenues:	
Charges for services:	
Commissions on licenses and taxes	202,827
Civil and criminal fees	310,003
Court attendance	10,506
Transportation of prisoners	264,002
Bond Forfeiture	13,771
Total program revenues	<u>801,109</u>
Net Program Expenses	(12,342,175)
General revenues:	
Taxes:	
Ad valorem	5,140,366
Sales	2,231,949
Grants and contributions not restricted to specific programs:	
Federal sources	102,853
State sources	800,937
Local sources	200,000
Interest earned	59,494
Intergovernmental	2,144,956
Miscellaneous	355,120
Change in Net Position	<u>(1,306,500)</u>
NET POSITION	
Beginning of year	<u>(3,147,211)</u>
End of year	<u>(\$4,453,711)</u>

See independent auditor's report and the related notes to the financial statements.

LINCOLN PARISH SHERIFF
Ruston, Louisiana
GOVERNMENTAL FUNDS

Balance Sheet, June 30, 2020

	MAJOR FUND	NON MAJOR FUND	TOTAL (MEMORANDUM) ONLY
	<u>GENERAL FUND</u>	<u>DRUG TASK FORCE</u>	<u>ONLY</u>
ASSETS			
Cash and cash equivalents	\$3,320,595	\$136,960	\$3,457,555
Investments	2,185,987		2,185,987
Receivables	<u>431,467</u>	<u>4,615</u>	<u>436,082</u>
TOTAL ASSETS	<u>\$5,938,049</u>	<u>\$141,575</u>	<u>\$6,079,624</u>
LIABILITIES AND FUND EQUITY			
Liabilities:			
Accounts payable	\$31,898	\$1,672	\$33,570
Salaries payable	<u>297,063</u>		<u>297,063</u>
Total Liabilities	<u>328,961</u>	<u>1,672</u>	<u>330,633</u>
Fund Equity:			
Committed		139,903	139,903
Unassigned	<u>5,609,088</u>		<u>5,609,088</u>
Total Fund Equity	<u>5,609,088</u>	<u>139,903</u>	<u>5,748,991</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$5,938,049</u>	<u>\$141,575</u>	<u>\$6,079,624</u>

See independent auditor's report and the related notes to the financial statements.

LINCOLN PARISH SHERIFF
Ruston, Louisiana

Reconciliation of Governmental Funds
Balance Sheet to the Statement of Net Position

For the Year Ended June 30, 2020

Total Fund Balances at June 30, 2020 - Governmental Funds (Statement C)		<u>\$5,748,991</u>
Deferred outflows - pension and OPEB related		7,028,767
Cost of capital assets at June 30, 2020	\$10,819,030	
Less: Accumulated depreciation as of June 30, 2020	<u>(4,237,163)</u>	<u>6,581,867</u>
Compensated absences	(328,223)	
Net pension liability	(3,583,934)	
Net OPEB obligation	<u>(14,875,602)</u>	<u>(18,787,759)</u>
Deferred inflows - pension and OPEB related		<u>(5,025,577)</u>
Net Position at June 30, 2020 (Statement A)		<u><u>(\$4,453,711)</u></u>

See independent auditor's report and the related notes to the financial statements.

LINCOLN PARISH SHERIFF
Ruston, Louisiana
GOVERNMENTAL FUND TYPE - GENERAL FUND
Statement of Revenues, Expenditures, and
Changes in Fund Balance
For the Year Ended June 30, 2020

	MAJOR FUND <u>GENERAL FUND</u>	NON MAJOR FUND <u>DRUG TASK FORCE</u>	<u>TOTAL</u>
REVENUES			
Taxes:			
Ad valorem taxes	\$5,140,366		\$5,140,366
Sales taxes	2,231,949		2,231,949
Intergovernmental revenues:			
Federal grants	82,850	\$20,003	102,853
State grants:			
State revenue sharing (net)	150,007		150,007
State supplemental pay	398,314		398,314
Other	252,616		252,616
Local grants	152,000	48,000	200,000
Fees, charges, and commissions for services:			
Commissions on licenses and taxes	202,827		202,827
Civil and criminal fees	310,003		310,003
Court attendance	10,506		10,506
Transportation of prisoners	264,002		264,002
Bond forfeiture	13,771		13,771
Use of money and property	59,321	173	59,494
Intergovernmental	2,144,956		2,144,956
Other	26,223	7,946	34,169
Total revenues	<u>11,439,711</u>	<u>76,122</u>	<u>11,515,833</u>
EXPENDITURES			
Public safety:			
Current:			
Personal services and related benefits	7,993,334		7,993,334
Operating services	949,624	9,765	959,389
Materials and supplies	253,904	19,000	272,904
Travel and other charges	24,930	50,597	75,527
Capital outlay	29,036	3,980	33,016
Intergovernmental	2,237,172		2,237,172
Total expenditures	<u>11,488,000</u>	<u>83,342</u>	<u>11,571,342</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(48,289)	(7,220)	(55,509)
FUND BALANCE AT BEGINNING OF YEAR	<u>5,657,377</u>	<u>147,123</u>	<u>5,804,500</u>
FUND BALANCE AT END OF YEAR	<u>\$5,609,088</u>	<u>\$139,903</u>	<u>\$5,748,991</u>

See independent auditor's report and the related notes to the financial statements.

LINCOLN PARISH SHERIFF
Ruston, Louisiana

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

For the Year Ended June 30, 2020

Total net change in fund balances - governmental funds (Statement D)	(\$55,509)
Amounts reported for governmental activities in the Statement of Activities are different because:	
Payments of long-term debt, including contributions to OPEB obligation, are reported as expenditures in governmental funds. However, those amounts are a reduction of long-term liabilities in the Statement of Net Position and are not reflected in the Statement of Activities.	(526,646)
In the Statement of Activities, certain operating expenses - compensated absences - are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid).	(29,142)
Capital outlays are reported in governmental funds as expenditures. However, in the statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeds capital outlay in the period.	(393,439)
Non-employer contributions to cost-sharing pension plan.	320,951
Pension expense	<u>(622,715)</u>
Change in net position of governmental activities (Statement B)	<u>(\$1,306,500)</u>

See independent auditor's report and the related notes to the financial statements.

LINCOLN PARISH SHERIFF
Ruston, Louisiana
Statement of Fiduciary Net Position

June 30, 2020

	<u>TAX COLLECTOR FUND</u>	<u>CIVIL FUND</u>	<u>CRIMINAL FUND</u>	<u>TOTAL</u>
ASSETS				
Cash and equivalents	<u>\$89,349</u>	<u>\$71,334</u>	<u>\$158,826</u>	<u>\$319,509</u>
LIABILITIES				
Due to others			\$222	\$222
Unsettled deposits due to others	<u>\$89,349</u>	<u>\$71,334</u>	<u>158,604</u>	<u>319,287</u>
TOTAL	<u>\$89,349</u>	<u>\$71,334</u>	<u>\$158,826</u>	<u>\$319,509</u>

See independent auditor's report and the related notes to the financial statements.

LINCOLN PARISH SHERIFF
Ruston, Louisiana

Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2020

	TAX COLLECTOR FUND	CIVIL FUND	CRIMINAL FUND	TOTAL
UNSETTLED BALANCES				
JUNE 30, 2019	<u>\$21,741</u>	<u>\$74,443</u>	<u>\$147,526</u>	<u>\$243,710</u>
ADDITIONS				
Deposits:				
Sheriff's sales		\$435,883		\$435,883
Fines, bond forfeitures, and costs			\$1,616,067	1,616,067
Garnishments		110,760		110,760
Other deposits		95,588	5,015	100,603
Taxes, fees, etc. paid to tax collector:				
Ad valorem taxes	\$37,372,221			37,372,221
State revenue sharing	882,183			882,183
Insurance licenses	212,553			212,553
Protest taxes	67,337			67,337
Interest on:				
Now account	3,659			3,659
Delinquent taxes	48,980			48,980
Prior year taxes	3,738			3,738
Tax notices, etc.	9,108			9,108
Redemptions	188,433			188,433
Collection for others	384,215			384,215
Total additions	<u>39,172,427</u>	<u>642,231</u>	<u>1,621,082</u>	<u>41,435,740</u>
Total	<u>39,194,168</u>	<u>716,674</u>	<u>1,768,608</u>	<u>41,679,450</u>

(Continued)

LINCOLN PARISH SHERIFF
Ruston, Louisiana
Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2020

	TAX COLLECTOR FUND	CIVIL FUND	CRIMINAL FUND	TOTAL
REDUCTIONS				
Deposits, taxes, fees, etc. settled to:				
Louisiana Tax Commission	\$21,464			\$21,464
Louisiana Forestry Commission	18,033			18,033
Sheriff's General Fund	5,370,016	\$131,287	\$210,046	5,711,349
Other Sheriffs		103,917		103,917
Police jury	8,112,880		476,942	8,589,822
School board	20,228,386			20,228,386
Assessor	871,051			871,051
Municipalities			8,631	8,631
Law enforcement agencies			7,708	7,708
District Attorney			207,988	207,988
Clerk of Court	7,880	24,475	84,467	116,822
Indigent defender board			227,111	227,111
City of Ruston	1,708,283			1,708,283
Coroner			3,292	3,292
Litigants		363,655		363,655
Attorneys, appraisers, etc.		12,243		12,243
Pension funds	989,365			989,365
Northwest Crime Lab			119,920	119,920
Judicial clerk			145,633	145,633
Fire Protection Service District No. 1	641,580			641,580
Squire Creek CDD	588,961			588,961
Victim's restitution			5,369	5,369
Other settlements	257,101	9,763	65,164	332,028
Redemptions	180,553			180,553
Refunds	109,266		47,733	156,999
Total reductions	<u>39,104,819</u>	<u>645,340</u>	<u>1,610,004</u>	<u>41,360,163</u>
UNSETTLED BALANCES				
June 30, 2020	<u>\$89,349</u>	<u>\$71,334</u>	<u>\$158,604</u>	<u>\$319,287</u>

(Concluded)

See independent auditor's report and the related notes to the financial statements.

LINCOLN PARISH SHERIFF
Ruston, Louisiana

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 also administers the parish jail system and exercises duties required by the parish court system, such as providing bailiffs, executing orders of the court, serving subpoenas, et cetera. As the ex-officio tax collector of the parish, the sheriff is responsible for the collection and distribution of ad valorem property taxes, parish occupational licenses, state revenue sharing funds, and fines, costs, and bond forfeitures imposed by the district court.

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

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

A. REPORTING ENTITY

As the governing authority of the parish, for reporting purposes, the Lincoln Parish Police Jury is the financial reporting entity for Lincoln Parish. The financial reporting entity consists of (a) the primary government (police jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria for determining which component units should be considered part of the Lincoln Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial responsibility. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

LINCOLN PARISH SHERIFF
Ruston, Louisiana
Notes to the Financial Statements (Continued)

1. Appointing a voting majority of an organization's governing body, and:
 - a. The ability of the police jury to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.
2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the police jury maintains the sheriff's office and provides funds for various operations of the parish jail, the sheriff was determined to be a component unit of the Lincoln Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the sheriff and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the Lincoln Parish financial reporting entity.

B. BASIC FINANCIAL STATEMENTS - GOVERNMENT-WIDE STATEMENTS

The sheriff's basic financial statements include both government-wide (reporting the sheriff as a whole) and fund financial statements (reporting the sheriff's major fund). Both government-wide and fund financial statements categorize primary activities as either governmental or business type. All activities of the sheriff are classified as governmental.

The Statement of Net Position (Statement A) and the Statement of Activities (Statement B) display information about the reporting government as a whole. These statements include all the financial activities of the sheriff, except for fiduciary funds. Fiduciary funds are reported in the Statement of Fiduciary Net Assets and the Statement of Changes in Fiduciary Net Position at the fund financial statement level.

LINCOLN PARISH SHERIFF
Ruston, Louisiana
Notes to the Financial Statements (Continued)

In the Statement of Net Position, governmental activities are presented on a consolidated basis and are presented on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term obligations. Net position are reported in three parts; invested in capital assets, net of any related debt; restricted net position; and unrestricted net position.

The government-wide financial statements are prepared using 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*.

Program Revenues - Program revenues included in the Statement of Activities (Statement B) are derived directly from parties outside the sheriff's taxpayers or citizenry. Program revenues reduce the cost of the function to be financed from the sheriff's general revenues.

Allocation of Indirect Expenses - The sheriff reports all direct expenses by function in the Statement of Activities (Statement B). Direct expenses are those that are clearly identifiable with a function. Indirect expenses of other functions are not allocated to those functions but are reported separately in the Statement of Activities. Depreciation expense, which can be specifically identified by function, is included in the direct expenses of each function.

C. BASIC FINANCIAL STATEMENTS - FUND FINANCIAL STATEMENTS

The financial transactions of the sheriff are reported in individual funds in the fund financial statements. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

Fund financial statements report detailed information about the sheriff. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column.

A fund is a separate accounting entity with a self-balancing set of accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Funds are classified into three categories; governmental, proprietary, and fiduciary. Each category, in turn, is divided into separate "fund types". Governmental funds are used to account for a government's general activities, where the focus of attention is on the providing of services to the public as

LINCOLN PARISH SHERIFF

Ruston, Louisiana

Notes to the Financial Statements (Continued)

opposed to proprietary funds where the focus of attention is on recovering the cost of providing services to the public or other agencies through service charges or user fees. Fiduciary funds are used to account for assets held for others. The sheriff's current operations require the use of only governmental and fiduciary funds. The governmental and fiduciary fund types used by the sheriff are described as follows:

Governmental Fund Types

General Fund - The General Fund, as provided by Louisiana Revised Statute 13:781, is the principal fund of the sheriff and is used to account for the operations of the sheriff's office. The various fees and charges due to the sheriff's office are accounted for in this fund. General operating expenditures are paid from this fund.

Special Revenue Fund - The Drug Task Force Special Revenue Fund consists of federal grants from the United States Department of Justice passed through the Louisiana Commission on Law Enforcement and Administration of Criminal Justice, and local matching grants. The purpose of the fund is to increase the apprehension, prosecution, adjudication, detention, rehabilitation, eradication, and treatment of persons who violate state and local laws relating to the production, possession, and transfer of controlled substances.

Fiduciary Fund Type - Agency Funds

The agency funds are used as depositories for civil suits, cash bonds, taxes, fees, et cetera. Disbursements from the funds are made to various parish agencies, litigants in suits, et cetera, in the manner prescribed by law. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Consequently, the agency funds have no measurement focus, but use the accrual basis of accounting.

D. BASIS OF ACCOUNTING

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurement made regardless of the measurement focus applied.

LINCOLN PARISH SHERIFF
Ruston, Louisiana
Notes to the Financial Statements (Continued)

1. Accrual:

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

2. Modified Accrual:

The governmental funds financial statements are presented on the modified accrual basis of accounting. 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 differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

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

Revenues

Ad valorem taxes and the related state revenue sharing are recorded in the year the taxes are due and payable. Ad valorem taxes are assessed on a calendar year basis and attach as an enforceable lien and become due and payable on the date the tax rolls are filed with the recorder of mortgages. Louisiana Revised Statute 47:1993 requires that the tax roll be filed on or before November 15 of each year. Ad valorem taxes become delinquent if not paid by December 31. The taxes are normally collected in December, January, and February of the fiscal year.

LINCOLN PARISH SHERIFF
Ruston, Louisiana
Notes to the Financial Statements (Continued)

Intergovernmental revenues and fees, charges, and commissions for services are recorded when the sheriff is entitled to the funds.

Interest income on time deposits is recorded when the time deposits have matured and the income is available.

Substantially all other revenues are recognized when received by the sheriff.

Based on the above criteria, intergovernmental revenue and fees, charges, and commissions for services are treated as susceptible to accrual.

Expenditures

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

E. CASH AND CASH EQUIVALENTS

Under state law, the sheriff may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States. The sheriff may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2020, the sheriff has cash and cash equivalents (book balances) totaling \$3,777,064 as follows:

Demand deposits	\$3,421,267
Time deposits	345,372
Petty cash	<u>10,425</u>
Total	<u>\$3,777,064</u>

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, the 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

LINCOLN PARISH SHERIFF
 Ruston, Louisiana
 Notes to the Financial Statements (Continued)

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. The Sheriff does not have a policy concerning custodial risk.

Cash and cash equivalents (bank balances) at June 30, 2020, are secured as follows:

Bank balances	<u>\$4,286,956</u>
Federal deposit insurance	\$825,217
Pledged securities (uncollateralized)	<u>6,500,000</u>
Total	<u>\$7,325,217</u>

F. INVESTMENTS

Under state law, the sheriff may invest funds in obligations of the United States, in federally insured investments, investment grade (A-1/P-1) commercial paper of domestic corporations or in time deposits with state banks organized under Louisiana law and national banks having principal offices in Louisiana. Investments are grouped into three categories of credit risk:

1. Insured or registered, or for which the securities held by the sheriff or its agent in the sheriff's name.
2. Uninsured and unregistered, with securities held by the bank's trust department or agent in the sheriff's name.
3. Uninsured and unregistered, with securities held by the bank, or by its trust department or agent but not in the sheriff's name.

At year-end, the sheriff's investment balances are in United State government securities totaling \$2,185,987, which is also fair market value. There is an unrealized gain of \$33,400.

G. LEVIED TAXES

As provided by Louisiana Revised Statute 33:9001, a law enforcement district has been created for the purpose of providing financing to the office of the sheriff of Lincoln Parish. Louisiana Revised Statute 33:9003 requires the district to levy a tax on the assessed valuation of all property appearing on the 1977 and subsequent tax rolls in an amount that would produce for the district in the initial year the same revenue as that estimated to be produced

LINCOLN PARISH SHERIFF
 Ruston, Louisiana
 Notes to the Financial Statements (Continued)

by the sheriff's commission on ad valorem taxes for the fiscal year 1976-77. For the 2020 tax roll, the district levied 10.96 mills (6.32 and 4.64).

Louisiana Revised Statute 33:9003 also provides for the district to impose an additional millage when approved by a majority of the voters in the district. On July 18, 1992, an ad valorem tax of 8.50 mills was passed by a majority of the district voters. The additional millage, which expired with the 2001 tax roll, was renewed by voters for ten years beginning with the 2002 tax roll. This tax was renewed for an additional 10 years beginning with the 2012 tax roll.

H. 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 \$1,000 or more for capitalizing capital assets.

Capital assets are recorded in the GWFS, but are not reported in the FFS. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes by the sheriff, 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>
Furniture and fixtures	5 - 10 years
Vehicles	5 - 15 years
Equipment	5 - 20 years

I. VACATION AND SICK LEAVE

After one year of service, all employees are granted 10 days of vacation leave each year. After 10 years of cumulative full time employment, one additional day of vacation per year shall be granted until the number of vacation days reaches the maximum of 15 days. Employees will be allowed 10 days of sick leave each year. Any unused vacation is converted to sick time. Sick time is accrued with no limit. At termination or retirement, sick time is forfeited.

Employees are allowed to accrue K-time and holiday time. It was determined that this leave time has accumulated and is now material to the audit and was included during this audit period. The sheriff's office has an accrued liability of \$328,223 at June 30, 2020.

J. RISK MANAGEMENT

The sheriff is exposed to various risk of loss related to law enforcement liability; torts; theft of, damage to, and destruction of assets; errors and omissions; and injuries to employees. To handle risk of loss, the sheriff maintains commercial insurance covering; automobile liability; general liability; commercial crime; law enforcement; public officials liability; and worker's compensation and employer's liability. No claims were paid on any of the policies during the past three years which exceeded the policies' coverage amounts.

K. PENSION PLANS

The Lincoln Parish Sheriff's Office is a participating employer in a cost-sharing, multiple-employer defined benefit pension plan as described in Note 5. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of each of the plans, and additions to/deductions for the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

L. EQUITY CLASSIFICATIONS

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

- a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowing that are attributable to the acquisition, construction, or improvement of those assets.

LINCOLN PARISH SHERIFF
Ruston, Louisiana
Notes to the Financial Statements (Continued)

- b. Restricted net position - Consists of net position with constraints placed on the use either by (1) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - All other net position that does not meet the definition of "restricted" or "net investment in capital assets."

When an expense is incurred for the purposes for which both restricted and unrestricted net position is available, management applies unrestricted resources first, unless a determination is made to use restricted resources. The policy concerning which to apply first varies with the intended use and legal requirements. This decision is typically made by management at the incurrence of the expense.

In the fund financial statements, governmental fund equity is classified as fund balance and displayed in five components. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

Nonspendable - represents amounts that are not expected to be converted to cash because they are either not in spendable form or legally or contractually required to be maintained intact.

Restricted - represents balances where constraints have been established by parties outside the Sheriff's office or imposed by law through constitutional provisions or enabling legislation.

Committed - represents balances that can only be used for specific purposes pursuant to constraints imposed by formal action of the Sheriff's highest level of decision-making authority.

Assigned - represents balances that are constrained by the government's intent to be used for specific purposes, but are not restricted nor committed.

Unassigned - represents balances that have not been assigned to other funds and that have not been restricted, committed, or assigned to specific purposes within the general fund.

The General Fund has an unassigned fund balance of \$5,609,088. If applicable, the Sheriff would typically use restricted fund balances first, followed by committed resources and assigned resources as appropriate

opportunities arise, but reserves the right to selectively spend unassigned resources first and to defer the use of these other classified funds.

M. 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. All other interfund transactions are reported as transfers.

N. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

The Statement of Net Position reports a separate section for deferred outflows and (or) deferred inflows of financial resources. Deferred outflows of resources represent a consumption of net position that applies to future periods and will not be recognized as an outflow of resources (expense/expenditure) until the applicable period. Deferred inflows of resources represent an acquisitions of net position that applies to future periods and will not be recognized as an inflow of resources until that time.

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

2. LEVIED TAXES

The Sheriff levied the following millage for ad valorem taxes for 2019:

Constitutional	4.64	indefinite
Law Enforcement Sheriff	<u>6.32</u>	expires 2021
Total	10.96	

LINCOLN PARISH SHERIFF
 Ruston, Louisiana
 Notes to the Financial Statements (Continued)

The taxes are normally collected in December of the current year and January and February of the ensuing year. Property taxes are recorded as receivables and revenues in the year assessed. The property tax calendar is as follows:

Assessment date	January 1
Levy date	June 30
Tax bills mailed	November 18
Total taxes due	December 31
Penalties & interest added	January 5 of ensuing year
Tax Sale	July 7 of ensuing year *

* Tax sale was postponed due to Governors order concerning COVID.

The assessed value was \$534,198,496 in 2019. Louisiana state law exempts the first \$75,000 of assessed value of a taxpayer's primary residence from parish property tax. In 2019, this homestead exemption was \$58,197,715 of the total assessed value. The following are the principal taxpayers for the parish:

	2019 Assessed Valuation	% of Total Assessed Valuation
Range Resources, LLC	\$46,085,659	8.63%
ETC Field Services, LLC	11,170,260	2.09%
Roseburg Forest Products South LP	10,789,244	2.02%
Enable Mississippi River Transmission	8,181,430	1.53%
Enable Gas Transmission	7,952,970	1.49%
Total	<u>\$84,181,582</u>	<u>15.76%</u>

3. RECEIVABLES

The receivables of \$436,082 at June 30, 2020, are as follows:

Intergovernmental - federal, state and local grants	\$128,983
Fees, charges & commissions	49,804
Ad valorem tax	20,402
Sales tax	218,516
Other	18,377
Total	<u>\$436,082</u>

LINCOLN PARISH SHERIFF
 Ruston, Louisiana
 Notes to the Financial Statements (Continued)

4. ON-BEHALF PAYMENTS

Certain employees of the Lincoln Parish Sheriff receive supplemental pay from the State. In accordance with GASB Statement No. 24, the Sheriff has recorded revenues and expenditures for these payments in the General Fund. Revenues and expenditures under this arrangement totaled \$398,315.

5. CHANGES IN CAPITAL ASSETS

A summary of changes in office furnishings and equipment for the year ended June 30, 2020, follows:

Adjusted balance at June 30, 2019	\$10,800,649
Additions	33,016
Deletions	<u>(14,635)</u>
Balance at June 30, 2020	10,819,030
Less accumulated depreciation	<u>(4,237,163)</u>
Net Capital Assets	<u><u>\$6,581,867</u></u>

Depreciation expense of \$425,659 was charged to the public safety function.

6. NOTE DISCLOSURES AND REQUIRED SUPPLEMENTARY INFORMATION FOR A COST-SHARING EMPLOYER

The Sheriff contributes to the Sheriffs' Pension and Relief Fund (Fund) which 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 the sheriff's offices throughout the State of Louisiana, employees of the Louisiana Sheriffs' Association and the Sheriff's Pension and Relief Fund's office. Membership in the Fund is required for all eligible sheriffs and deputies. The Fund issues an annual publicly available financial report that includes financial statements and required supplementary information for the Fund, which can be obtained at www.la.state.la.gov.

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

LINCOLN PARISH SHERIFF
Ruston, Louisiana
Notes to the Financial Statements (Continued)

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.

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.

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 Fund was established for the purpose of providing retirement benefits for employees of sheriffs' offices throughout the State of Louisiana, employees of Louisiana Sheriffs' Association and the employees of the Fund. The projection of benefit payments in the calculation of the total pension liability includes all benefits to be provided to current active and inactive employees through the Fund in accordance with the benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date.

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

Plan Benefits

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 3.33 percent of their final-average compensation multiplied by his years of creditable service, not to exceed 100% of average final compensation. Active, contributing members with at least ten years of creditable service may retire at age sixty. The accrued normal retirement benefit is reduced actuarially for each month or fraction thereof that retirement begins prior to the member's earliest normal retirement date assuming continuous service.

For a member whose first employment making him eligible for membership in the system began on or after January 1, 2012: Members with twelve years of creditable service may retire at age sixty-two; members with twenty years of service may retire at age sixty; members with thirty years of creditable service may retire at age fifty-five. The benefit accrual rate for such members with less than thirty years of service is three percent; for members with thirty or more years of service; the accrual rate is 3.33 percent. The retirement allowance is equal to the benefit accrual rate times the member's average final compensation multiplied by his years of creditable service, not to exceed (after reduction for optional payment form) 100% of average final compensation. Members with twenty or more years of service may retire with a reduced retirement at age fifty.

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

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

Disability Benefits

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

Survivor Benefits

Survivor benefits for death solely as a result of injuries received in the line of duty are based on the following. For a spouse alone, a sum equal to 50% of the members' 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 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 enrolled at a board approved or accredited school, college, or university.

Deferred Benefits:

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

Back Deferred Retirement Option Plan (Back-DROP)

In lieu of receiving a service retirement allowance, any member of the Fund who has more than sufficient service for a regular service retirement may elect to receive a "Back-DROP" benefit. The Back-DROP benefit is based upon the Back-DROP period selected and the final average compensation prior to the period selected. The Back-DROP period is the lesser of three years or the service accrued between the time a member first becomes eligible for retirement and his actual date of retirement. For those individuals with thirty or more years, the Back-DROP period is the lesser of four years or service accrued between the time a member first becomes eligible for retirement and his actual date of retirement. At

LINCOLN PARISH SHERIFF
Ruston, Louisiana
Notes to the Financial Statements (Continued)

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.

According to state statute, contribution requirements for all employers are actuarially determined each fiscal year. For the year ending June 30, 2020, the actual employer contribution rate was 12.25%.

In accordance with state statute, the Fund also 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 contribution revenue for the year ended June 30, 2020 was \$320,951.

The Sheriff's contractually required composite contribution rate for the year ended June 30, 2019 was 12.25% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any Unfunded Actuarial Accrued Liability. The Lincoln Parish Sheriff's contributions to the Fund for the years ended June 30, 2020 and 2019 were \$623,913 and \$863,160, respectively, equal to the required contributions for each year. The sheriff has elected under statute to pay both the employer and the employee contributions to the retirement system.

Due to this election, the Sheriff contributed an additional \$522,023 on behalf of the employees for the year.

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

For the years ending June 30, 2020 and 2019, the Sheriff reported a liability of \$3,583,934, and \$3,768,884, respectively, for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019 and 2018, respectively, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Sheriffs' proportion of the net pension liability was based on a projection of the Sheriffs' 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 Sheriffs' proportion was .7577 percent, which was a decrease of .0225 from its proportion measured as of June 30, 2018.

LINCOLN PARISH SHERIFF
Ruston, Louisiana
Notes to the Financial Statements (Continued)

For the year ended June 30, 2019, the Sheriff recognized pension expense of \$984,007. At June 30, 2019, the Sheriff reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience		\$686,609
Changes in assumptions	\$1,095,301	
Net difference between projected and actual earnings on pension plan	128,969	
Changes in employer's proportion of beginning NPL	669,203	842,790
Differences between employer and proportionate share of contributions	176,506	845
Sheriff contributions subsequent to the measurement date	623,913	
Total	\$2,693,892	\$1,530,244

\$623,913 reported as deferred outflows of resources related to pensions resulting from the Lincoln Parish Sheriffs' 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 of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2020	\$246,665
2021	(93,677)
2022	177,461
2023	255,445
2024	(46,158)
Total	\$539,736

Actuarial assumptions. The total pension liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation Date	June 30, 2019
Actuarial cost Method	Entry Age Normal Method
Actuarial Assumptions:	
Investment Rate of Return	7.10%, net of investment expense
Discount Rate	7.10%
Projected salary increases	5.5% (2.50% inflation, 3.00% merit)

LINCOLN PARISH SHERIFF
 Ruston, Louisiana
 Notes to the Financial Statements (Continued)

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
Expected remaining service lives	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. This mortality was then projected forward to a period equivalent to the estimated duration of the Fund's liabilities. Annuity values calculated based on this mortality were compared to those produced by using a setback of standard tables. The result of the procedure indicated that these tables would produce liability values approximating the appropriate generational mortality tables used.

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

Asset Class	Expected Rate of Return		
	Target Asset Allocation	Real Return Arithmetic Basis	Long-term Expected Portfolio Real Rate of Return
Equity Securities	62%	7.1%	4.4%

LINCOLN PARISH SHERIFF
 Ruston, Louisiana
 Notes to the Financial Statements (Continued)

Fixed Income	23	3.0	0.7
Alternative Investments	15	4.6	0.6
Totals	100%		5.7
Inflation			2.4
Expected Arithmetic Nominal Return			8.1%

The long-term expected rate of return on pension plan investments was determined using a building block method.

Sensitivity of the Sheriffs' proportionate share of the net pension liability to changes in the discount rate. The following presents the net pension liability of the participating employers calculated using the discount rate of 7.10%, as well as what the employers' net pension liability would be if it were calculated using a discount rate that is one percentage point lower, or one percentage point higher than the current rate.

	1% Decrease (6.10%)	Current Discount Rate (7.10%)	1% Increase (8.10%)
Sheriffs' proportionate share of the net pension liability	\$7,494,553	\$3,583,934	\$292,791

7. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

Plan Description. The Lincoln Parish Sheriff's Office (the Sheriff) provides certain continuing health care and life insurance benefits for its retired employees. The Lincoln Parish Sheriff's OPEB Plan (the OPEB Plan) is a single-employer defined benefit OPEB plan administered by the Sheriff. The authority to establish and/or amend the obligation of the employer, employees and retirees rests with the Sheriff. No assets are accumulated in a trust that meets the criteria in 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, dental vision, and life insurance benefits are provided to employees upon actual retirement. The employer pays 100% of the medical coverage for the retiree and a portion for dependents for employees hired before July 1, 2010. For employees hired on and after July 1, 2010, only retiree coverage is provided by the employer. For employees hired on and after September 1, 2013 the employer pays 50% if services is less than 30 years. See the section below for details on Life Insurance provisions as follows: 30 years of service at any age or age 55 and 12 years of service (age 55 and 20 years of service for employees hired on and after September 1, 2013).

Life insurance coverage is provided to retirees and 100% of the blended rate (active and retired) is paid by the employer. The amount of insurance coverage while active is continued after retirement, but insurance

LINCOLN PARISH SHERIFF
 Ruston, Louisiana
 Notes to the Financial Statements (Continued)

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	36
Inactive employees entitled to but not yet receiving benefit payments	0
Active employees	<u>78</u>
Total employees	<u><u>114</u></u>

Total OPEB Liability

The Sheriff's total OPEB liability of \$14,875,602 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	2.5%
Salary increases	3.0%, including inflation
Prior Discount rate	3.50% annually
Discount rate	2.21% annually
Healthcare cost trend rates	Flat 5.5% annually
Mortality	SOA RP-2000 Table

The discount rate was based on the Bond Buyers' 20 Year General Obligation municipal bond index as of June 30, 2020, 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	\$10,885,821
Changes for the year:	
Service cost	426,515
Interest	388,468
Changes of benefit terms	NONE
Differences between expected and actual	992,768

LINCOLN PARISH SHERIFF
 Ruston, Louisiana
 Notes to the Financial Statements (Continued)

Changes of assumptions	\$2,561,114
Benefit payments and net transfers	(379,084)
Net Changes	<u>3,989,781</u>
Balance at June 30, 2020	<u><u>\$14,875,602</u></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:

	1.0% Decrease (1.21%)	Current Discount Rate (2.21%)	1.0% Increase (3.21%)
<u>Total OPEB liability</u>	<u>\$17,868,236</u>	<u>\$14,875,602</u>	<u>\$12,543,806</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 a discount rate that is 1-percentage-point lower (4.5%) or 1-percentage-point higher (6.5%) than the current discount rate:

	1.0% Decrease (4.5%)	Current Discount Rate (5.5%)	1.0% Increase (6.5%)
<u>Total OPEB liability</u>	<u>\$12,851,870</u>	<u>\$14,875,602</u>	<u>\$17,522,384</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 \$905,730. At June 30, 2020, the Sheriff reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual expenditures	\$902,516	(\$3,495,333)
Changes in assumptions	3,432,359	
Total	<u><u>\$4,334,875</u></u>	<u><u>(\$3,495,333)</u></u>

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

LINCOLN PARISH SHERIFF
 Ruston, Louisiana
 Notes to the Financial Statements (Continued)

Year ended June 30:	
2021	\$90,747
2022	90,747
2023	90,747
2024	90,747
2025	90,747
Thereafter	\$385,808

8. DEFERRED COMPENSATION

All of the employees of the Lincoln Parish Sheriff are eligible to participate in the State of Louisiana deferred compensation plan. Employees may contribute up to 100% of their salary (not to exceed IRS established maximum allowable) to the plan on a pre-tax basis. The contributions are withheld from the employees' paycheck and the Sheriff matches a percentage based on the number of service years. The contributions are fully vested immediately and are remitted to a third-party administrator each pay period, where they are deposited to an account in the employee's name. The Lincoln Parish Sheriff does not assume any liability for the funds and does not have any control over the funds once they are remitted to the third-party administrator. During the year ended June 30, 2020, the Sheriff's matching funds totaled \$184,718.

9. CHANGES IN GENERAL LONG-TERM OBLIGATIONS

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

	<u>Compensated Absences</u>
Long-term obligations at July 1, 2019	\$299,081
Additions	106,712
Deductions	(90,719)
Adjustments	<u>13,149</u>
Long-term obligations at June 30, 2020	<u>\$328,223</u>

Adjustment to compensated absences balance at June 30, 2020, was made to reflect differences due to changes in beginning and ending pay rates.

10. TAX COLLECTOR ENDING CASH BALANCE

At June 30, 2020, the tax collector has cash and equivalents (book balances) totaling \$89,349 as follows:

Protest taxes	\$89,024
Interest on protest taxes	<u>325</u>
Total	<u><u>\$89,349</u></u>

11. AD VALOREM TAXES COLLECTED

The tax collector has collected and disbursed the following taxes for the year ended June 30, 2020, by taxing body as follows:

Louisiana Forestry Service	\$18,141
Louisiana Tax Commission	21,329
Lincoln Parish Assessor	830,061
Lincoln Parish Police Jury	7,618,057
Lincoln Parish School Board	19,877,764
Lincoln Parish Sheriff	5,097,889
Fire Protection District #1	636,665
City of Ruston	1,703,337
Squire Creek	<u>588,713</u>
Total	<u><u>\$36,391,956</u></u>

12. TAX UNCOLLECTED AND UNSETTLED

The tax collector has not collected and disbursed the following taxes for the year ended June 30, 2020, by taxing body as follows:

Louisiana Forestry Service	\$49
Lincoln Parish Assessor	4,929
Lincoln Parish Police Jury	48,468
Lincoln Parish School Board	124,945
Lincoln Parish Sheriff	30,869
Fire Protection District #1	8,712
City of Ruston	<u>2,909</u>
Total	<u><u>\$220,881</u></u>

LINCOLN PARISH SHERIFF
 Ruston, Louisiana
 Notes to the Financial Statements (Continued)

The majority of uncollected taxes consist of bankruptcy, adjudications, moveable and immovable property. The Sheriff has hired an outside firm to collect outstanding taxes. There are also uncollected taxes that consist of property that the tax collector was not allowed to sell due to the COVID 19 virus. Once the governor allows the tax collector to have a tax sale, the tax collector will hold a tax sale and sell the property.

13. COLLECTIONS FOR OTHERS

At June 30, 2020, the tax collector has collected and disbursed the following:

	<u>Total</u>	<u>Collection</u>	<u>Final</u>
Occupational Licenses			
Lincoln Parish Police Jury	\$212,553	\$31,883	\$180,670
Ad Valorem Taxes:			
City of Ruston	1,735,283	27,000	1,708,283
Squire Creek	603,713	15,000	588,713
Fire District No.1	677,304	33,865	643,439
Total Collection for Others	<u>\$3,228,85</u>	<u>\$107,748</u>	<u>\$3,121,105</u>

14. LITIGATION AND CLAIMS

At June 30, 2020, the Lincoln Parish Sheriff is involved in several lawsuits which are fully covered by the sheriff's liability insurance.

**15. EXPENDITURES OF THE SHERIFF'S OFFICE
 PAID BY THE PARISH POLICE JURY**

The Lincoln Parish Sheriff's office is located in the parish courthouse and they have just completed a new building. The cost of maintaining and operating the courthouse, as required by Louisiana Revised Statute 33:4715, is paid by the Lincoln Parish Police Jury.

16. SUBSEQUENT EVENTS

Subsequent events have been evaluated through October 22, 2020, which is the date the financial statements were available to be issued, and it has been determined that one significant event requires disclosure. The COVID-19 outbreak in the United States and Louisiana has caused business disruption through mandated and voluntary closings of businesses. While the disruption is currently expected to

LINCOLN PARISH SHERIFF

Ruston, Louisiana

Notes to the Financial Statements (Continued)

be temporary, there is considerable uncertainty around the duration of the closings and whether those closings will precipitate a wider economic recession. As a result, the related financial impact on the Lincoln Parish Sheriff and the duration cannot be estimated at this time.

REQUIRED SUPPLEMENTARY INFORMATION

PART II

LINCOLN PARISH SHERIFF
Ruston, Louisiana
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

For the Year Ended June 30, 2020

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL (BUDGETARY BASIS)	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES				
Taxes:				
Ad valorem tax	\$5,142,000	\$5,142,000	\$5,140,366	(\$1,634)
Sales tax	2,298,000	2,130,610	2,231,949	101,339
Intergovernmental revenues:				
Federal grants	85,000	52,200	82,850	30,650
State grants:				
State revenue sharing (net)	155,000	155,000	150,007	(4,993)
State supplemental pay	415,000	399,300	398,314	(986)
Other	192,000	247,210	252,616	5,406
Local grants	182,000	163,280	152,000	(11,280)
Fees, charges, and commissions for services:				
Commissions on licenses and taxes	248,640	213,280	202,827	(10,453)
Civil and criminal fees	377,500	282,990	310,003	27,013
Court attendance	12,000	10,310	10,506	196
Transportation of prisoners	259,000	248,780	264,002	15,222
Bond forfeitures	55,000	12,530	13,771	1,241
Use of money and property	56,000	51,080	59,321	8,241
Intergovernmental	1,900,000	2,201,440	2,144,956	(56,484)
Other revenue	7,500	12,450	26,223	13,773
Total revenues	<u>11,384,640</u>	<u>11,322,460</u>	<u>11,439,711</u>	<u>117,251</u>
EXPENDITURES				
Public safety:				
Current:				
Personal services and benefits	8,131,840	8,010,070	7,993,334	16,736
Operating services	912,800	960,310	949,624	10,686
Materials and supplies	305,000	248,870	253,904	(5,034)
Travel and other charges	60,000	32,818	24,930	7,888
Capital outlay	15,000	29,000	29,036	(36)
Intergovernmental	1,980,000	2,292,490	2,237,172	55,318
Total expenditures	<u>11,404,640</u>	<u>11,573,558</u>	<u>11,488,000</u>	<u>85,558</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(20,000)	(251,098)	(48,289)	202,809
OTHER FINANCING SOURCE:				
Proceeds from disposal of assets	20,000	950		(950)
Total Other Financing Source	20,000	950	NONE	(950)
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCE OVER EXPENDITURES	<u>0</u>	<u>(250,148)</u>	<u>(48,289)</u>	<u>201,859</u>
FUND BALANCES AT BEGINNING OF YEAR	<u>5,642,000</u>	<u>5,642,000</u>	<u>5,657,377</u>	<u>15,377</u>
FUND BALANCES AT END OF YEAR	<u>\$5,642,000</u>	<u>\$5,391,852</u>	<u>\$5,609,088</u>	<u>\$217,236</u>

See independent auditor's report and the related notes to the financial statements.

LINCOLN PARISH SHERIFF
Ruston, Louisiana

NOTES TO BUDGETARY COMPARISON SCHEDULE
For the Year Ended June 30, 2020

A proposed budget, prepared on the modified accrual basis of accounting, is published in the official journal at least ten days prior to the public hearing. A public hearing is held at the Lincoln Parish Sheriff's office during the month of June for comments from taxpayers. The budget is then legally adopted by the sheriff and amended during the year, as necessary. The budget is established and controlled by the sheriff at the object level of expenditure. Appropriations lapse at year-end and must be reappropriated for the following year to be expended.

Formal budgetary integration is employed as a management control device during the year. Budgeted amounts included in the accompanying budgetary comparison schedule include the original adopted budget amounts and budget amendments.

Lincoln Parish Sheriff
 Schedule of Changes in Net OPEB Liability and Related Ratios
 FYE June 30, 2020

Total OPEB Liability	2018	2019	2020
Service cost	\$176,576	\$125,067	\$426,515
Interest	384,529	388,526	388,468
Changes of benefits terms	NONE	2,073,794	NONE
Differences between expected and actual experience	(509,446)	(3,705,332)	992,768
Changes of assumptions	NONE	1,324,888	2,561,114
Benefit payments	NONE	(359,321)	(379,084)
Net change in total OPEB liability	51,659	(152,378)	3,989,781
Total OPEB liability - beginning	<u>10,986,540</u>	<u>11,038,199</u>	<u>10,885,821</u>
Total OPEB liability - ending	<u>\$11,038,199</u>	<u>\$10,885,821</u>	<u>\$14,875,602</u>
Covered employee payroll	\$3,855,114	\$3,751,280	\$3,863,818
Net OPEB liability as a percentage of covered-employee payroll	286.33%	290.19%	385.00%
<i>Benefit Changes</i>	None	None	None
<i>Changes in Assumptions</i>			
<i>Discount Rate:</i>	3.50%	3.50%	2.21%
<i>Mortality:</i>	RP-2000	RP-2000	RP-2000
<i>Trend:</i>	5.50%	5.50%	5.50%

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

See independent auditor's report and the related notes to the financial statements.

Lincoln Parish Sheriff
Schedule of Employer's Share of Net Pension Liability
June 30, 2020

Fiscal Year *	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Employee Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2014	0.776062%	\$3,073,210	\$4,992,801	61.55%	87.34%
2015	0.793519%	\$3,537,125	\$5,256,383	67.29%	86.61%
2016	0.753087%	\$4,779,764	\$5,144,835	92.90%	82.09%
2017	0.916088%	\$3,966,912	\$6,343,592	62.53%	88.49%
2018	0.982850%	\$3,768,884	\$6,764,842	55.71%	90.41%
2019	0.757666%	\$3,583,934	\$7,046,200	50.86%	88.91%

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

Note: - Scheduled is intended to show information for 10 years. Additional years will be displayed as they become available.

See independent auditor's report and the related notes to the financial statements.

Lincoln Parish Sheriff
Schedule of Employer Contributions
June 30, 2020

Fiscal Year *	Contractually Required Contribution	Contributions in Relations to Contractual Required Contributions	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a Percentage of Covered Payroll
2014	\$693,500	\$693,500	\$0	\$4,992,801	13.89%
2015	\$749,035	\$749,035	\$0	\$5,256,383	14.25%
2016	\$707,415	\$707,415	\$0	\$5,144,835	13.75%
2017	\$840,530	\$840,530	\$0	\$6,343,592	13.25%
2018	\$862,517	\$862,517	\$0	\$6,764,842	12.75%
2019	\$863,160	\$863,160	\$0	\$7,046,200	12.25%

* Amounts presented were determined as of the end of the fiscal year.

Note: - Scheduled is intended to show information for 10 years. Additional years will be displayed as they become available.

See independent auditor's report and the related notes to the financial statements.

STATE OF LOUISIANA

PARISH OF LINCOLN

AFFIDAVIT

J. STEPHEN WILLIAMS, SHERIFF OF LINCOLN PARISH

BEFORE ME, the undersigned authority, personally came and appeared, J. STEPHEN WILLIAMS, SHERIFF OF LINCOLN PARISH, State of Louisiana, who after being duly sworn, deposed and said:

The following information is true and correct:

\$89,349 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 the tax year, 2019, by taxing authority, are true and correct.

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



J. STEPHEN WILLIAMS, SHERIFF
SHERIFF & EX-OFFICIO TAX COLLECTOR

SWORN to and subscribed before me, Notary, this 22ND day of October, 2020, in my office in Ruston, Louisiana.



JERRY L. SMITH, NOTARY PUBLIC #43294
LINCOLN PARISH, LOUISIANA

OTHER SUPPLEMENTARY INFORMATION

PART III

LINCOLN PARISH SHERIFF
Ruston, Louisiana

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

MIKE STONE, SHERIFF

PURPOSE	AMOUNT
Salary	\$150,790
Expense allowance	14,866
Benefits-insurance	14,997
Benefits-retirement	44,013
Benefits-deferred compensation	11,777
Benefits-medicare	2,883
Meals	108
Registration fees	269
Conference travel	386
Other - cellphone	480
Housing and lodging	1,533
Membership dues-Sheriffs Association	13,822

See independent auditor's report.

**REPORTS REQUIRED BY
GOVERNMENT AUDITING STANDARDS
PART IV**

**Independent Auditor's Report Required
by *Government Auditing Standards***

The following independent Auditor's report on compliance with laws, regulations and contracts, and internal control over financial reporting is presented in compliance with the requirements of *Government Auditing Standards*, issued by the Comptroller General of the United States and the *Louisiana Governmental Audit Guide*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor.

**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***

LINCOLN PARISH SHERIFF
Ruston, Louisiana

I 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 and the *Louisiana Governmental Audit Guide*, the financial statements of the governmental activities, the major fund, the fiduciary funds, and the aggregate remaining fund information of the Lincoln Parish Sheriff, a component unit of the Lincoln Parish Police Jury, as of and for the year ended June 30, 2020 and the related notes to the financial statements, which collectively comprise the Lincoln Parish Sheriff's basic financial statements, and have issued my report thereon dated October 22, 2020.

Internal Control Over Financial Reporting

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

A deficiency in internal control exist when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control 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.

My 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, and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

LINCOLN PARISH SHERIFF

Ruston, Louisiana

Independent Auditor's Report on Compliance

And Internal Control Over Financial Reporting, etc.

June 30, 2020

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Lincoln Parish Sheriff's financial statements are free from material misstatement, I 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 my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that is required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Lincoln Parish Sheriff'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 Lincoln Parish Sheriff's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



West Monroe, Louisiana

October 22, 2020

LINCOLN PARISH SHERIFF
Ruston, Louisiana

Schedule of Audit Results
For the Year Ended June 30, 2020

A. SUMMARY OF AUDIT RESULTS

1. The Auditor's report expresses an unmodified opinion on the financial statements of the Lincoln Parish Sheriff.
2. No instances of noncompliance material to the financial statements of the Lincoln Parish Sheriff were disclosed during the audit.
3. No material weaknesses relating to the audit of the financial statements is reported in the Independent Auditor's Report on Internal Control.

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

None

LINCOLN PARISH SHERIFF
Ruston, Louisiana

Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2020

There were no audit findings reported in the audit for the year ended June 30, 2019.