

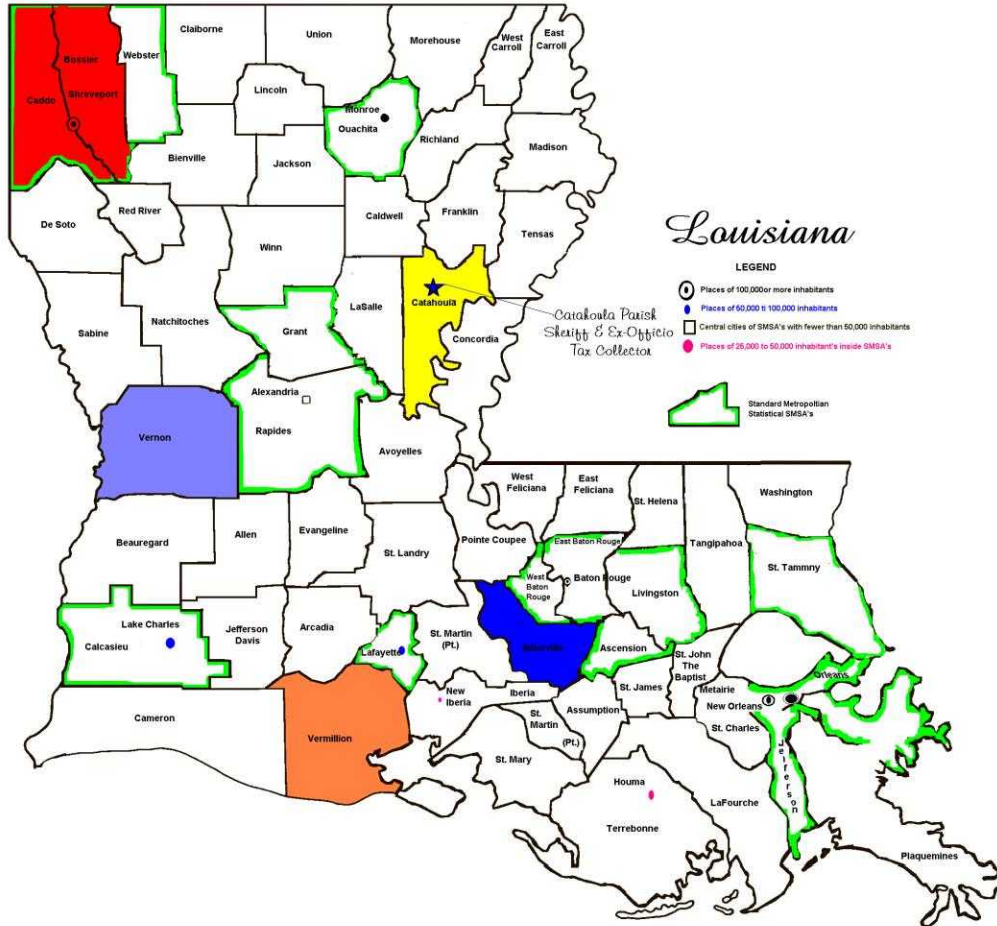
**CATAHOULA PARISH SHERIFF
HARRISONBURG, LOUISIANA**

Annual Financial Statements

June 30, 2020

CATAHOULA PARISH SHERIFF

Harrisonburg, Louisiana



* As provided by Article V, Section 27 of the Louisiana Constitution of 1974, the Sheriff serves a four-year term as the chief executive officer of the law enforcement district and ex-officio tax collector of the parish. The Sheriff administers the parish jail system and exercises duties required by the parish court system, such as providing bailiffs, executing orders of the court, and serving subpoenas. As the chief law enforcement officer of the parish, the Sheriff has the responsibility for enforcing state and local laws and ordinances within the territorial boundaries of the parish. The Sheriff provides protection to the residents of the parish through on-site patrols and investigations, serves the residents of the parish through the establishment of neighborhood watch programs, anti-drug abuse programs, et cetera, and provides assistance to other law enforcement agencies within the parish.

CATAHOULA PARISH SHERIFF
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INDEPENDENT AUDITOR'S REPORT

Honorable Toney J. Edwards, Sheriff
Catahoula Parish Sheriff
Harrisonburg, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and aggregate remaining fund information of the Catahoula Parish Sheriff, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Catahoula Parish Sheriff's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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

Emphasis of Matter

As disclosed in the notes and statements, the total net pension liability and the other post-employment benefits (OPEB) liability was \$2,145,826 and \$7,422,386 respectively as of June 30, 2020. The actuarial valuation was based on various assumptions made by the actuaries. Because actual experience may differ from the assumptions used in the actuarial valuations, there is a risk that the net pension liability and OPEB liability at June 30, 2020, could be under or overstated.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Catahoula Parish Sheriff's basic financial statements. The Schedule of Compensation Benefits and Other Payments to Agency Head or Chief Executive Officer is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Schedule of Compensation of Benefits and Other Payments to Agency Head or Chief Executive Officer is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion the Schedule of Compensation Benefits and

Other Payments to Agency Head or Chief Executive Officer is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 28, 2020, on our consideration of the Catahoula Parish Sheriff's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Catahoula Parish Sheriff's internal control over financial reporting and compliance.

The Vercher Group

Jena, Louisiana
October 28, 2020

CATAHOULA PARISH SHERIFF
Toney J. Edwards-Sheriff

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MANAGEMENT’S DISCUSSION AND ANALYSIS

As management of the Sheriff’s Department, we offer readers of the Catahoula Parish Sheriff’s financial statements this narrative overview and analysis of the financial activities of the Sheriff’s Department for the fiscal year ended June 30, 2020. We encourage readers to consider the information presented here in conjunction with the Sheriff’s Department’s financial statements.

The Management’s Discussion and Analysis (MD&A) is an element of the new reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments issued June 1999. Certain comparative information between the current year and the prior year is required to be presented in the MD&A.

FINANCIAL HIGHLIGHTS

Governmental Funds

- The liabilities of the Sheriff’s Department exceeded its assets at the close of the most recent fiscal year by \$(6,224,705) (*net position*). This is a \$425,482 increase from last year.
- The Sheriff’s Department had total revenue of \$19,153,345, in which \$16,110,213 came from prison reimbursement revenue sources. This is a \$12,903,832 increase from last year’s revenues, mainly due to an increase of \$12,633,967 in prison reimbursement revenues.
- The Sheriff’s Department had total expenditures of \$18,971,276. This is a \$12,679,962 increase from last year, mainly due to an increase in administrative and prison/prisoner expense in the amount \$12,556,049.

MD&A

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Sheriff's Department's basic financial statements. The Sheriff's Department's basic financial statements consist of two components: 1) fund financial statements, and 2) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves. The Sheriff is a special-purpose entity engaged only in governmental activities. Accordingly, only fund financial statements are presented as the basic financial statements.

Effective, January 1, 2004, the Sheriff adopted Governmental Accounting Standards (GASB) Statement No. 34, *Basic Financial Statements – Management's Discussion and Analysis – for State and Local Governments*.

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 Sheriff's Department, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

USING THIS ANNUAL REPORT

The Sheriff's Department's annual report consists of financial statements that show information about the Sheriff's Department's funds, the governmental fund.

Our auditor has provided assurance in his independent auditor's report, located immediately preceding this Management's Discussion and Analysis, that the basic financial statements are fairly stated. Varying degrees of assurance are being provided by the auditor regarding the other information included in this report. 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 of this report.

Reporting the Sheriff's Department's Most Significant Funds

The Sheriff's Department's financial statements provide detailed information about the most significant funds. The Sheriff's Department may establish other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using grants and other money.

MD&A

Comparative Statement of Net Position as of June 30, 2020 - Governmental Funds

Assets	2019	2020	% Change
Cash & Investments	\$ 869,202	\$ 944,719	8.7
Receivables	572,898	548,030	-4.3
Capital Assets, Net of Accumulated Depreciation	202,122	266,973	32.1
Total Assets	<u>1,644,222</u>	<u>1,759,722</u>	7.0
Deferred Outflow of Resources	1,376,772	2,804,618	103.7
Liabilities & Net Position			
Accounts, Salaries, & Other Payables	588,848	457,427	-22.3
OPEB Liability	6,244,875	7,422,386	18.9
Net Pension Liability	1,962,078	2,145,826	9.4
Total Liabilities	<u>8,795,801</u>	<u>10,025,639</u>	14.0
Deferred Inflow of Resources	875,380	763,406	-12.8
Net Position			
Net Investment in Capital Assets	202,122	266,973	32.1
Unrestricted	(6,852,309)	(6,491,678)	-5.3
Total Net Position	<u>\$ (6,650,187)</u>	<u>\$ (6,224,705)</u>	-6.4

Comparative Changes in Fund Balances for the Year Ended June 30, 2020 - Governmental Funds

Revenues	2019	2020	% Change
Fees, Fines, & Charges	\$ 325,817	\$ 320,142	-1.8
Taxes	1,979,441	2,011,863	1.6
Intergovernmental	357,046	491,492	37.7
Prison Reimbursement	3,476,246	16,110,213	363.4
Grants	51,246	-0-	-100.0
Miscellaneous	59,717	219,635	267.8
Total Revenues	<u>6,249,513</u>	<u>19,153,345</u>	206.5
Expenditures			
Administration & Prison/Prisoner Expense	6,172,882	18,728,931	203.4
Repairs & Maintenance	57,319	69,795	21.8
Capital Outlay	29,572	145,943	393.5
Other Expenditures	31,541	26,607	-15.7
Total Expenditures	<u>6,291,314</u>	<u>18,971,276</u>	201.6
Increase (Decrease) in Fund Balances	(41,801)	182,069	535.6
Prior Period Adjustment	(9,487)	-0-	-100.0
Beginning Fund Balances	<u>904,541</u>	<u>853,253</u>	-5.7
Ending Fund Balances	<u>\$ 853,253</u>	<u>\$ 1,035,322</u>	21.3

MD&A

CAPITAL ASSETS

Capital Assets – Governmental Fund

At June 30, 2020, the Sheriff's Department had \$266,973 invested in capital assets, including vehicles, furniture, and equipment.

	Capital Assets At Year-End	
	<u>2019</u>	<u>2020</u>
Equipment	\$ 1,693,404	\$ 1,018,493
Accumulated Depreciation	<u>(1,491,282)</u>	<u>(751,520)</u>
Total Net Position	<u>\$ 202,122</u>	<u>\$ 266,973</u>

CONTACTING THE SHERIFF'S DEPARTMENT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the Sheriff's Department's finances and to show that the Sheriff's Department's accountability for the money it receives. If you have questions about this report or need additional information, contact Robert Swayze, Chief Civil Deputy at the Sheriff's Department, phone number (318) 744-5411.

Basic Financial Statements

**CATAHOULA PARISH SHERIFF
HARRISONBURG, LOUISIANA
Statement of Net Position
June 30, 2020**

	GOVERNMENTAL ACTIVITIES
ASSETS	
CURRENT ASSETS	
Cash	\$ 676,806
Investments	267,913
Receivables	548,030
Capital Assets (Net of Accumulated Depreciation)	266,973
TOTAL ASSETS	1,759,722
DEFERRED OUTFLOW OF RESOURCES	
Pension Fund Related	1,579,440
OPEB Related	1,225,178
	2,804,618
LIABILITIES	
Accounts, Salaries, & Other Payables	457,427
OPEB Liability	7,422,386
Net Pension Liability	2,145,826
TOTAL LIABILITIES	10,025,639
DEFERRED INFLOW OF RESOURCES	
Pension Fund Related	763,406
	763,406
NET POSITION	
Net Investment in Capital Assets	266,973
Unrestricted	(6,491,678)
TOTAL NET POSITION	\$ (6,224,705)

The accompanying notes are an integral part of this statement.

Statement B

**CATAHOULA PARISH SHERIFF
HARRISONBURG, LOUISIANA
Statement of Activities
For the Year Ended June 30, 2020**

	<u>PROGRAM REVENUES</u>				<u>NET (EXPENSE) REVENUES & CHANGES IN NET ASSETS</u>
	<u>EXPENSES</u>	<u>FEES, FINES, & CHARGES FOR SERVICES</u>	<u>OPERATING GRANTS</u>	<u>CAPITAL GRANTS & CONTRIBUTIONS</u>	<u>GOVERNMENTAL ACTIVITIES</u>
GOVERNMENTAL ACTIVITIES					
Public Safety	\$ (19,115,271)	\$ 320,142	\$ -0-	\$ -0-	\$ (18,795,129)
TOTAL GOVERNMENTAL ACTIVITIES	<u>\$ (19,115,271)</u>	<u>\$ 320,142</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ (18,795,129)</u>
			GENERAL REVENUES		
			Taxes:		
			Ad Valorem Tax	1,122,099	
			Sales Tax	889,764	
			Intergovernmental	491,492	
			Reimbursement	16,110,213	
			Pension Related	395,533	
			Miscellaneous	219,635	
			TOTAL GENERAL REVENUES	<u>19,228,736</u>	
			CHANGE IN NET POSITION	433,607	
			PRIOR PERIOD ADJUSTMENT	(8,125)	
			NET POSITION - BEGINNING	<u>(6,650,187)</u>	
			NET POSITION - ENDING	<u>\$ (6,224,705)</u>	

The accompanying notes are an integral part of this statement.

**CATAHOULA PARISH SHERIFF
HARRISONBURG, LOUISIANA
Balance Sheet, Governmental Funds
June 30, 2020**

	GOVERNMENTAL ACTIVITIES
ASSETS	
Cash	\$ 676,806
Investments	267,913
Receivables	548,030
TOTAL ASSETS	1,492,749
 LIABILITIES	
Accounts, Salaries, and Other Payables	457,427
TOTAL LIABILITIES	457,427
 FUND BALANCE	
Unassigned	1,035,322
TOTAL LIABILITIES & FUND BALANCE	\$ 1,492,749

The accompanying notes are an integral part of this statement.

**CATAHOULA PARISH SHERIFF
HARRISONBURG, LOUISIANA
Reconciliation of the Government Funds Balance Sheet
to the Government-Wide Financial Statement of Net Position
June 30, 2020**

Amounts reported for Governmental Activities in the Statement of Net Position are different because:

Fund Balance, Total Governmental Funds (Statement C)		\$ 1,035,322
Capital assets used in Governmental Activities are not financial resources and, therefore, are not reported in the Governmental Funds.		
Capital Assets	1,018,493	
Less Depreciation	<u>(751,520)</u>	266,973
Deferred inflows and outflows of resources are not recognized in the fund balance of Governmental Funds Statement.		
Pension and OPEB Related Inflows	(763,406)	
Pension and OPEB Related Outflows	<u>2,804,618</u>	2,041,212
Long-term liabilities including bonds payable are not due and payable in the current period and, therefore, are not reported in the Governmental Funds.		
OPEB Liability	(7,422,386)	
Net Pension Liability	<u>(2,145,826)</u>	<u>(9,568,212)</u>
Net Position of Governmental Activities (Statement A)		\$ <u>(6,224,705)</u>

The accompanying notes are an integral part of this statement.

**CATAHOULA PARISH SHERIFF
HARRISONBURG, LOUISIANA
Statement of Revenues, Expenditures &
Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2020**

	GOVERNMENTAL ACTIVITIES
REVENUES	
Fees & Charges	\$ 265,907
Taxes:	
Ad Valorem Tax	1,122,099
Sales Tax	889,764
Fines	54,235
Intergovernmental	491,492
Prison Reimbursement	16,110,213
Miscellaneous	219,635
TOTAL REVENUES	19,153,345
 EXPENDITURES	
Administration	2,804,771
Prison/Prisoner Expense	15,924,160
Repairs & Maintenance	69,795
Capital Outlay	145,943
Other Expenditures	26,607
TOTAL EXPENDITURES	18,971,276
 NET CHANGE IN FUND BALANCE	182,069
 FUND BALANCES-BEGINNING	853,253
FUND BALANCES-ENDING	\$ 1,035,322

The accompanying notes are an integral part of this statement.

**CATAHOULA PARISH SHERIFF
HARRISONBURG, LOUISIANA
Reconciliation of the Statement of Revenues, Expenditures,
& Changes in Fund Balances of Governmental Funds
To the Statement of Activities
For the Year Ended June 30, 2020**

Amounts reported for Governmental Activities in the Statement of Activities are different because:

Net Change in Fund Balances, Total Governmental Funds, Statement E \$ 182,069

Governmental funds report OPEB and pension outlays as expenditures.

However, in the Statement of Activities, the cost is based on various assumptions made by the pension fund's actuary. Governmental funds do not recognize employee contributions to the pension fund as revenue.

Difference in pension expenditures and pension expense	203,371	
Pension related revenue	192,162	
Difference in OPEB expenditures and OPEB expense	<u>(208,847)</u>	186,686

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital Outlay	145,943	
Depreciation Expense	<u>(81,091)</u>	64,852

The issuance of long-term debt (bonds, leases, etc.) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs premiums, discounts, and similar items when debt is issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Principal Paid	-0-	
Loan Proceeds	<u>-0-</u>	<u>-0-</u>

Changes in Net Position of Governmental Activities, Statement B \$ 433,607

The accompanying notes are an integral part of this statement.

**CATAHOULA PARISH SHERIFF
HARRISONBURG, LOUISIANA
Statement of Fiduciary Net Position
June 30, 2020**

	<u>CIVIL FUND</u>	<u>TAX COLLECTION FUND</u>	<u>BOND FUND</u>	<u>TOTAL</u>
ASSETS				
Cash & Cash Equivalents	\$ 112,850	\$ 59,740	\$ 122,218	\$ 294,808
Investments	-0-	-0-	-0-	-0-
Accounts Receivable	10,353	-0-	30,521	40,874
TOTAL ASSETS	<u>123,203</u>	<u>59,740</u>	<u>152,739</u>	<u>335,682</u>
LIABILITIES				
Held for Others Pending Court Action	123,203	-0-	152,739	275,942
Held for Taxing Bodies	-0-	59,740	-0-	59,740
TOTAL LIABILITIES	<u>123,203</u>	<u>59,740</u>	<u>152,739</u>	<u>335,682</u>
NET POSITION	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

The accompanying notes are an integral part of this statement.

**CATAHOULA PARISH SHERIFF
HARRISONBURG LOUISIANA
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
June 30, 2020**

	<u>CIVIL FUND</u>	<u>TAX COLLECTION FUND</u>	<u>BAIL BOND FUND</u>	<u>TOTAL</u>
ADDITIONS				
Income	\$ 93,503	\$ 3,911,758	\$ 272,535	\$ 4,277,796
TOTAL ADDITIONS	<u>93,503</u>	<u>3,911,758</u>	<u>272,535</u>	<u>4,277,796</u>
DEDUCTIONS				
Disbursements	67,057	3,852,018	243,420	4,162,495
TOTAL DEDUCTIONS	<u>67,057</u>	<u>3,852,018</u>	<u>243,420</u>	<u>4,162,495</u>
Change in Liabilities	26,446	59,740	29,115	115,301
LIABILITIES - BEGINNING	96,757	-0-	123,624	220,381
LIABILITIES - ENDING	<u>\$ 123,203</u>	<u>\$ 59,740</u>	<u>\$ 152,739</u>	<u>\$ 335,682</u>

he accompanying notes are an integral part of this statement.

**Notes To The Basic
Financial Statements**

**CATAHOULA PARISH SHERIFF
HARRISONBURG, LOUISIANA**

NOTES TO THE BASIC FINANCIAL STATEMENTS

INTRODUCTION

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

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

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

The Sheriff also has a cooperative endeavor agreement with the State of Louisiana to operate a prison.

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

The Sheriff is an independently elected official; however, the Sheriff is fiscally dependent on the Catahoula Parish Police Jury. The police jury maintains and operates the parish courthouse in which the sheriff's office is located and provides funds for equipment and furniture of the sheriff's office. Because the Sheriff is fiscally dependent on the police jury, the Sheriff was determined to be a component unit of the Catahoula 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 financial reporting entity.

B. BASIS OF PRESENTATION

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

**CATAHOULA PARISH SHERIFF
HARRISONBURG, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
(CONTINUED)**

GASB Statement No. 65 establishes accounting and financial reporting standards that reclassify, as deferred outflows or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

Government-Wide Financial Statements (GWFS)

The Statement of Net Position and the Statement of Activities display information about the Sheriff as a whole. They include all funds of the reporting entity, which are considered to be governmental activities. Fiduciary funds are reported only in the Statement of Fiduciary Assets and Liabilities at the fund financial statement level.

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

Fund Financial Statements (FFS)

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

The Sheriff reports the following major governmental fund:

The *General Fund* is the primary operating fund of the Sheriff. It accounts for all financial resources except those that are required to be accounted for in other funds. The General Fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according to Sheriff policy.

Additionally, the Sheriff reports the following fund types:

**CATAHOULA PARISH SHERIFF
HARRISONBURG, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
(CONTINUED)**

Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. The only funds accounted for in this category by the Sheriff are agency funds. The agency funds account for assets held by the Sheriff as an agent for various taxing bodies (tax collections) and for deposits held pending court action. These funds are custodial in nature (asset equal liabilities) and do not involve measurement of results of operation. Consequently, the agency funds have no measurement focus, and use the accrual basis of accounting, which is in accordance with accounting principles generally accepted in the United States.

C. EQUITY CLASSIFICATIONS

In the government-wide financial statements, equity is classified as Net Position and displayed in three components as applicable. The components are as follows:

Net Investment in Capital Assets - Capital assets including restricted capital assets, when applicable, net of accumulated depreciation.

Restricted Net Position - Net position with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or (2) law through constitutional provisions or enabling legislation.

Unrestricted Net Position - All other net position that 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 restricted resources first. The policy concerning which to apply first varies with the intended use and legal requirements. The decision is typically made by management at the incurrence of the expense.

In the Fund Financial Statements, governmental fund equity is classified as a fund balance. The Sheriff has implemented GASB Statement 54 “Fund Balance Reporting and Governmental Fund Type Definitions.” This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on the purposes for which resources can be used:

- a. Nonspendable fund balance – amounts that are not in a spendable form (such as prepaid expenses) or are required to be maintained intact;
- b. Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;

**CATAHOULA PARISH SHERIFF
HARRISONBURG, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
(CONTINUED)**

- c. Committed fund balance – amounts constrained to specific purposes by a government itself using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;
- d. Assigned fund balance – amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- e. Unassigned fund balance – amounts that are available for any purpose; positive amounts are reported only in the general fund.

D. BASIS OF ACCOUNTING

Fund Financial Statements (FFS)

The amounts reflected in the General Fund and Other Funds, of Statements A and B, are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The Statement of Revenues, Expenditures, and Changes in Fund Balances Reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of sheriff operations.

The amounts reflected in the General Fund and Other Funds, of Statements A and B, 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 commissions earned from the related state revenue sharing (which is based on population and homesteads in the parish) are recorded in the year the taxes are assessed. Ad valorem taxes are assessed on a calendar year basis, become due on September 15 of each year, and become delinquent on December 31. The taxes are generally collected in December, January, and February of the fiscal year.

**CATAHOULA PARISH SHERIFF
HARRISONBURG, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
(CONTINUED)**

Intergovernmental revenues 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. Available means collectible within the current period or soon enough thereafter to pay current liabilities.

Substantially all other revenues are recorded when received.

Expenditures

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

Other Financing Sources (Uses)

Proceeds from the sale of fixed assets are recognized when received. Fixed assets acquired through capital leases are recorded as expenditures and other financing sources at the time of acquisition.

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

Government-Wide Financial Statements (GWFS)

The column labeled Statement of Net Position (Statement A) and the column labeled Statement of Activities (Statement B) display information about the Sheriff as a whole. These statements include all the financial activities of the Sheriff. Information contained in these columns reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from 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 column labeled Statement of Activities (Statement B) are derived directly from sheriff users as a fee for services; program revenues reduce the cost of the function to be financed from the Sheriff's general revenues.

**CATAHOULA PARISH SHERIFF
HARRISONBURG, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
(CONTINUED)**

E. CASH & CASH EQUIVALENTS

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the Sheriff may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

F. INVESTMENTS

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

G. CAPITAL ASSETS

Capital assets are capitalized at historical cost. The Sheriff's office has a capitalization policy of \$2,500.

Capital assets are recorded in the Statement of Net Position and Statement of Activities. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Furniture and fixtures	7-10 Years
Vehicles	7-10 Years

H. EXTRAORDINARY & SPECIAL ITEMS

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

I. INTERFUND TRANSACTIONS

Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. All other interfund transactions are reported as transfers.

**CATAHOULA PARISH SHERIFF
HARRISONBURG, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
(CONTINUED)**

J. 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 and expenses during the reporting period. Actual results could differ from those estimates.

(2) AD VALOREM TAXES

The Sheriff levies taxes on real and business personal property located within its boundaries. The Sheriff utilizes the services of the Catahoula Parish Tax Assessor to assess the property values and prepare the Sheriff's property tax roll. The Sheriff bills and collects its own property taxes.

Property Tax Calendar	
Assessment Date	January 1
Levy Date	No Later Than June 1
Tax Bills Mailed	On Or About October 15
Total Taxes Are Due	December 31
Penalties And Interest Are Added	January 1
Lien Date	January 1

The following is a summary of authorized and levied ad valorem taxes:

	Authorized Millage	Levied Millage	Expiration Date	Assessed Value	Total Tax
Law Enforcement	27.81	27.81	N/A	\$40,435,544	\$1,524,847

(3) CASH & INVESTMENTS – (CERTIFICATES OF DEPOSIT IN EXCESS OF 90 DAYS)

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the government will not be able to recover its deposits. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent.

These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Entity that the fiscal agent bank has failed to pay deposit 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 Entity's name.

**CATAHOULA PARISH SHERIFF
HARRISONBURG, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
(CONTINUED)**

Deposits

It is the Sheriff's policy for deposits to be 100% secured by collateral at market or par, whichever is lower, less the amount of the Federal Deposit Insurance Corporation insurance. The Sheriff's deposits are categorized to give an indication of the level of risk assumed by the Sheriff at year end. The categories are describes as follows:

- **Category 1** – Insured or collateralized with securities held by the Sheriff or by its agent in the Sheriff's name.
- **Category 2** – Collateralized with securities held by the pledging financial institution's trust department or agent in the Sheriff's name.
- **Category 3** – Uncollateralized.

	Concordia Bank	Community Bank	Southern Heritage Bank	Total
Bank Balances	\$ 553,764	\$ 806,526	\$ 3,825	\$ 1,364,115
Secured As Follows				
FDIC (<i>Category 1</i>)	250,000	500,000	3,825	753,825
Securities (<i>Category 2</i>)	509,554	224,752	-0-	734,306
Unsecured (<i>Category 3</i>)	-0-	81,774	-0-	81,774
Total	\$ 759,554	\$ 806,526	\$ 3,825	\$ 1,569,905

Deposits were **not** fully secured as of June 30, 2020.

(4) RECEIVABLES

The receivables of \$548,030 at June 30, 2020, are as follows:

Class of Receivables	
Accounts & Taxes Receivable	\$ 120,812
Intergovernmental	427,218
Total	\$ 548,030

Allowance for doubtful accounts is considered not material and is not presented.

**CATAHOULA PARISH SHERIFF
HARRISONBURG, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
(CONTINUED)**

(5) CAPITAL ASSETS

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

Governmental Activities	Balance 06/30/19	Additions	Deletions	Balance 06/30/20
General Fund Capital Assets	\$ 1,566,457	\$ 145,943	\$ (693,907)	\$ 1,018,493
Correctional Center Capital Assets	126,947	-0-	(126,947)	-0-
Total Fixed Assets	1,693,404	145,943	(820,854)	1,018,493
General Fund Accumulated Depreciation	(1,364,335)	(81,092)	693,907	(751,520)
Correctional Center Accumulated Depreciation	(126,947)	-0-	126,947	-0-
Total Accumulated Depreciation	(1,491,282)	(81,092)	820,854	(751,520)
Capital Assets, Net	\$ 202,122	\$ 64,851	\$ -0-	\$ 266,973

(6) ACCOUNTS, SALARIES, AND OTHER PAYABLES

The payables of \$457,427 at June 30, 2020 are as follows:

Salaries	\$ 43,688
Retirement/Health Ins.	18,414
Accounts	395,325
Total	\$ 457,427

(7) SHORT-TERM DEBT

GASB Statement No. 38 requires details about short-term debt activity during the year, even if no short-term debt is outstanding at year-end. Short-term debt results from borrowings characterized by anticipation notes, use of lines of credit, and similar loans.

- a. A schedule of changes in short-term debt, disclosing beginning and end-of-year balances, increases, and decreases is as follows:

Beginning Debt	Increases	Decreases	Ending Debt
\$ -0-	\$ -0-	\$ -0-	\$ -0-

- a. The purpose for which the short-term debt being issued was for operating purposes.

**CATAHOULA PARISH SHERIFF
HARRISONBURG, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
(CONTINUED)**

(8) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (PENSIONS)

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

Basis of Accounting

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

Fund Employees

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

Plan Fiduciary Net Position

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

Pension 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.

**CATAHOULA PARISH SHERIFF
HARRISONBURG, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
(CONTINUED)**

A. 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 the Louisiana Sheriffs' Association and the employees of the Fund. The projection of benefit payments in the calculation of the total pension liability includes all benefits to be provided to current active and inactive employees through the Fund in accordance with the benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date.

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

Retirement Benefits

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

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

For a member whose first employment making them 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 them 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.

**CATAHOULA PARISH SHERIFF
HARRISONBURG, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
(CONTINUED)**

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

Deferred Benefits:

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

**CATAHOULA PARISH SHERIFF
HARRISONBURG, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
(CONTINUED)**

Back Deferred Retirement Option Plan (Back-DROP):

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

Permanent Benefit Increases/Cost of Living Adjustments:

As fully described in Title 11 of the Louisiana Revised Statutes, the Fund allows for the payment of permanent benefit increases, also known as cost-of-living adjustments (COLAs), that are funded through investment earnings when recommended by the Board of Trustees and approved by the State Legislature. Cost-of-living provisions for the Fund allows the board of trustees to provide an annual cost of living increase of 2.5% of the eligible retiree’s original benefit if certain funding criteria are met. Members are eligible to receive a cost of living adjustment once they have attained the age of sixty and have been retired at least one year. Funding criteria for granting cost of living adjustments is dependent on the funded ratio.

B. EMPLOYER CONTRIBUTIONS

According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ending June 30, 2019, the actual employer contribution rate was 12.25% with an additional 0% allocated from the Funding Deposit Account. Employer contributions for the year ended June 30, 2019 were \$85,968,418.

In accordance with state statute, the Fund receives ad valorem taxes, insurance premium taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities, but are not considered special funding situations. Non-employer contributions are recognized as revenue and excluded from pension expense. Non-employer contributions for the year ended June 30, 2019 were \$42,360,460.

**CATAHOULA PARISH SHERIFF
HARRISONBURG, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
(CONTINUED)**

C. SCHEDULE OF EMPLOYER ALLOCATIONS

The schedule of employer allocations reports the required projected employer contributions in addition to the employer allocation percentage. The required projected employer contributions are used to determine the proportionate relationship of each employer to all employers of Sheriffs' Pension and Relief Fund. The employer's proportion was determined on a basis that is consistent with the manner in which contributions to the pension plan are determined. The allocation percentages were used in calculating each employer's proportionate share of the pension amounts.

The allocation method used in determining each employer's proportion was based on each employer's contributions to the Fund during the fiscal year ended June 30, 2019, as compared to the total of all employers' contributions received by the Fund during the fiscal year ended June 30, 2019.

D. SCHEDULE OF PENSION AMOUNTS BY EMPLOYER

The schedule of pension amounts by employer displays each employer's allocation of the net pension liability, the various categories of deferred outflows of resources, the various categories of deferred inflows of resources, and the various categories of pension expense. The schedule of pension amounts by employer was prepared using the allocations included in the schedule of employer allocations.

E. ACTUARIAL METHODS AND ASSUMPTIONS

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

The components of the net pension liability of the Fund's employers as of June 30, 2019, are as follows:

	<u>2019</u>
Total Pension Liability	\$ 4,264,735,402
Plan Fiduciary Net Position	<u>(3,791,712,511)</u>
Total Net Position Liability	\$ <u>473,022,891</u>

**CATAHOULA PARISH SHERIFF
HARRISONBURG, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
(CONTINUED)**

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

Valuation Date	June 30, 2019
Actuarial Cost Method	Entry Age Normal Method
Actuarial Assumptions:	
Investment Rate of Return	7.10%, net of investment expense
Discount Rate	7.10%
Projected Salary Increases	5.5% (2.50% Inflation, 3.00% Merit)
Mortality Rates	RP-2000 Combined Healthy with Blue Collar Adjustment Sex District Table for active members, healthy annuitants and beneficiaries. RP-2000 Disabled Lives Mortality Table for disabled annuitants
Expected Remaining Service Lives	2019 - 6 years 2018 - 6 years 2017 - 7 years 2016 - 7 years 2015 - 6 years 2014 - 6 years
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the Fund and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.

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

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

**CATAHOULA PARISH SHERIFF
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**NOTES TO THE BASIC FINANCIAL STATEMENTS
(CONTINUED)**

Estimates of arithmetic real rates of return for each major asset class based on the Fund's target asset allocation as of June 30, 2019 were as follows:

<u>Asset Class</u>	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%
Bonds	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 discount rate used to measure the total pension liability was 7.10%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rate 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.

F. SENSITIVITY TO CHANGES IN DISCOUNT RATE

The following presents the net pension liability of the participating employers calculated using the discount rate of 7.25% 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 as of June 30, 2019.

	Changes in Discount Rate:		
	1% Decrease 6.10%	Current Discount Rate 7.10%	1% Increase 8.10%
Net Pension Liability	\$989,163,202	\$473,022,891	\$38,643,774

G. CHANGE IN NET PENSION LIABILITY

The changes in the net pension liability for the year ended June 30, 2019, were recognized in the current reporting period except as follows:

**CATAHOULA PARISH SHERIFF
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**NOTES TO THE BASIC FINANCIAL STATEMENTS
(CONTINUED)**

Differences between Expected and Actual Experience

The differences between expected and actual experience with regard to economic or demographic factors in the measurement of the total pension liability were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan. The difference between expected and actual experience resulted in deferred inflows of resources as of June 30, 2019, as follows:

		June 30, 2019			
	Deferred Outflows	Deferred Inflows	Pension Expense (Benefit)	Deferred Outflows	Deferred Inflows
2019	\$ -	\$ 17,197,440	\$ (2,866,240)	\$ -	\$ 14,331,200
2018	-	53,015,651	(10,603,130)	-	42,412,521
2017	-	21,113,711	(4,222,742)	-	16,890,969
2016	-	17,264,692	(4,316,173)	-	12,948,519
2015	-	8,076,785	(4,038,393)	-	4,038,392
2014	\$ -	\$ 8,173,764	\$ (8,173,764)	-	-
			Totals	\$ -	\$ 90,621,601

Differences between Projected and Actual Investment Earnings

Differences between projected and actual investment earnings on pension plan investments were recognized in pension expense using the straight-line amortization method over a closed five-year period. The difference between projected and actual investment earnings resulted in a net deferred inflow of resources as of June 30, 2019, as follows:

		June 30, 2019				
	Deferred Outflows	Deferred Inflows	Pension Expense (Benefit)	Deferred Outflows	Deferred Inflows	Net Deferred Outflows
2019	\$ 80,942,497	\$ -	\$ 16,188,499	\$ 64,753,998	\$ -	\$ 64,753,998
2018	-	30,305,100	(7,576,275)	-	22,728,825	(22,728,825)
2017	-	107,358,044	(35,786,014)	-	71,572,030	(71,572,030)
2016	93,137,586	-	46,568,794	46,568,792	-	46,568,792
2015	\$ 21,761,875	\$ -	\$ 21,761,875	-	-	-
			Totals	\$ 111,322,790	\$ 94,300,855	\$ 17,021,935

Changes of Assumptions

The changes of assumptions about future economic or demographic factors were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pension through the pension plan. The changes of assumptions resulted in deferred outflows of resources and as of June 30, 2019, as follows:

**CATAHOULA PARISH SHERIFF
HARRISONBURG, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
(CONTINUED)**

						June 30, 2019		
		Deferred Outflows	Deferred Inflows	Pension Expense (Benefit)			Deferred Outflows	Deferred Inflows
2019	\$	71,727,193	-	11,954,532	\$	59,772,661	\$	
2018		54,776,690	-	10,955,338		43,821,352		-
2017		29,966,958	-	5,993,391		23,973,567		-
2016		22,484,978	-	5,621,244		16,863,734		-
2015		262,250	-	131,124		131,126		-
2014	\$	5,866,732	-	5,866,732		-		-
				Totals	\$	<u>144,562,440</u>	\$	<u>-</u>

Changes in Proportion

Changes in the employer’s proportionate shares of the collective net pension liability and collective deferred outflows of resources and deferred inflows of resources since the prior measurement date were recognized in employer’s pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided pensions through the pension plan. The unamortized amounts arising from changes in proportion are presented in the Schedule of Pension Amounts by Employer as deferred outflows or deferred inflows as of June 30, 2019.

H. CONTRIBUTIONS-PROPORTIONATE SHARE

Differences between contributions remitted to the Fund and the employer’s proportionate share are recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with a pension through the pension plan. The resulting deferred inflow/outflow and amortization is not reflected in the schedule of employer amounts due to differences that could arise between contributions reported by the Fund and contributions reported by the participating employer.

I. ESTIMATES

The process of preparing the schedule of employer allocations and schedule of pension amounts in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues and expenses. Accordingly, actual results may differ from estimated amounts.

J. PENSION EXPENSE

Pension expense recorded for the fiscal year ended June 30, 2020, was \$547,175.

**CATAHOULA PARISH SHERIFF
HARRISONBURG, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
(CONTINUED)**

K. FUNDING POLICY

Plan members are required by state statute to contribute 10 percent of their annual covered salary and the Catahoula Parish Sheriff is required to contribute at an actuarially determined rate. The current rate is 12.25 percent for the employer and 10.25 percent for the employee on covered payroll of \$3,665,429. Contributions to the System also include one-half of one percent of the taxes shown to be collectible by the tax rolls of each parish and funds are required and available from insurance premium taxes. The contribution requirements of plan members and the Catahoula Parish Sheriff are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The total contributions to the System for the year ending June 30, 2019, was \$449,015 paid by the employer and \$375,706 paid by the employees, which is equal to the required contributions for the year.

L. DISAGGREGATED PENSION AMOUNTS

	Amounts from the 2019 Employer Pension Report		2020 Employer Specific Amounts		Total Pension Amounts
Net Pension Liability	\$ 2,145,826	\$	-0-	\$	2,145,826
<i>Deferred Outflows of Resources Related to Pensions:</i>					
Deferred Outflows	816,785		(6,274)		810,511
Deferred Outflows – Contributions Subsequent to Measurement Date	-0-		750,546		750,546
<i>Deferred Inflows of Resources Related to Pensions:</i>					
Deferred Inflows – Differences b/w Expected & Actual Experience	763,406		-0-		763,406
Pension Expense	540,901		6,274		547,175
Revenue	\$ 192,162	\$	-0-	\$	192,162

M. RETIREMENT FUND AUDIT REPORT

The Sheriff’s Pension and Relief Fund has issued a stand-alone audit report on their financial statements for the year ended June 30, 2019. Access to the report can be found on the Louisiana Legislative Auditor’s website, www.lla.la.gov.

(9) POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

General Information about the OPEB Plan

Plan description – The Catahoula Parish Sheriff’s Office (the Sheriff) provides certain continuing health care and life insurance benefits for its retired employees. The Catahoula 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*.

**CATAHOULA PARISH SHERIFF
HARRISONBURG, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
(CONTINUED)**

Benefits Provided – Medical and life insurance benefits are provided to employees upon actual retirement. The employer pays 100% of the medical coverage for the retiree (not dependents). Employees are covered by a retirement system whose retirement eligibility (D.R.O.P. entry) provisions are as follows: age 55 and 12 years of service; or, 30 years of service at any age. Employees first eligible for the retirement system on and after January 1, 2012 are eligible for retirement (D.R.O.P. entry) as follows: age 62 and 12 years of service; or, age 60 and 20 years of service; or age 55 and 30 years of service. At least 15 years of service with Catahoula Parish Sheriff's Office is required for retiree medical benefits.

Life insurance coverage is continued to retirees by election. The employer pays for the first \$10,000 of life insurance after retirement for the retiree and the retirees pay for the amounts in excess of \$10,000. However, both the employer and retiree rates are based on the blended active/retired rate and there is thus an implied subsidy. Insurance coverage amounts are reduced to 75% of the original amount at age 65 and to 50% of the original amount at age 70.

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

Inactive employees or beneficiaries currently receiving benefit payments	30
Inactive employees entitled to but not yet receiving benefit payments	-0-
Active employees	128
 Total	 158

Total OPEB Liability

The Sheriff's total OPEB liability of \$7,422,386 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	5.5% annually until year 2030, then 4.5%
Mortality	SOA RP-2014 Table

The discount rate was based on the average of 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.

**CATAHOULA PARISH SHERIFF
HARRISONBURG, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
(CONTINUED)**

Changes in the Total OPEB Liability

Balance at June 30, 2019	\$ <u>6,244,874</u>
Changes for the year:	
Service cost	70,074
Interest	219,797
Changes of Assumptions	942,101
Differences between expected and actual experience	135,187
Benefit payments and net transfers	<u>(189,647)</u>
Net changes	<u>1,177,512</u>
 Balance at June 30, 2020	 \$ <u><u>7,422,386</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%)
Total OPEB liability	\$ 8,781,174	\$ 7,422,386	\$ 6,350,991

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

	1.0% Decrease (4.5%)	Current Trend (5.5%)	1.0% Increase (6.5%)
Total OPEB liability	\$ 6,536,758	\$ 7,422,386	\$ 8,525,051

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 \$393,472. At June 30, 2020, the Sheriff reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 303,677	\$ (50,495)
	971,996	-0-
Total	\$ 1,275,673	\$ (50,495)

**CATAHOULA PARISH SHERIFF
HARRISONBURG, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
(CONTINUED)**

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

Years ending June 30:	
2021	108,623
2022	108,623
2023	108,623
2024	108,623
2025	108,623
Thereafter	682,061

(10) SALES TAX

Voters passed a 1% sales and use tax to levy in perpetuity with the proceeds to be used to pay costs and expenses of operating and supporting the Catahoula Parish Sheriff's Office.

(11) TAX COLLECTOR ENDING CASH BALANCE

At June 30, 2020, the tax collector has cash and equivalents (book balances) totaling \$59,740 as follows:

Ad valorem taxes	\$ 59,740
Protest taxes	-0-
Total	\$ 59,740

(12) OPERATING LEASES

The department entered into 4 operating leases with Enterprise Fleet Management for 60 months.

Payments are due as follows:

2021	\$ 32,837
2022	32,837
2023	32,837
2024	14,394
Totals	\$ 112,905

**CATAHOULA PARISH SHERIFF
HARRISONBURG, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
(CONTINUED)**

(13) AD VALOREM TAXES COLLECTED

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

	Collections This Period
Sheriff	\$ 1,164,661
School Board	927,672
Police Jury	869,560
Assessor	326,568
Tensas Basin District	105,165
Larto Recreational District	28,015
Enterprise Recreational District	39,933
Fire District #1	17,151
Fire District #2	27,078
Fire District #4	103,009
Fire District #5	27,862
Forestry Commission	11,241
Maitland Recreational District	9,894
Hospital District # 2	6,476
Louisiana Tax Commission	2,325
Total	\$ 3,666,610

(14) TAX UNCOLLECTED AND UNSETTLED

At June 30, 2020, the tax collector had the following uncollected and/or unsettled taxes:

The balance is broken down as follows:

Protested	\$ -0-
No Owner Found	-0-
Pending Before Tax Commission	-0-
Total	\$ -0-

(15) DEFICIT IN NET POSITION

At June 30, 2020, the OPEB liability, net pension liability, other liabilities, and deferred inflows exceeded total assets and deferred outflows by \$6,224,705.

**CATAHOULA PARISH SHERIFF
HARRISONBURG, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
(CONTINUED)**

(16) PRIOR PERIOD ADJUSTMENT

A prior period adjustment was made in the amount of \$8,125 to correct deferred outflows related to the OPEB obligation.

(17) SUBSEQUENT EVENTS

Management has evaluated events and transactions subsequent to the Statement of Net Position date through, October 28, 2020, of the independent auditor's report for potential recognition or disclosure in the financial statements.

(18) CONTINGENCIES

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern" and on March 10, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, and quarantines in certain areas, and forced closures for certain types of public place and businesses. The coronavirus and actions taken to mitigate it have had and are expected to have an adverse impact on the economies and financial markets of many countries, including the geographical area in which the Entity operates. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration. Therefore, while the Entity anticipates this could negatively affects its operating results, the related financial impact and duration cannot be reasonably estimated at this time.

Required Supplemental Information

**CATAHOULA PARISH SHERIFF
HARRISONBURG, LOUISIANA
Governmental Funds
Schedule of Revenues, Expenditures, & Changes in Fund Balance
Budget & Actual
For the Year Ended June 30, 2020**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL AMOUNTS BUDGETARY</u>	<u>VARIANCES FAVORABLE (UNFAVORABLE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>BASIS</u>	
REVENUES				
Fees & Charges	\$ 108,000	\$ 74,100	\$ 265,907	\$ 191,807
Taxes	2,025,000	1,997,000	2,011,863	14,863
Fines	75,000	53,000	54,235	1,235
Intergovernmental	3,800,000	18,714,423	491,492	(18,222,931)
Prison Reimbursement	-0-	-0-	16,110,213	16,110,213
Loan Proceeds	-0-	-0-	-0-	-0-
Grants	-0-	-0-	-0-	-0-
Miscellaneous	225,000	264,612	219,635	(44,977)
TOTAL REVENUES	<u>6,233,000</u>	<u>21,103,135</u>	<u>19,153,345</u>	<u>(1,949,790)</u>
EXPENDITURES				
Administration	2,750,000	2,808,000	2,804,771	3,229
Prison/Prisoner Expense	3,000,000	17,894,671	15,924,160	1,970,511
Repairs & Maintenance	450,000	622,000	69,795	552,205
Debt Service	-0-	-0-	-0-	-0-
Capital Outlay	25,000	-0-	145,943	(145,943)
Other Expenditures	21,000	15,000	26,607	(11,607)
TOTAL EXPENDITURES	<u>6,246,000</u>	<u>21,339,671</u>	<u>18,971,276</u>	<u>2,368,395</u>
NET CHANGE IN FUND BALANCE	<u>\$ (13,000)</u>	<u>\$ (236,536)</u>	182,069	<u>\$ 418,605</u>
FUND BALANCE AT BEGINNING OF YEAR			853,253	
FUND BALANCE AT END OF YEAR			<u>\$ 1,035,322</u>	

See independent auditor's report.
The accompanying notes are an integral part of this statement.

**CATAHOULA PARISH SHERIFF
HARRISONBURG, LOUISIANA**

**Note 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 Catahoula 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 re-appropriated 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 all subsequent amendments.

See independent auditor's report.

**CATAHOULA PARISH SHERIFF
HARRISONBURG, LOUISIANA
Schedule of the Employer's
Proportionate Share of the Net Pension Liability
For the Year Ended June 30, 2020**

Year	Employer's Proportion of the NPL (Percentage)	Employer's Proportionate Share of the NPL (Amount)	Employer's Covered-Employee Payroll	Employer's Proportionate Share of the NPL as a Percentage of Its Covered- Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	0.54487%	\$2,153,171	\$3,300,441	65.33%	87.34%
2016	0.53%	\$2,367,891	\$3,512,477	67.41%	86.61%
2017	0.53%	\$3,382,965	\$3,637,123	93.01%	82.21%
2018	0.56%	\$2,431,250	\$3,568,120	68.14%	88.49%
2019	0.51%	\$1,962,078	\$3,665,429	53.53%	90.41%
2020	0.45%	\$2,145,826	\$3,183,576	67.40%	88.91%

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

See independent auditor's report.

**CATAHOULA PARISH SHERIFF
HARRISONBURG, LOUISIANA
Schedule of Employer Contributions
For the Year Ended June 30, 2020**

<u>Year</u>	<u>Statutorily Required Contributions</u>	<u>Contributions in Relation to Statutorily Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered Payroll</u>	<u>Contribution as a Percentage of Covered Employee Payroll</u>
2015	\$404,304	\$404,304	\$-0-	\$3,300,441	24.50%
2016	\$430,278	\$430,278	\$-0-	\$3,512,477	24.87%
2017	\$354,310	\$354,310	\$-0-	\$2,890,049	24.50%
2018	\$437,095	\$437,095	\$-0-	\$3,568,120	23.85%
2019	\$499,014	\$499,014	\$-0-	\$3,665,420	22.50%
2020	\$388,322	\$388,322	\$-0-	\$3,183,576	12.20%

*Note: covered payroll used is during the measurement period.

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

See independent auditor's report.

**CATAHOULA PARISH SHERIFF
HARRISONBURG, LOUISIANA
Note to Changes to Required Supplementary Information
For the Year Ended June 30, 2020**

CHANGES IN VALUATION
Methods and Assumptions

There were no changes for the year ended June 30, 2020.

See independent auditor's report.

**CATAHOULA PARISH SHERIFF
HARRISONBURG, LOUISIANA
Catahoula Parish Sheriff's Office
Schedule of Changes in Net OPEB Liability and Related Ratios
For the Year Ended June 30, 2020**

Total OPEB Liability	<u>2018</u>	<u>2019</u>	<u>2020</u>
Service cost	\$ 266,452	\$ 185,933	\$ 70,074
Interest	207,482	210,036	219,797
Changes of benefit terms	-0-	-0-	-0-
Differences between expected and actual experience	(57,082)	196,501	135,187
Changes of assumptions	-0-	125,587	942,101
Benefit payments	<u>(172,806)</u>	<u>(182,310)</u>	<u>(189,647)</u>
Net change in total OPEB liability	<u>244,046</u>	<u>535,747</u>	<u>1,177,512</u>
Total OPEB liability – beginning	5,465,082	5,709,128	6,244,874
Total OPEB liability – ending	<u>\$ 5,709,128</u>	<u>\$ 6,244,875</u>	<u>\$ 7,422,386</u>
Covered-employee payroll	\$ 3,173,921	\$ 3,269,139	\$ 4,182,267
Net OPEB liability as a percentage of covered-employee payroll	179.88%	191.03%	177.47%
Notes to Schedule:			
<i>Benefit Changes:</i>	None	None	None
<i>Changes of Assumptions:</i>			
<i>Discount Rate:</i>	3.50%	3.50%	2.21%
<i>Mortality:</i>	RP-2000	RP-2000	RP-2014
<i>Trend:</i>	5.5%	5.5%	Variable

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

See independent auditor's report.

Other Information

STATE OF LOUISIANA, PARISH OF CATAHOULA

AFFIDAVIT

Toney J. Edwards, Sheriff of Catahoula Parish

BEFORE ME, the undersigned authority, personally came and appeared, Toney J. Edwards, the Sheriff of Catahoula Parish, State of Louisiana, who after being duly sworn, deposed and said:

The following information is true and correct:

\$59,740 is the amount of cash on hand in the tax collector account on June 30, 2020;

He further deposed and said:

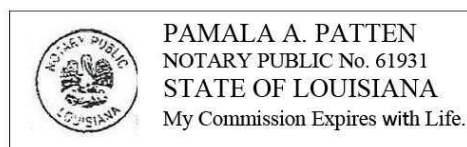
All itemized statements of the amount of taxes collected for tax year 2019, by taxing authority, are true and correct.

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

Toney Edwards
Signature
Sheriff of Catahoula Parish

SWORN to and subscribed before me, Notary, this 29th day of October, 2020, in my office in Harrisonburg Louisiana.

[Signature]
(Signature)



**CATAHOULA PARISH SHERIFF
HARRISONBURG, LOUISIANA
Schedule of Compensation Benefits and Other Payments
to Agency Head or Chief Executive Officer
For the Year Ended June 30, 2020**

Sheriff- Honorable Toney J. Edwards

Purpose	Amount
Salary	\$ 165,656
Benefits-Insurance	8,564
Benefits-Retirement	20,293
Benefits (Expense Allowance)	-0-
Car Allowance	-0-
Vehicle Provided by Government	-0-
Per Diem	-0-
Reimbursements	-0-
Travel	-0-
Registration Fees	-0-
Conference Travel	-0-
Continuing Professional Education Fees	-0-
Housing	-0-
Un-vouchered Expenses*	-0-
Special Meals	\$ -0-

*An example of an un-vouchered expense would be a travel advance.

See independent auditor's report.

Other Reports

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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

Honorable Toney J. Edwards, Sheriff
Catahoula Parish Sheriff
Harrisonburg, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and aggregate remaining fund information of the Catahoula Parish Sheriff, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Catahoula Parish Sheriff's basic financial statements, and have issued our report thereon dated October 28, 2020.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs that we consider to be

significant deficiencies: **2020-1 Old Outstanding Checks and 2020-2 Deposits in Excess of FDIC & Pledged Securities Coverage.**

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Catahoula Parish Sheriff's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards (2020-3 Budget Variance)*.

The Catahoula Parish Sheriff's Response to Findings

The Catahoula Parish Sheriff's response to the findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. The Catahoula Parish Sheriff's response was not subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we express no opinion on it.

Purpose of this Report

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

This report is intended solely for the information and use of the audit committee, management, federal awarding agencies and Legislative Auditor's Office and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a public document and its distribution is not limited.

The Vercher Group

Jena, Louisiana
October 28, 2020

**CATAHOULA PARISH SHERIFF
HARRISONBURG, LOUISIANA**

**SCHEDULE OF FINDINGS AND QUESTIONED COST
FOR THE YEAR ENDED JUNE 30, 2020**

We have audited the basic financial statements of the Catahoula Parish Sheriff as of and for the year ended June 30, 2020 and have issued our report thereon dated October 28, 2020. We conducted our audit in accordance with generally accepted auditing standards 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.

Section I Summary of Auditor's Results

Our audit of the financial statements as of June 30, 2020, resulted in an unmodified opinion.

a. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weaknesses Yes No Significant Deficiencies Yes No

Compliance

Compliance Material to Financial Statements Yes No

b. Federal Awards (Not Applicable)

Internal Control

Material Weaknesses Yes No Other Conditions Yes No

Type of Opinion On Compliance Unmodified Qualified
For Major Programs Disclaimer Adverse

Are the finding required to be reported in accordance with Uniform Guidance?

Yes No

c. Identification Of Major Programs:

CFDA Number (s)	Name Of Federal Program (or Cluster)
------------------------	---

Dollar threshold used to distinguish between Type A and Type B Programs: \$ _____

Is the auditee a 'low-risk' auditee, as defined by OMB Uniform Guidance? Yes No

**CATAHOULA PARISH SHERIFF
HARRISONBURG, LOUISIANA**

**SCHEDULE OF FINDINGS AND QUESTIONED COST-CONTINUED
FOR THE YEAR ENDED JUNE 30, 2020**

Section II – Financial Statement Findings

2020-1 Old Outstanding Checks (Internal Control)

Condition: The fiduciary accounts of the department have \$14,056 in outstanding checks that are more than twelve months old.

Criteria: Old outstanding checks that have been lost or reissued and not cleared from the bank reconciliation causes reported cash in those funds to be understated.

Cause of Condition: Not clearing old outstanding checks annually.

Potential Effect of Condition: Understatement of cash in fiduciary funds.

Recommendation: We recommend that old outstanding checks be reissued or sent to the State Unclaimed Property on an annual basis.

Client Response and Corrective Action: The department will ensure that old outstanding checks are reissued or sent to the State Unclaimed Property on an annual basis.

Contact Person: Toney J. Edwards, Sheriff

Anticipated Completion Date: June 30, 2021

2020-2 Deposits in Excess of FDIC & Pledge Securities Coverage (Internal Control)

Condition: Bank deposits at The Community Bank were under secured by \$81,774.

Criteria: State law requires banks to pledge securities to secure account balances in excess of FDIC coverage.

Cause of Condition: Oversight by bank.

Potential Effect of Condition: Loss to department in the event of a bank failure.

Recommendation: The department's accounting department should contact its bank periodically to determine that account balances are properly secured.

Client Response and Corrective Action: The department's accounting department will periodically contact the bank to determine that bank accounts are fully secured.

Contact Person: Toney J. Edwards, Sheriff

Anticipated Completion Date: June 30, 2021

**CATAHOULA PARISH SHERIFF
HARRISONBURG, LOUISIANA**

**SCHEDULE OF FINDINGS AND QUESTIONED COST-CONTINUED
FOR THE YEAR ENDED JUNE 30, 2020**

Section II – Financial Statement Findings - Continued

2020-3 Budget Finding (Compliance)

Condition: The Catahoula Parish Sheriff had an unfavorable revenue variance of \$1,919,790 or 9% and a favorable expenditure variance.

Criteria: The Budget Act requires that budgets be amended when the variance exceeds 5%.

Cause of Condition: The Sheriff's Office did not correctly budget ICE payments to the Sheriff's office that are paid to the prison.

Potential Effect of Condition: The general fund having an unfavorable revenue variance and violating the Budget Act.

Recommendation: The Sheriff's Office should amend the budget when revenues fall below 5% of budgeted amounts.

Client Response and Corrective Action: The management of the Sheriff's Office will begin amending its budget when revenues fall below 5% of budgeted amounts.

Contact Person: Toney J. Edwards, Sheriff

Anticipated Completion Date: June 30, 2021

Section III Federal Awards Findings and Questioned Costs

Not applicable.

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MANAGEMENT LETTER COMMENTS

During the course of our audit, we observed conditions and circumstances that may be improved. Below are findings noted for improvement, our recommendation for improvement and the Sheriff's Office's plan for corrective action.

CURRENT YEAR MANAGEMENT LETTER COMMENTS

No items to report.

**CATAHOULA PARISH SHERIFF
HARRISONBURG, LOUISIANA**

MANAGEMENT'S SUMMARY OF PRIOR YEAR FINDINGS

Legislative Auditor
State of Louisiana
Baton Rouge, Louisiana 70804-9397

The management of the Catahoula Parish Sheriff, Harrisonburg, Louisiana has provided the following action summaries relating to audit findings brought to their attention as a result of their financial audit for the year ended June 30, 2019.

PRIOR YEAR FINDINGS:

2019-1 Old Outstanding Checks (Unresolved)

Condition: The fiduciary accounts of the department have \$10,604 in outstanding checks that are more than twelve months old.

Criteria: Old outstanding checks that have been lost or reissued and not cleared from the bank reconciliation causes reported cash in those funds to be understated.

Cause of Condition: Not clearing old outstanding checks annually.

Potential Effect of Condition: Understatement of cash in fiduciary funds.

Recommendation: We recommend that old outstanding checks be reissued or sent to the State Unclaimed Property on an annual basis.

Client Response and Corrective Action: The department will ensure that old outstanding checks are reissued or sent to the State Unclaimed Property on an annual basis.