
LOUISIANA SHERIFFS' ASSOCIATION

(A NONPROFIT ORGANIZATION)

FINANCIAL STATEMENTS

JUNE 30, 2021

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INDEPENDENT AUDITORS' REPORT

To the Management of
Louisiana Sheriffs' Association
Baton Rouge, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of Louisiana Sheriffs' Association (a nonprofit organization) which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 of 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 opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Louisiana Sheriffs' Association as of June 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

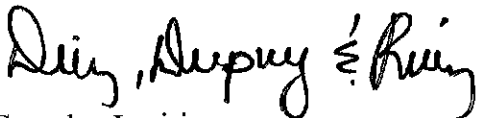
Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of compensation, benefits, and other payments to chief executive officer on page 18 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2021, on our consideration of Louisiana Sheriffs' Association's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Louisiana Sheriffs' Association's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Louisiana Sheriffs' Association's internal control over financial reporting and compliance.



Gonzales, Louisiana
December 16, 2021

LOUISIANA SHERIFFS' ASSOCIATION
(A NONPROFIT ORGANIZATION)
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2021 AND 2020

<u>ASSETS</u>	<u>2021</u>	<u>2020</u>
<u>CURRENT ASSETS</u>		
Cash and cash equivalents	\$ 3,336,907	\$ 2,772,562
Investments	3,036,449	3,097,926
Receivables	407,291	821,655
Prepaid expenses	26,039	23,704
Total current assets	<u>6,806,686</u>	<u>6,715,847</u>
<u>PROPERTY AND EQUIPMENT</u>		
Buildings and improvements	5,343,425	5,283,997
Computer equipment	402,580	384,388
Furniture and equipment	257,607	258,176
Vehicles	613,283	613,283
	<u>6,616,895</u>	<u>6,539,844</u>
Accumulated depreciation	(2,449,795)	(2,260,902)
	<u>4,167,100</u>	<u>4,278,942</u>
Land	144,100	144,100
Total Land, Property and Equipment, net	<u>4,311,200</u>	<u>4,423,042</u>
Total assets	<u>\$ 11,117,886</u>	<u>\$ 11,138,889</u>
<u>LIABILITIES AND NET ASSETS</u>		
<u>CURRENT LIABILITIES</u>		
Accounts payable	\$ 69,601	\$ 31,935
Accrued liabilities	8,086	348
Grants accounts payable	157,098	491,337
Total current liabilities	<u>234,785</u>	<u>523,620</u>
<u>LONG TERM LIABILITIES</u>		
Accrued benefit obligation	2,434,372	2,194,804
Compensated absences	50,025	46,647
Deferred revenue	2,671,057	2,731,057
Total long term liabilities	<u>5,155,454</u>	<u>4,972,508</u>
Total liabilities	<u>5,390,239</u>	<u>5,496,128</u>
<u>NET ASSETS</u>		
Without donor restrictions	<u>5,727,647</u>	<u>5,642,761</u>
Total net assets	<u>5,727,647</u>	<u>5,642,761</u>
Total liabilities and net assets	<u>\$ 11,117,886</u>	<u>\$ 11,138,889</u>

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

LOUISIANA SHERIFFS' ASSOCIATION
(A NONPROFIT ORGANIZATION)
STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2021 AND 2020

<u>OPERATING ACTIVITIES</u>	<u>Without Donor Restrictions</u>	
	<u>2021</u>	<u>2020</u>
<u>REVENUE AND OTHER SUPPORT</u>		
Federal revenue grants	\$ 622,453	\$ 1,264,761
State revenue grants	19,998	32,220
Management fees	60,000	60,000
Membership dues	1,420,845	1,365,737
Administration revenue	227,305	236,486
Meeting and convention revenue	209,484	86,096
Investment income	78,372	110,480
Honorary membership	150,907	159,172
Other income	53,661	72,402
Gain on sale of assets	-	16,323
Total revenues and other support	<u>2,843,025</u>	<u>3,403,677</u>
<u>EXPENSES</u>		
Program services:		
Member services	1,578,662	1,630,739
Conferences and special events	215,750	218,107
Total Program Services	<u>1,794,412</u>	<u>1,848,846</u>
Supporting services:		
General and administrative	1,287,748	1,786,359
Total expenses	<u>3,082,160</u>	<u>3,635,205</u>
Change in net assets from operations	(239,135)	(231,528)
<u>NON OPERATING ACTIVITIES</u>		
Investment return, net	324,021	(15,442)
Total non operating activities	<u>324,021</u>	<u>(15,442)</u>
Change in net assets	84,886	(246,970)
Net assets at beginning of year	<u>5,642,761</u>	<u>5,889,731</u>
Net assets at end of year	<u>\$ 5,727,647</u>	<u>\$ 5,642,761</u>

The accompanying notes are an integral part of these statements.

LOUISIANA SHERIFFS' ASSOCIATION
(A NONPROFIT ORGANIZATION)
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2021

	<u>Member Services</u>	<u>Conferences & Special Events</u>	<u>Total Program Services</u>	<u>General & Administrative</u>	<u>Total Expense</u>
Salaries and Benefits	\$ 718,043	\$ 96,660	\$ 814,703	\$ 566,148	\$ 1,380,851
Bank Charges and Fees	8,053	1,127	9,180	6,926	16,106
Depreciation	102,598	14,364	116,962	88,234	205,196
Dues and Subscriptions	13,920	1,949	15,869	11,970	27,839
Employee Insurance	112,962	15,206	128,168	89,066	217,234
Grant Expenses	214,674	30,054	244,728	184,619	429,347
State grants	2,813	394	3,207	2,418	5,625
Insurance	22,792	3,191	25,983	19,601	45,584
Legislative Expense	3,004	420	3,424	2,583	6,007
Meetings and Conventions	48,621	6,807	55,428	41,813	97,241
Miscellaneous	6,470	906	7,376	5,563	12,939
Office Expense	16,543	2,316	18,859	14,227	33,086
Office Supplies	10,151	1,421	11,572	8,730	20,302
Postage and Delivery	5,823	815	6,638	5,008	11,646
Printing	9,317	1,304	10,621	8,012	18,633
Professional Fees	24,420	3,419	27,839	21,000	48,839
Promotional Items	11,595	1,623	13,218	9,972	23,190
Rent/Lease Expense	9,193	1,287	10,480	7,906	18,386
Repairs and Maintenance	14,453	2,023	16,476	12,430	28,906
Task Force	15,826	2,216	18,042	13,610	31,652
Telephone Expense	27,285	3,820	31,105	23,465	54,570
Auto and Travel Expenses	12,617	1,766	14,383	10,850	25,233
Utilities Expense	21,518	3,012	24,530	18,505	43,035
Postretirement Benefit Cost	145,971	19,650	165,621	115,092	280,713
Total expenses	\$ 1,578,662	\$ 215,750	\$ 1,794,412	\$ 1,287,748	\$ 3,082,160

The accompanying notes are an integral part of these statements.

LOUISIANA SHERIFFS' ASSOCIATION
(A NONPROFIT ORGANIZATION)
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2020

	<u>Member Services</u>	<u>Conferences & Special Events</u>	<u>Total Program Services</u>	<u>General & Administrative</u>	<u>Total Expense</u>
Salaries and Benefits	\$ 671,876	\$ 79,044	\$ 750,920	\$ 566,484	\$ 1,317,404
Bank Charges and Fees	2,346	361	2,707	3,308	6,015
Depreciation	80,669	12,410	93,079	113,764	206,843
Dues and Subscriptions	8,456	1,300	9,756	11,925	21,681
Employee Insurance	100,728	11,850	112,578	84,928	197,506
Grant Expenses	398,803	61,355	460,158	562,414	1,022,572
State grants	8,106	1,247	9,353	11,431	20,784
Insurance	17,411	2,678	20,089	24,554	44,643
LACCIE	20	3	23	28	51
Legislative Expense	1,773	273	2,046	2,499	4,545
Meetings and Conventions	61,743	9,499	71,242	87,074	158,316
Miscellaneous	5,659	871	6,530	7,981	14,511
Office Expense	14,425	2,219	16,644	20,343	36,987
Office Supplies	6,912	1,063	7,975	9,748	17,723
Postage and Delivery	6,299	969	7,268	8,883	16,151
Printing	1,018	156	1,174	1,435	2,609
Professional Fees	21,975	3,381	25,356	30,991	56,347
Promotional Items	1,912	294	2,206	2,697	4,903
Rent/Lease Expense	3,539	543	4,082	4,992	9,074
Repairs and Maintenance	21,931	3,374	25,305	30,929	56,234
Task Force	14,785	2,274	17,059	20,851	37,910
Telephone Expense	21,007	3,232	24,239	29,626	53,865
Auto and Travel Expenses	13,111	2,017	15,128	18,490	33,618
Utilities Expense	13,555	2,085	15,640	19,116	34,756
Postretirement Benefit Cost	132,680	15,609	148,289	111,868	260,157
Total expenses	<u>\$ 1,630,739</u>	<u>\$ 218,107</u>	<u>\$ 1,848,846</u>	<u>\$ 1,786,359</u>	<u>\$ 3,635,205</u>

The accompanying notes are an integral part of these statements.

LOUISIANA SHERIFFS' ASSOCIATION
(A NONPROFIT ORGANIZATION)
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
<u>CASH FLOW FROM OPERATING ACTIVITIES</u>		
Change in net assets	\$ 84,886	\$ (246,970)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	205,196	206,843
Net (appreciation) depreciation on investments	(324,021)	15,442
Gain on sale of assets	-	(16,323)
Decrease (increase) in receivables	414,364	(456,671)
Increase in prepaid expenses	(2,335)	(2,619)
Increase (decrease) in accounts payable	37,666	(45,765)
(Decrease) increase in grants accounts payable	(334,239)	490,013
Increase (decrease) in accrued liabilities	7,738	(9,202)
Decrease in conference reimbursement	-	(154,750)
Increase in compensated absences	3,378	4,956
Increase in accrued benefit obligation	239,568	220,735
Decrease in deferred revenue	(60,000)	(60,000)
Net cash (used) provided by operating activities	<u>272,201</u>	<u>(54,311)</u>
 <u>CASH FLOW FROM INVESTING ACTIVITIES</u>		
Purchase of property and equipment	(93,354)	(182,636)
Proceeds from sale of assets	-	23,000
Proceeds from sale and maturity of investments	635,734	722,700
Purchase of investments	(250,236)	(666,768)
Net cash provided by (used in) investing activities	<u>292,144</u>	<u>(103,704)</u>
 Net increase (decrease) in cash and cash equivalents	564,345	(158,015)
 Cash and cash equivalents at beginning of year	<u>2,772,562</u>	<u>2,930,577</u>
 Cash and cash equivalents at end of year	<u>\$ 3,336,907</u>	<u>\$ 2,772,562</u>

The accompanying notes are an integral part of these statements.

LOUISIANA SHERIFF'S ASSOCIATION
(A NONPROFIT ORGANIZATION)

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Purpose

The Louisiana Sheriffs' Association is an association founded in 1945 and classified for reporting purposes as a quasi-public entity as used in Louisiana audit law. This Association is charged with the administration of policy and legislation that will directly affect the operations of the state's sheriffs. The Association's decision-making body consists of an executive director and an executive board made up of the five officers and nine district representatives.

Basis of Presentation

The financial statements of the Association have been prepared in accordance with U.S. generally accepted accounting principles ("US GAAP"), which require the Association to report information regarding its financial position and activities according to the following net classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Association's management and the board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of Louisiana Sheriffs' Association or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of donor-imposed restrictions on net assets (that is, the donor-stipulated purpose has been fulfilled or the stipulated time period has elapsed, or both) are reported as reclassifications between the applicable classes of net assets. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions are met in the fiscal year in which the contributions are received. LSA follows this policy.

Measure of Operations

The statements of activities report all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributable to Louisiana Sheriffs' Association's ongoing program services and interest and dividends earned on investments. Nonoperating activities are limited to resources from activities considered to be of a more unusual or nonrecurring nature.

Cash and Cash Equivalents

For purposes of reporting cash flows, the Association's cash consists of cash on deposit with banks. Cash equivalents represent money market funds or short-term investments with original maturities of three months or less from the date of purchase, except for those amounts that are held in the investment portfolio which are invested for long-term purposes.

LOUISIANA SHERIFF'S ASSOCIATION
(A NONPROFIT ORGANIZATION)

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Concentration of Credit Risk

Financial instruments that potentially subject the Association to concentrations of credit risk consist principally of cash and cash equivalents and investments. The Association maintains its cash and cash equivalents in various bank accounts that, at times, may exceed federally insured limits. The Association's cash and cash equivalent accounts have been placed with high credit quality financial institutions. The Association has not experienced, nor does it anticipate, any losses with respect to such accounts.

Contributions Receivable

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Discount amortization is included in contribution revenue. Conditional promises to give are not included as support until the conditions are met. At June 30, 2021, there is no contributions receivable.

Accounts Receivable

Uncollectible accounts receivable is charged directly against earnings when they are determined to be uncollectible. Use of this method does not result in a material difference from the valuation method required by generally accepted accounting principles. Management believes all accounts receivable is collectible at year end.

Property and Equipment

Property and equipment are stated at cost at the date of purchase or, for donated assets, at fair value at the date of donation, less accumulated depreciation. Depreciation is calculated using the straight-line method over the lesser of the estimated useful lives of the assets or the lease term. The useful lives range from three to forty years. The Association's policy is to capitalize renewals and betterments acquired for greater than \$500 and expense normal repairs and maintenance as incurred. The Association's management periodically evaluates whether events or circumstances have occurred indicating that the carrying amount of long-lived assets may not be recovered.

Investments

Investments are reported at cost, if purchased, or at fair value, if donated. Thereafter, investments are reported at their fair values in the statements of financial position, and changes in fair value are reported as investment return in the statements of activities.

Purchases and sales of securities are reflected on a trade-date basis. Gains and losses on sales of securities are based on average cost and are recorded in the statements of activities in the period in which the securities are sold. Interest is recorded when earned. Dividends are accrued as of the ex-dividend date.

LOUISIANA SHERIFF'S ASSOCIATION
(A NONPROFIT ORGANIZATION)

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset in the principal or most advantageous market for the asset in an orderly transaction between market participants on the measurement date. Fair value should be based on the assumptions market participants would use when pricing an asset. US GAAP establishes a fair value hierarchy that prioritizes investments based on those assumptions. The fair value hierarchy gives the highest priority to quoted prices in active markets (observable inputs) and the lowest priority to an entity's assumptions (unobservable inputs). The Association groups assets at fair value in three levels, based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value. The levels are:

Level 1: Unadjusted quoted or market prices for identical assets or liabilities in active markets as of the measurement date.

Level 2: Other observable inputs, either directly or indirectly, including:

- Quoted prices for similar assets/liabilities in active markets;
- Quoted prices for identical or similar assets in non-active markets;
- Inputs other than quoted prices that are observable for the asset/liability; and,
- Inputs that are derived principally from or corroborated by other observable market data.

Level 3: Unobservable inputs that cannot be corroborated by observable market data.

Compensated Absences

The Association records as a liability annual leave earned which may be taken at a future date. As of June 30, 2021, and 2020, the amounts recorded as compensated absences are \$50,025 and \$46,647, respectively.

Contributions

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Contributed property and equipment are recorded at fair value at the date of donation. Contributions with donor-imposed stipulations regarding how long the contributed assets must be used are recorded as net assets with donor restrictions; otherwise, the contributions are recorded as net assets without donor restrictions.

Membership Dues

Membership dues are billed in December or January of each year and are due prior to the annual conference. Dues billed are considered revenue as of June 30.

LOUISIANA SHERIFF'S ASSOCIATION
(A NONPROFIT ORGANIZATION)

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts and disclosures. Actual results could differ from those estimates.

Functional Expenses

The cost of providing program and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among program and general and administrative services. Such allocations are determined by management on an equitable basis. All expenses were allocated based on time and effort.

Income Taxes

The Association is exempt from income tax under Section 501(c) (6), though it is subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the Code. The Association has processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated income; to determine its filing and tax obligations in jurisdictions for which it has nexus; and to identify and evaluate other matters that may be considered tax positions. The Association has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements.

NOTE 2 – AVAILABILITY AND LIQUIDITY

The following table represents the Association's financial assets as of June 30, 2021 and 2020, reduced by amounts that are not available to meet general expenditures within one year of the statement of financial position date because of contractual restrictions or internal board designations. Amounts not available to meet general expenditures within one year also may include net assets with donor restrictions. There were not any net assets with donor restrictions as of June 30, 2021 and 2020.

Financial assets at year-end:	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 3,336,907	\$ 2,772,562
Receivables	407,291	821,655
Investments	3,036,449	3,097,926
Total financial assets	<u>\$ 6,780,647</u>	<u>\$ 6,692,143</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 6,780,647</u>	<u>\$ 6,692,143</u>

As part of the Association's liquidity plan, excess cash is invested in short-term investments, including money market accounts, certificates of deposit, and other investments.

LOUISIANA SHERIFF'S ASSOCIATION
(A NONPROFIT ORGANIZATION)

NOTES TO THE FINANCIAL STATEMENTS

NOTE 3 – CASH AND CASH EQUIVALENTS

At June 30, 2021 and 2020, the Association has cash and cash equivalents (book balances) totaling \$3,336,907 and \$2,772,562, respectively, as follows:

	<u>June 30, 2021</u>	<u>June 30, 2020</u>
Demand Deposit	\$ 2,800,946	\$ 2,237,241
Louisiana Asset Management Pool	535,961	535,321
Total	<u>\$ 3,336,907</u>	<u>\$ 2,772,562</u>

As of June 30, 2021, and 2020, cash includes \$535,961 and \$535,321, respectively, in the Louisiana Asset Management Pool (LAMP), a local government investment pool. LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local governments having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LSAR. S. 33:2955.

NOTE 4 – INVESTMENTS

The following is a summary of level 1 investments at June 30, 2021, and 2020,

<u>Investment Type</u>	<u>2021</u>	<u>2020</u>
Stock Mutual Funds	\$ 2,041,145	\$ 1,779,623
Bond Mutual Funds	995,304	1,042,877
Certificate of Deposit	-	275,426
	<u>\$ 3,036,449</u>	<u>\$ 3,097,926</u>

The components of investment return at June 30, 2021 and 2020 are as follows:

	<u>2021</u>	<u>2020</u>
	<u>Without Donor</u>	<u>Without Donor</u>
	<u>Restrictions</u>	<u>Restrictions</u>
Interest and dividends	\$ 78,372	\$ 110,480
Realized gain (loss) on investments	82,516	(46,356)
Unrealized gain on investments	241,505	30,914
Net investment income	<u>\$ 402,393</u>	<u>\$ 95,038</u>

LOUISIANA SHERIFF'S ASSOCIATION
(A NONPROFIT ORGANIZATION)

NOTES TO THE FINANCIAL STATEMENTS

NOTE 5 – PENSION PLAN

Substantially all employees of the Louisiana Sheriffs' Association are members of the Louisiana Sheriffs' Pension and Relief Fund (System), a multiple-employer (cost sharing), public employee retirement system (PERS), controlled and administered by a separate board of trustees.

Laws that govern the Fund are located in the Louisiana Revised Statutes beginning with 11:2171 etc. which specifically pertains to the Sheriffs' Pension Fund, and 11:11 etc. which governs all public retirement systems in Louisiana.

Membership in the Fund is required for all eligible sheriffs and deputies. Court criers of specified courts and non-deputized employees may become members. They are eligible immediately upon employment as long as they meet statutory criteria as to age and physical condition. All salaried employees of the Sheriffs' Pension and Relief Fund and the Louisiana Sheriffs' Association who meet certain requirements are also eligible to become members of the Fund. Members are vested after twelve years of service time.

Members who joined the system on or before December 31, 2011, are eligible for regular retirement benefits upon attaining 30 years of creditable service at any age, or 12 years of creditable service and aged 55 years in entitled to retirement benefit payable monthly for life, equal to 3.33 percent of his final average compensation for each year of creditable service, not to exceed (after reduction for optional payment form) 100% of average final compensation. Active, contributing members with at least 10 years of creditable service may retire at age 60. The accrued normal retirement benefit is reduced actuarially for each month or fraction thereof that begins prior to the member's earliest normal retirement date assuming continuous service. Members who joined the system on January 1, 2012, who retires at or after age 62 with at least 12 years of creditable service, at or after age 60 with at least 20 years of creditable service, or at 55 with 30 years of creditable service is entitled to a retirement benefit payable monthly for life, equal to 3.00 percent of his final average compensation each year of creditable service. For members with 30 or more years of services; the accrual rate is 3.33 percent. The retirement is equal to the benefit accrual times the member's final average compensation each year of creditable service. In any case, the retirement benefit cannot exceed 100 percent of their final average salary. Members with 20 or more years of service may retire with a reduced retirement at age 55. For members eligible on or before June 30, 2006, final average compensation is based on the average monthly earning during the highest 36 consecutive months (60 highest consecutive months for member employed between July 1, 2006 and July 1, 2013) or joined months if service was interrupted. The earnings to be considered for each 12-month period within the 36-month (or 60 month) period shall not exceed 125% of the preceding 12 months. For members joining after July 1, 2013, final compensation is based on the average monthly earnings during the highest 60 consecutive months and the earnings to be considered for each 12 month period within the 60 months shall not exceed 115% of the preceding 12-month period. Employees who terminate with at least the amount of creditable service stated above and do not withdraw their employee contributions may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the system. That report may be obtained by writing to the Louisiana Sheriffs' Pension and Relief Fund, 1225 Nicholson Drive, Baton Rouge, Louisiana 70802, or by calling (225) 219-0500.

Funding Policy

The employee contribution rate cannot be less than 9.8% or more than 10.25% of earnable compensation. Contributions are deducted from the member's salary and remitted monthly by the Association.

LOUISIANA SHERIFF'S ASSOCIATION
(A NONPROFIT ORGANIZATION)

NOTES TO THE FINANCIAL STATEMENTS

NOTE 5 – PENSION PLAN (continued)

Gross employer contributions are determined by actuarial valuation and are subject to change each year in accordance with R.S. 11:103. For the year ended June 30, 2021, the employers contributed 12.25% of members' salaries. Also, the Fund annually receives revenue sharing funds, 0.5% of the aggregate amount of the ad valorem tax shown to be collected by the tax roll of each respective parish, and additional funds as indicated by valuation and apportioned by the Public Employees' Retirement Systems' Actuarial Committee from available insurance premium taxes described in RS 22:1419.

The Association's contributions to the System, for the years ended June 30, 2021, 2020 and 2019, were \$181,042, \$191,967 and \$206,890, respectively.

NOTE 6 – POSTRETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

The Association provides postretirement life benefits to all current employees and provides certain retired and active employees with postretirement health care benefits.

The annual measurement date is the end of the fiscal year (FYE) for the postretirement benefits (June 30th). The following tables provide further information about the postretirement benefits plans:

Obligations and Funded Status:

	<u>June 30, 2021</u>	<u>June 30, 2020</u>
Benefit Obligation at FYE	\$ (2,194,804)	\$ (1,974,069)
Benefit Costs	(280,713)	(260,157)
Benefit Payments	41,145	39,422
Net Funded (Unfunded) Status of Plan	<u>\$ (2,434,372)</u>	<u>\$ (2,194,804)</u>

Amounts Recognized in the Statements of Financial Position consist of:

Noncurrent Assets	\$ -	\$ -
Current Liabilities	-	-
Noncurrent Liabilities	(2,434,372)	(2,194,804)
	<u>\$ (2,434,372)</u>	<u>\$ (2,194,804)</u>

Amounts Recognized in the Statements of Activities consist of:

Service Cost	\$ 192,140	\$ 187,722
Interest Expense	66,362	50,225
Net Amortization and Deferral	22,211	22,210
	<u>\$ 280,713</u>	<u>\$ 260,157</u>

Assumptions

Actuarial Cost Method – The valuation was performed using the Projected Unit Credit Method with the attribution period being the period from the participant's date of hire to the expected retirement date. The employer portion of the actuarial present value for retiree post-retirement benefits in future year is determined by projecting the current cost levels using the healthcare cost trend rate and discounting this projected amount to the valuation date using the other described pertinent actuarial assumptions, including the discount rate, mortality, and turnover.

LOUISIANA SHERIFF'S ASSOCIATION
(A NONPROFIT ORGANIZATION)

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6 – POSTRETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS (continued)

Actuarial Value of Plan Assets – Since the plan has not yet been funded, there are not any assets. It is anticipated that in future valuations, should funding take place, the actual market value of the assets would be used.

Mortality – The RP-2014 Table without projection has been used. Projected future mortality improvement has not been used since it is our opinion that this table contains a substantial conservative margin for the population involved in this valuation. Projected future mortality improvement has not been used since it is our opinion that this table contains sufficiently conservative margin for the population involved in this valuation.

Expected Time of Commencement of Benefits – It was assumed that employees retire four years after the earlier of attainment of age 60 with 15 years of service or after 30 years of service at any age. The four-year delay is to accommodate the "back D.R.O.P."

Turnover – An age-related turnover scale based on actual experience as described for the administrative staff of the Association has been used. The rates, when applied to the active employees' census, produce an annual turnover of approximately 3%.

Future Cost increase (Trend) Rate – The expected rate of increase in medical cost is based on a graded schedule of 5.5% annually for ten years and 4.5% thereafter. Trend was not applied to the dental rates.

Investment Return Assumption (Discount Rate) – ASC 715 paragraph 31 requires that a "discount rate" be used to value the actuarial liabilities rather than the long-term return on assets which is typically used in such actuarial valuations. For this purpose, we have used the values in the "FTSE Pension Liability Index" (formerly "Citigroup Pension Liability Index" and before that "Salomon Brothers Pension Liability Index") as of each measurement date. The applicable discount rates in this valuation were 2.21% as of June 30, 2020 and 2.84 % as of June 30, 2021. ASC 715 also requires use of an assumption for the long-term rate of return on assets in the development of the periodic benefits costs. In the absence of funding (as well, of course, the absence of assets), we have not used an assumption for the return on assets.

Life Insurance – Life insurance coverage is continued to retirees by election and the blended rate for active employees is used. The employer pays for life insurance after retirement for retirees. However, the rates are based on the blended active/ retired rate and there is thus an implied subsidy. We have used the 94GAR mortality table described above to "unblend" the rates so as to reproduce the composite blended rate overall as the rate structure to calculate the actuarial valuation results for life insurance. Based on past experience, we have assumed that 75% of retirees continue the higher insurance amounts into retirement. Insurance coverage amounts are reduced to 75% of the original amount at age 65 and to 50% of the original amount at age 70. All of the assumptions used for the valuation of the medical benefits have been used except for the trend assumption; zero trend was used for life insurance.

LOUISIANA SHERIFF'S ASSOCIATION
(A NONPROFIT ORGANIZATION)

NOTES TO THE FINANCIAL STATEMENTS

NOTE 7 – RELATED PARTY TRANSACTIONS

During the years ended June 30, 2021 and 2020, the Association received fees, reimbursed expenses and rental income from the following funds or programs:

- Louisiana Sheriffs' Honorary Membership Program
- Louisiana Sheriffs' Association Group Benefits Plan
- Louisiana Sheriffs' Association Unemployment Fund
- Louisiana Sheriffs' Law Enforcement Program

The Association performs certain administrative services and other functions for the above entities. Although these entities may be indirectly related to the Louisiana Sheriffs' Association, these entities were established for separate purposes. The operations of these entities are not included in these financial statements. The total administrative fees received for the years ended June 30, 2021 and 2020 totaled \$227,305 and \$236,486, respectively. Of these revenues, \$23,959 and \$17,996 were recorded as receivables at June 30, 2021 and 2020, respectively.

In addition to the administrative services, the Association makes payments to the Louisiana Sheriffs' Association Group Benefit Program, Louisiana Sheriffs' Association Unemployment Fund, and the Louisiana Sheriffs' Law Enforcement Programs for health, life, unemployment, liability and risk insurances. Payments made to these programs for the years June 30, 2021 and 2020 total \$264,803 and \$242,249, respectively.

The Louisiana Sheriffs' Association Group Benefits Plan

The Louisiana Sheriffs' Association Group Benefits Plan ("the Plan") is a cost-sharing multiple-employer defined benefit other post-employment benefits ("OPEB") plan organized to provide group health benefits to participating sheriffs' departments. The Plan is authorized by law to offer any benefit sanctioned by Section 501(c) (9) of the Internal Revenue Code. The Plan became effective May 1, 1983 and is controlled and administered by a separate board of trustees.

Under the terms of a Voluntary Employee Beneficiary Association ("VEBA") trust agreement between Hancock Bank and the Louisiana Sheriffs' Association, Hancock Bank manages a trust fund on behalf of the Plan. The trust serves as a depository for monies paid by the Plan participants to cover anticipated benefits and expenses under the Plan. Disbursements are made from the trust for benefits, insurance premiums and administrative expenses.

The Louisiana Sheriffs' Association, as the plan sponsor, has certain responsibilities to the VEBA, which are generally limited to its fiduciary duty to ensure that the Trustee, Plan Administrator and Consultant are performing in a competent fashion, are financially sound and are not subject to any ongoing investigations by any federal or state law enforcement agency. Fees paid to the Association for these services amounted to \$100,000 for the years ended June 30, 2021 and 2020.

The Louisiana Sheriffs' Unemployment Compensation Fund

The Louisiana Sheriffs' Unemployment Fund ("the Fund") was formed January 1, 1982 under Louisiana Revised Statutes 23: 1552. The Fund consists of Louisiana sheriffs that have joined together through self-insurance agreements to provide participating members with an unemployment compensation claims fund to relieve the members of unemployment related liabilities.

LOUISIANA SHERIFF'S ASSOCIATION
(A NONPROFIT ORGANIZATION)

NOTES TO THE FINANCIAL STATEMENTS

NOTE 7 – RELATED PARTY TRANSACTIONS (continued)

The responsibility for managing the affairs of the Fund rests with the Board of Managers, consisting of eight sheriffs elected by a majority vote of the sheriffs in each Congressional District. Managers are elected for staggered terms of four years and may be re-elected to any number of successive terms.

Unemployment Cost Solutions, L.L.C. serves as the administrator for the Fund. The administrators' responsibilities include collecting premiums from members, filing of all unemployment reports, maintaining an accountability system for allocating benefit charges, serving as liaison with the Louisiana Department of Labor Workforce Commission, and acting in the role of consultant in establishing a reserve for future claim liability.

The Louisiana Sheriffs' Association, as the plan sponsor, has certain responsibilities to the Fund, including enrollment of participants, monitoring the activities and financial condition of the Consultant and the Fund and maintaining contractual relationships. The Louisiana Sheriffs' Association is also the nominal paying agent for the Fund. The LSA Unemployment Compensation account fund prepaid rent for lease space from LSA in the building in the amount of \$2,671,057 and \$2,731,057, which is recorded as deferred revenue in the financial statements. In the fiscal year ended June 30, 2021 and 2020 \$60,000 was recognized as revenue.

NOTE 8 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date that the financial statements were available to be issued December 16, 2021, and has determined that no events occurred that require disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

SUPPLEMENTARY INFORMATION

LOUISIANA SHERIFFS' ASSOCIATION
(A NONPROFIT ORGANIZATION)
SCHEDULE OF COMPENSATION, BENEFITS & OTHER PAYMENTS
TO CHIEF EXECUTIVE OFFICER
YEAR ENDED JUNE 30, 2021

Chief Executive Officer/Title: Michael Ranatza, Executive Director

Purpose	Amount
Salary	\$0
Benefits - insurance	0
Benefits - retirement	0
Deferred compensation	0
Benefits - other (dental)	0
Benefits - other (GTL)	0
Dues	0
Per diem	0
Reimbursements	0
Travel	0
Registration fees	0
Conference travel	0
	<hr/>
	\$0
	<hr/> <hr/>



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

To the Management of
Louisiana Sheriffs' Association
Baton Rouge, Louisiana

We have audited, 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, the financial statements of Louisiana Sheriffs' Association (a nonprofit organization), which comprise the statement of financial position as of June 30, 2021, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated December 16, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Louisiana Sheriffs' Association's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Louisiana Sheriffs' Association's internal control. Accordingly, we do not express an opinion on the effectiveness of the Louisiana Sheriffs' Association's internal control.

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

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

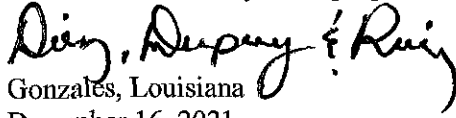
Compliance and Other Matters

As part of obtaining reasonable assurance about whether Louisiana Sheriffs' Association's financial statements are free of 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 financial statements.

However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization'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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Day, Dupuy & Ruiz

Gonzales, Louisiana
December 16, 2021

LOUISIANA SHERIFF'S ASSOCIATION
(A NONPROFIT ORGANIZATION)

SUMMARY OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2021

SECTION I-SUMMARY OF AUDITORS' RESULTS

Financial Statements

1. The auditors' report expresses an unmodified opinion on whether the financial statements of Louisiana Sheriffs' Association were prepared in accordance with GAAP.
2. No significant deficiencies relating to the audit of the financial statements are reported in the Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*. No material weaknesses are reported.
3. No instances of noncompliance material to the financial statements of Louisiana Sheriffs' Association, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.

SECTION II- FINANCIAL STATEMENT AND NONCOMPLIANCE

FINDINGS- FINANCIAL STATEMENT AUDIT

None noted

FINDINGS- COMPLIANCE

None noted

LOUISIANA SHERIFF'S ASSOCIATION
(A NONPROFIT ORGANIZATION)

SUMMARY OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2021

FINDINGS- FINANCIAL STATEMENT AUDIT

None noted

FINDINGS- COMPLIANCE

None noted