

VERNON PARISH SHERIFF
Leesville, Louisiana

Financial Statements
For the Year Ended June 30, 2020

VERNON PARISH SHERIFF
LEESVILLE, LOUISIANA

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INDEPENDENT AUDITOR'S REPORT

The Honorable John S. Craft
Vernon Parish Sheriff
Leesville, Louisiana

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

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

Other Matters

Required Supplementary Information

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

Other Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Sheriff's basic financial statements. The accompanying supplementary information, as listed in the table of contents, and the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the other information, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying supplementary information, and the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the accompanying supplementary information, as listed in the table of contents, and the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Supplementary Information

The Sheriff Affidavit on page 41 and the Schedule of Compensation, Benefits and Other Payments to Agency Head on page 42 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the Sheriff Affidavit and the Schedule of Compensation, Benefits and Other Payments to Agency Head are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated March 15, 2021, on my consideration of the Vernon Parish Sheriff's internal control over financial reporting and my 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 my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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 Vernon Parish Sheriff's internal control over financial reporting and compliance.

West Monroe, Louisiana
March 15, 2021

A handwritten signature in black ink that reads "David M. Smith, CPA (APSC)". The signature is written in a cursive style.

REQUIRED SUPPLEMENTAL INFORMATION (PART A)
MANAGEMENT'S DISCUSSION AND ANALYSIS

VERNON PARISH SHERIFF
LEESVILLE, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS

The following narrative discussion and analysis of the financial statements of the Vernon Parish Sheriff as of and for the fiscal year ending June 30, 2020, is submitted by the Chief Fiscal Officer of the Vernon Parish Sheriff's Department, and is intended to be used to enhance the readers understanding of the basic financial statements and accompanying notes.

FINANCIAL HIGHLIGHTS

- Liabilities of the Sheriff's office exceeded its assets by \$12,950,479.
- Total revenues exceeded total expenditures by \$712,671.
- A ½% sales tax (perpetual in duration of tax) was passed by the voters of Vernon Parish in April 2004. Total sales tax revenue was \$3,181,068.
- Personnel and related benefit costs comprise 68% of total expenses.
- Cash and Cash Equivalents increased \$274,495 from the prior year.
- Capital Assets increased \$34,325 from the prior year.
- Notes and leases payable decreased \$261,404 from the prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis provides an overview of the Sheriff's basic financial statements. The Statement of Net Position and the Statement of Activities (Governmental-wide Financial Statements) provide information about the financial activities as a whole and illustrate a longer-term view of the Sheriff's finances. The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Fund tells how these services were financed in the short term as well as what remains for future spending. This report also contains other supplementary information in addition to the basic financial statements themselves.

In the Independent Auditor's Report, the auditor assures that the Basic Financial Statements are fairly stated. This Independent Auditor's Report should be used to judge the level of assurances provided for each portion in the Financial Section.

Government - Wide Financial Statements. These financial statements are used to present a general over all look at the finances of the Vernon Parish Sheriff's Department similar to a private sector business.

Statement of Net Position. By determining the difference between the assets and liabilities of the Vernon Parish Sheriff, "Net Position" is determined. By comparing Statements of Net Position over a period of time, the overall financial trend of the sheriff can be monitored.

Statement of Activities. This statement shows changes in the sheriff's net position during the course of the fiscal year and includes revenues and expenses for items such as earned and accumulated but unused leave, which is going to affect cash flows in future fiscal years. The Statement of Activities reports all changes to net position as soon as the event affecting net position occurs.

Fund Financial Statements - To comply with finance related legal requirements, the Vernon Parish Sheriff groups related accounts into funds. Fund accounting is used by state and local governments to manage revenues or resources designated for a specific purpose. These funds can be divided into two categories: governmental funds and agency or fiduciary funds.

VERNON PARISH SHERIFF
LEESVILLE, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS

Government Funds - Information contained in these funds may be used to determine a government's immediate or near-term financing needs since the focus of governmental fund financial statements is on immediate or near-term revenues and expenses and not only on balances available at the end of the fiscal year. Governmental funds account for the same functions as governmental activities found in the government-wide statements but is presented with a narrower focus. The reader may find it helpful to draw a comparison between the information presented in the governmental funds with information presented for governmental activities in the government-wide financial statements to better understand the long-range impact of decisions made for near-term financing. One may choose to use the reconciliation provided for the governmental fund balance sheet and governmental fund statement of revenue, expenditures, and changes in fund balances to more clearly draw the comparison between these governmental funds and governmental activities. A budgetary comparison statement is provided to demonstrate compliance with the sheriff's annual adopted appropriated budget.

Agency (Fiduciary) Funds - These funds are used to manage monies and resources held by the Sheriff on behalf of others, such as inmate trust deposits, taxes, fines and bonds. Since these resources do not belong to the Sheriff and are not available to support the operations of the Sheriff, they are not reflected in the government-wide financial statements.

Notes to the Financial Statements - These notes provide additional information which is helpful in understanding the data presented in the government-wide and fund financial statements.

Other Information - This report provides certain required supplementary information above and beyond the basic financial statements and accompanying notes regarding the financial activities of the Vernon Parish Sheriff.

FINANCIAL ANALYSIS OF THE SHERIFF AS A WHOLE

The Sheriff's net position as of June 30, 2020 was a deficit of (\$12,950,479), an increase of \$712,671 from the previous year.

Sheriff's Net Position

	<u>Governmental Activities</u>	
	<u>6/30/20</u>	<u>6/30/19</u>
Current & Other Assets	\$ 2,331,609	\$ 613,821
Capital Assets	<u>1,087,614</u>	<u>1,121,939</u>
Total Assets	3,419,223	1,735,760
Deferred Outflows of Resources	<u>5,644,187</u>	<u>2,603,062</u>
Total Assets and Deferred Outflows of Resources	<u>9,063,410</u>	<u>4,338,822</u>
Current Liabilities	649,227	910,631
Long-Term, Liabilities	<u>19,275,384</u>	<u>15,847,621</u>
Total Liabilities	19,924,611	16,758,252
Deferred Inflows of Resources	<u>2,089,278</u>	<u>1,243,720</u>
Total Liabilities and Deferred Inflows of Resources	<u>22,013,889</u>	<u>18,001,972</u>
Net Position		
Net Investment in Capital Assets	1,087,614	1,121,939
Unrestricted	<u>(14,038,093)</u>	<u>(14,785,089)</u>
Total Net Position	<u>\$(12,950,479)</u>	<u>\$(13,663,150)</u>

VERNON PARISH SHERIFF
LEESVILLE, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS

Capital assets represent 12.4% of total assets. Allowance has been taken for outstanding debt incurred for the purchase of fixed assets.

Changes in Sheriff's Net Position

	<u>Governmental Activities</u>	
	<u>6/30/20</u>	<u>6/30/19</u>
Revenues		
Program Revenues		
Fees, Charges and Commission	\$ 1,844,926	\$ 3,539,396
Operating Grants and Contributions	3,214,617	189,259
General Revenues		
Ad Valorem Taxes	3,159,799	2,748,691
Sales Taxes	3,181,068	3,195,252
Other General Revenues	<u>465,372</u>	<u>493,582</u>
Total Revenues	<u>11,865,782</u>	<u>10,166,180</u>
Expenses		
Public Safety	<u>11,153,111</u>	<u>10,205,878</u>
Total Expenses	<u>11,153,111</u>	<u>10,205,878</u>
Change in Net Position	<u>\$ 712,671</u>	<u>\$ (39,698)</u>

FINANCIAL ANALYSIS OF SHERIFF FUND

Fund accounting is used by the Vernon Parish Sheriff to demonstrate its compliance with finance related legal requirements and to provide information used in determining the government's financing needs. Governmental funds are used to provide information on near-term inflows, outflows, and expendable resource balances. The unreserved fund balance may be used to gauge the government's end of year net resources that will be available for spending.

The Vernon Parish Sheriff's combined governmental fund balances as of June 30, 2020 is a surplus of \$1,682,382. The June 30, 2019 combined governmental fund balance was (\$256,774). This is an increase of \$1,939,156.

Budgetary Highlights

Revenues and expenses in the final budget exceeded projections in the original budget. The original budget was amended.

Capital Asset and Debt Administration

Capital Assets: The Vernon Parish Sheriff investment in capital assets for its governmental activities as of June 30, 2020 amounts to \$1,087,614 (net of accumulated depreciation).

VERNON PARISH SHERIFF
LEESVILLE, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS

The following summarizes capital assets:	<u>6/30/20</u>	<u>6/30/19</u>
Capital Assets:		
Vehicles	\$ 255,951	\$ 238,823
Furniture and Equipment	604,589	518,511
Buildings	2,194,053	2,194,053
Land	<u>129,390</u>	<u>129,390</u>
	3,183,983	3,080,777
Accumulated Depreciation	<u>2,096,369</u>	<u>1,958,838</u>
Capital Assets, net	<u>\$1,087,614</u>	<u>\$1,121,939</u>

Long-term Debt: At June 30, 2020, the Sheriff had the following long-term debt outstanding:

Governmental Activities

	<u>6/30/20</u>	<u>6/30/19</u>
Tax Anticipation Loans	\$ -	\$ -
Equipment Installment Loans	-	40.036
Compensated Absences	220,778	236.190
Other Post-Employment Benefits	16,006,201	12,649.770
Net Pension Liability	<u>3,048,405</u>	<u>2,961.661</u>
	<u>\$19,924,611</u>	<u>\$15,887.657</u>

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Vernon Parish Sheriff's elected official considered the following factors and indicators when setting next year's budget, rates and fees. These factors and indicators include:

- 1) Grant opportunities for COVID19 recovery
- 2) Property values per the tax assessor
- 3) Intergovernmental Revenues
- 4) Fees, Charges, and Commissions for Services

Request for Information

This report may be used by all persons with an interest in the financial status of the Vernon Parish Sheriff. It is designed to help the reader gain a general over-all view of the sheriff's finances. Any question or request for additional information should be addressed to the Vernon Parish Sheriff, P.O. Box 649, Leesville, La 71496-0649.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

VERNON PARISH SHERIFF
LEESVILLE, LOUISIANA

Statement of Net Position
June 30, 2020

	<u>Governmental Activities</u>
<i>Assets</i>	
Cash and Cash Equivalents	\$ 639,815
Accounts Receivable	1,691,794
Capital Assets:	
Depreciable	<u>1,087,614</u>
Total Assets	<u>3,419,223</u>
<i>Deferred Outflows of Resources</i>	
Resources Related to Pensions	1,559,626
OPEB Related	4,084,561
<i>Liabilities</i>	
Accounts Payable	\$ 649,227
Long-Term Liabilities	
Compensated Absences	220,778
Net Post Employment Benefit Obligation	16,006,201
Net Pension Liability	<u>3,048,405</u>
Total Liabilities	19,924,611
<i>Deferred Inflows of Resources</i>	
Resources Related to Pensions	1,164,963
OPEB Related	924,315
<i>Net Position</i>	
Net Investment in Capital Assets	1,087,614
Net Position - Unrestricted	<u>(14,038,093)</u>
Total Net Position	<u><u>\$ (12,950,479)</u></u>

The accompanying notes are an integral part of this financial statement.

VERNON PARISH SHERIFF
LEESVILLE, LOUISIANA

Statement of Activities
For the Year Ended June 30, 2020

	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Net (Expense) Revenue and Changes in Net Position</u>
Governmental Activities:					
Public Safety	\$ 11,121,664	\$ 1,844,926	\$ 3,214,617	\$ -	(6,062,121)
Interest Expense	31,447	-	-	-	(31,447)
Total Governmental Activities	<u>\$ 11,153,111</u>	<u>\$ 1,844,926</u>	<u>\$ 3,214,617</u>	<u>\$ -</u>	<u>\$ (6,093,568)</u>

General Revenues:		
Property tax levied for public safety	\$	3,159,799
Sales tax levied for public safety		3,181,068
State Revenue Sharing		232,438
Other		231,824
Interest Earned		1,110
Total General Revenues		<u>6,806,239</u>
Changes in Net Position		712,671
Net Position - Beginning		<u>(13,663,150)</u>
NET POSITION - ENDING	\$	<u>(12,950,479)</u>

The accompanying notes are an integral part of this financial statement.

FUND FINANCIAL STATEMENTS

VERNON PARISH SHERIFF
LEESVILLE, LOUISIANA

Balance Sheet, Governmental Funds
June 30, 2020

	General Fund	Special Revenue Funds	Total
<u>Assets</u>	<u> </u>	<u> </u>	<u> </u>
Cash and Cash Equivalents	\$ 198,634	\$ 441,181	\$ 639,815
Accounts Receivable	1,691,794	-	1,691,794
<u>TOTAL ASSETS</u>	<u>\$ 1,890,428</u>	<u>\$ 441,181</u>	<u>\$ 2,331,609</u>
<u>LIABILITIES AND FUND BALANCE</u>			
<u>Liabilities</u>			
Accounts Payable	\$ 649,075	\$ 152	\$ 649,227
<u>Total Liabilites</u>	649,075	152	649,227
<u>Fund Balance</u>			
Assigned	-	441,029	441,029
Unassigned	1,241,353	-	1,241,353
<u>TOTAL LIABILITIES AND FUND BALANCE</u>	<u>\$ 1,890,428</u>	<u>\$ 441,181</u>	<u>\$ 2,331,609</u>

The accompanying notes are an integral part of this financial statement.

VERNON PARISH SHERIFF
LEESVILLE, LOUISIANA
JUNE 30, 2020

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

*Amounts reported for governmental activities in the Statement of Net Position are
different because:*

Fund Balance, Governmental Funds:	\$ 1,682,382
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	1,087,614
Net pension liability does not require the use of current financial resources and therefore is not reported in the funds.	(3,048,405)
Long-term obligations are not due and payable in the current period and therefore are not reported in the fund statements:	
Compensated Absences	(220,778)
Net OPEB obligation	(16,006,201)
The net effect of deferred outflows of resources and deferred inflows of resources related to pensions do not require the use of current financial resources and therefore are not reported in the funds.	<u>3,554,909</u>
Net Position of Governmental Activities	<u><u>\$ (12,950,479)</u></u>

The accompanying notes are an integral part of this financial statement.

VERNON PARISH SHERIFF
LEESVILLE, LOUISIANA

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

	General Fund	Special Revenue Funds	Total
<u>Revenues</u>			
Ad Valorem Taxes	\$ 3,159,799	\$ -	\$ 3,159,799
Sales Taxes	3,181,068	-	3,181,068
Intergovernmental Revenue			
Federal	1,497,837	-	1,497,837
State	459,109	-	459,109
Local	752,240	-	752,240
State Revenue Sharing	232,438	-	232,438
Fees, Charges & Services			
Fees - 911	-	810,754	810,754
Licenses	64,238	-	64,238
Fines & Costs	368,653	-	368,653
Civil	200,342	-	200,342
Housing Prisoners	633,377	-	633,377
Use of Money - Interest Earning	1,110	-	1,110
Other	231,823	-	231,823
TOTAL REVENUES	10,782,034	810,754	11,592,788
<u>Expenditures</u>			
Public Safety:			
Personal Services and Related Benefits	7,129,182	484,168	7,613,350
Operating Services	1,360,078	160,750	1,520,828
Materials and Supplies	251,371	-	251,371
Travel and Other Charges	12,996	-	12,996
Debt Service			
Principal	1,527,952	-	1,527,952
Interest and Bank Charges	31,447	-	31,447
Capital Outlay	139,713	55,975	195,688
TOTAL EXPENDITURES	10,452,739	700,893	11,153,632
<u>Other Financing Sources</u>			
Proceeds from Bank Loan	1,500,000	-	1,500,000
<u>Excess (Deficiency) of Revenues Over</u>			
<u>Expenditures</u>	1,829,295	109,861	1,939,156
<u>Fund Balance - Beginning of the Year</u>	(587,942)	331,168	(256,774)
<u>FUND BALANCE - END OF THE YEAR</u>	\$ 1,241,353	\$ 441,029	\$ 1,682,382

The accompanying notes are an integral part of this financial statement.

VERNON PARISH SHERIFF
LEESVILLE, LOUISIANA
FOR THE YEAR ENDED JUNE 30, 2020

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

*Amounts reported for governmental activities in the Statement of Activities
are different because:*

Net change in fund balances - total governmental funds		\$ 1,939,156
Governmental funds report capital outlays as expenditures, however, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives.		
Expenditures for capital assets	103,206	
Less current year asset deletions	-	
Less current year depreciation	<u>(137,531)</u>	(34,325)
Additional loan proceeds is an other financing source in the governmental funds, but the loans increase long-term liabilities in the Statement of Net Position.		(1,500,000)
Repayment of loan and lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.		1,527,952
Governmental funds report current year pension contributions as expenditures. However, in the statement of activities, these contributions are reported as deferred inflows of resources and the Sheriff's proportionate share of the plans pension expense is reported as pension expense.		(137,298)
Payments of long-term debt, including contributions to the OPEB obligation, are reported as expenditures in governmental funds. However, these amounts are a reduction of long-term liabilities in the Statement of Net Position and are not reflected in the Statement of Activities:		
Change in compensated absences payable	15,412	
Change in OPEB obligation	(1,371,219)	
Nonemployer contributions to pension plan	<u>272,993</u>	
Changes in net position of governmental activities		<u>\$ 712,671</u>

The accompanying notes are an integral part of this financial statement.

VERNON PARISH SHERIFF
LEESVILLE, LOUISIANA
FIDUCIARY FUND TYPE – AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

Sheriff's Fund – Accounts for funds held in civil suits, sheriff's sales, and garnishments. It also accounts for collection of bonds, fines, and costs and payments of these collections to the recipients in accordance with applicable laws. The Sheriff's Fund is comprised of the Civil, Bonds, Fines and Costs Funds, and the Probation Fund for the Sheriff.

Tax Collector Fund – Article V, Section 27, of the Louisiana Constitution of 1974 provides that the Sheriff will serve as the collector of state and parish taxes and fees. The Tax Collector fund accounts for the collection and distribution of these taxes and fees to the appropriate taxing bodies.

Inmate Fund – Accounts for money deposited by various prison inmates while incarcerated by the Sheriff. Withdrawals are made for purchases by the inmates. Remaining balances to the credit of a prisoner are refunded upon release or transfer to another prison.

VERNON PARISH SHERIFF
LEESVILLE, LOUISIANA

Statement of Fiduciary Assets and Liabilities
June 30 , 2020

	<u>Sheriff's Fund</u>	<u>Inmate Trust Fund</u>	<u>Tax Collector Fund</u>	<u>Total</u>
<u>ASSETS</u>				
Cash and Cash Equivalents	\$ 993,479	\$ 21,644	\$ 940,219	\$ 1,955,342
TOTAL ASSETS	<u>993,479</u>	<u>21,644</u>	<u>940,219</u>	<u>1,955,342</u>
<u>LIABILITIES</u>				
Deposits Due Others	993,479	21,644	940,219	1,955,342
TOTAL LIABILITIES	<u>\$ 993,479</u>	<u>\$ 21,644</u>	<u>\$ 940,219</u>	<u>\$ 1,955,342</u>

The accompanying notes are an integral part of this financial statement.

VERNON PARISH SHERIFF
LEESVILLE, LOUISIANA
FIDUCIARY FUND TYPES - AGENCY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
DUE TO TAXING BODIES AND OTHERS
FOR THE YEAR ENDED JUNE 30, 2020

	Sheriff's Fund	Inmate Trust Fund	Tax Collector Fund	Total
<u>BALANCES AT BEGINNING OF YEAR</u>	\$ 1,118,395	\$ 20,251	\$ 508,028	\$ 1,646,674
<u>ADDITIONS</u>				
Deposits:				
Bonds	63,736	-	-	63,736
Fines and Costs	88,664	-	-	88,664
Advance Deposits	751,853	-	-	751,853
Taxes, Fees, Etc. paid to Tax Collector	-	-	18,805,955	18,805,955
Interest Earned	1,945	-	79,090	81,035
Inmate Deposits	-	202,151	-	202,151
TOTAL ADDITIONS	<u>906,198</u>	<u>202,151</u>	<u>18,885,045</u>	<u>19,993,394</u>
 TOTAL AVAILABLE	 2,024,593	 222,402	 19,393,073	 21,640,068
<u>REDUCTIONS</u>				
Taxes, Fees, Etc. Distributed	59,309	-	18,452,854	18,512,163
Deposits Settled To:	-	-	-	-
Sheriff's General Fund	248,384	-	-	248,384
Police Jury	14,333	-	-	14,333
District Attorney	21,004	-	-	21,004
Clerk of Court	10,795	-	-	10,795
Indigent Defender Board	25,655	-	-	25,655
Attorneys, Appraisers, Etc.	-	-	-	-
Other Settlements	651,635	-	-	651,635
Withdrawals by/for Inmates	-	200,758	-	200,758
TOTAL REDUCTIONS	<u>1,031,115</u>	<u>200,758</u>	<u>18,452,854</u>	<u>19,684,727</u>
 BALANCE AT END OF YEAR	 <u>\$ 993,479</u>	 <u>\$ 21,644</u>	 <u>\$ 940,219</u>	 <u>\$ 1,955,342</u>

The accompanying notes are an integral part of this financial statement.

VERNON PARISH SHERIFF
LEESVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

INTRODUCTION

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying financial statements of the Vernon Parish Sheriff have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments, issued in June 1999.

B. REPORTING ENTITY

GASB Statement 14, *The Reporting Entity*, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the Vernon Parish Sheriff is considered a primary government, since it is a special purpose government that has a separately elected official, is legally separate, and is fiscally independent of other state or local governments. As described in GASB Statement No. 14, fiscally independent means that the Sheriff may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. The Sheriff also has no component units, as other legally separate organizations for which the Sheriff is financially accountable. There are no other primary governments with which the Sheriff has a significant relationship.

For financial reporting purposes, in conformance with GASB Codification Section 2100, the Sheriff includes all funds, account groups, and activities that are controlled by the Sheriff as an independently elected official. As such, the Sheriff is solely responsible for the operations of his office, which include the hiring and retention of employees, authority over budgeting, responsibility for deficits, and the receipt and disbursement of funds. This report only includes all funds which are controlled by or dependent upon the Vernon Parish Sheriff.

VERNON PARISH SHERIFF
LEESVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

C. BASIC FINANCIAL STATEMENTS - GOVERNMENT - WIDE STATEMENTS

The Government-Wide Financial Statements include the Statement of Net Position and the Statement of Activities. These statements report financial information for the Sheriff as a whole.

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

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

D. BASIC FINANCIAL STATEMENTS - FUND FINANCIAL STATEMENTS

The financial transactions of the Sheriff are reported in individual funds in the fund financial statements. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. Fund financial statements report detailed information about the Sheriff. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column.

A fund is a separate accounting entity with a self-balancing set of accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Funds are classified into two categories; governmental and fiduciary. Each category, in turn, is divided into separate "fund types". Governmental funds are used to account for a government's general activities, where the focus of attention is on the providing of services to the public. Fiduciary funds are used to account for assets held for others. The Sheriff's current operations require the use of only governmental and fiduciary funds. The governmental and fiduciary fund types used by the Sheriff are described as follows:

Government Fund Types

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

Special Revenue Funds - The Inmate Commissary Fund is used to account for the proceeds of specific revenue sources such as sales to inmates. The Vernon Communication District Fund is used to account for the operations of the Parish E911 service. Those revenues are restricted to expenditures for specified purposes.

Fiduciary Fund Type - Agency Funds

The agency funds are used as depositories for civil suits, cash bonds, taxes, fees, et cetera. Disbursements from the funds are made to various parish agencies, litigants in suits, et cetera, in the manner prescribed by law. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

VERNON PARISH SHERIFF
LEESVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

E. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

Government-Wide Financial Statements

The government-wide financial statements were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, Accounting and Financial Reporting for Nonexchange Transactions.

Fund Financial Statements

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

Governmental funds and the agency fund use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Vernon Parish Sheriff considers all revenues available if they are collected within 60 days after the fiscal year end. Those revenues susceptible to accrual include ad valorem taxes, state revenue sharing, interest revenue, commissions, and charges for services. Federal, state and local aid and grants are recorded when the Sheriff is entitled to the funds.

Other intergovernmental revenues are accrued, when their receipt occurs soon enough after the end of the accounting period so as to be both measurable and available. All miscellaneous revenues are not susceptible to accrual because generally they are not measurable until received in cash.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred except that principal and interest on general long-term debt is recognized when due.

F. BUDGETARY ACCOUNTING

Formal budgetary accounting is employed as a management control. The Vernon Parish Sheriff prepares and adopts a budget each year for its general fund in accordance with Louisiana Revised Statutes. The operating budget is prepared based on prior year's revenues and expenditures and the estimated increase therein for the current year, using the modified accrual basis of accounting. The budget is legally adopted and amended, as necessary, by the Sheriff. All Budget appropriations lapse at year end. Budget amounts included in the accompanying financial statements include the original budget and all subsequent amendments.

VERNON PARISH SHERIFF
LEESVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

G. SALES TAX

The voters of Vernon Parish approved a one-half percent (½%) sales tax effective April 1, 2004, dedicated for the purpose of providing additional funding for the law enforcement district. The tax is perpetual. The Vernon Parish Sales Tax Department collects the tax and remits to the Sheriff. For this service the Sheriff pays a pro-rate share of administrative expense of the tax collection.

H. ENCUMBRANCES

Encumbrance accounting is not used in the Sheriff's operations.

I. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include amounts in demand deposits, interest bearing demand deposits, and time deposits. Under state law, the sheriff must deposit funds in demand deposits, interest bearing demand deposits, money market accounts or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. Tax collections must be deposited in a bank domiciled in the parish where the funds are collected.

J. CAPITAL ASSETS

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

Capital assets are recorded in the GWFS, but are not reported in the FFS. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes by the Sheriff, no salvage value is taken into consideration for depreciation purposes. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Depreciation</u>	<u>Estimated Lives</u>
Vehicles	5 Years
Furniture & Fixtures	10-20 Years
Buildings	40 Years

K. RISK MANAGEMENT

The Sheriff's office is exposed to various risks related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

Louisiana law provides that the Sheriff may join with other Sheriffs to form an interlocal risk management agency for the development and administration of an interlocal risk management program. The Vernon Parish Sheriff has joined together with other Sheriffs to form the Louisiana Sheriff's Risk Management Program, a public entity risk pool currently operating as a common risk management and insurance program for Louisiana Sheriffs. The Sheriff pays an annual premium to the pool for its general and professional liability insurance coverage.

VERNON PARISH SHERIFF
LEESVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

K. RISK MANAGEMENT – Continued

The agreement for formation of the Louisiana Sheriff's Risk Management Program, administered by the Louisiana Sheriff's Association, provides for the pool to be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of \$3,000,000 for each insured event. The Sheriff estimates the range of contingent losses, if any, to be borne by the government will not exceed the available insurance coverage. The Louisiana Sheriff's Risk Management Program has published its own financial report which can be obtained from the Louisiana Sheriff's Association, 1175 Nicholson Drive, Baton Rouge, La 70804.

In addition to the above, the Sheriff has obtained commercial insurance for all the aforementioned risks and settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

L. COMPENSATED ABSENCES

Full-time deputies of the Sheriff's office, depending on length of service, earn from 5 to 20 days of vacation and sick leave each year. Vacation leave must be taken in the year earned. Accumulated sick leave is not paid upon termination of employment. At June 30, 2019, there are no accumulated and vested benefits relating to vacation and sick leave that require disclosure or accrual to conform with generally accepted accounting principles.

Comp. time is earned for overtime hours worked. The comp time is calculated based on 1 ½ time of hourly rate (including supplemental pay). Comp time is taken by time off, however, comp time earned and accrued is paid upon termination of the employee. Comp time earned in excess of 480 hours must be paid to the employee. Comp time is measured by any amounts actually paid in the government funds. The comp time is measured when actually earned in the government-wide statements and comp time earned and not paid is recorded as a liability. Comp time earned and accrued at June 30, 2020 totaled \$220,778.

M. BAD DEBTS

Uncollectible accounts receivable are 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 feels all receivables at year end are collectable and no allowance for bad debts is necessary.

N. ESTIMATES

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

O. EQUITY CLASSIFICATIONS - GOVERNMENT-WIDE STATEMENTS

Net position represents the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. The Sheriff reports three categories of net position, as follows:

VERNON PARISH SHERIFF
LEESVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

O. EQUITY CLASSIFICATIONS - GOVERNMENT-WIDE STATEMENTS - Continued

- **Net Investment in capital assets** - consists of net capital assets reduced by outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increase by balances of deferred outflows of resources related to those assets.
- **Restricted net position** - net position is considered restricted if their use is constrained to a particular purpose. Restrictions are imposed by external organizations such as federal or state laws or buyers of the Sheriff's bonds. Restricted net position is reduced by liabilities and deferred inflows of resources related to the restricted assets.
- **Unrestricted net position** - consists of all other net position that does not meet the definition of the above two components and is available for general use by the Sheriff.

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, management applies unrestricted net position first, unless a determination is made to use restricted net position. The Sheriff's policy concerning which to apply first varies with the intended use and legal requirements. Management typically makes this decision on a transactional basis at the incurrence of the expenditure.

P. FUND EQUITY OF FUND FINANCIAL STATEMENTS

Accounting standards require governmental fund balances to be reported in as many as five classifications as listed below:

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

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

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

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

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

When expenditures are incurred for the purposes for which both restricted and unrestricted amounts are available, the Sheriff's office reduces restricted amounts first, followed by unrestricted amounts. When expenditures are incurred for purposes for which committed, assigned and unassigned amounts are available, the Sheriff's office reduces committed amounts first, followed by assigned amounts and then unassigned amounts.

VERNON PARISH SHERIFF
LEESVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

Q. PENSION PLANS

The Vernon Parish Sheriff’s Office is a participating employer in a cost-sharing, multiple-employer defined benefit pension plan as described in Note 6. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of each of the plans, and additions to/deductions for the plan’s fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments have been reported at fair value within the plan.

R. OTHER POSTEMPLOYMENT BENEFITS

The sheriff follows GASB Statement No. 75 “Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions”, which requires the accrual of other postemployment benefits for retired employees. The sheriff has recorded a liability for other postemployment benefits (see Note 7). In the government-wide financial statements, the other postemployment benefits liability is recorded as an expense and non-current liability and allocated on a functional basis. In the fund financial statements, other postemployment benefit expenditures are recognized in the amount contributed to the plan or expected to be liquidated with expendable available financial resources. Expendable available financial resources generally refer to other postemployment benefit payments due and payable as of the end of the year.

NOTE 2 - LEVIED TAXES

Act 689 of the regular session of the Louisiana Legislature of 1976 provided initial financing authorization for the levy of an ad valorem tax millage for the law enforcement district. Voters of the district subsequently approved an increase in the ad valorem tax beyond initial authorization. The following is a summary of authorized and levied ad valorem taxes:

	<u>Expiration</u>	<u>Authorized Millage</u>	<u>Levied Millage</u>
Law Enforcement District	Indefinite	12.37	12.37
Law Enforcement District	2020	7.92	7.92

NOTE 3 - CASH AND CASH EQUIVALENTS

For the purpose of these financial statements, the Sheriff considers cash and cash equivalents to be amounts held in demand deposits, interest bearing demand deposits, and time deposits.

At June 30, 2020, the Sheriff has cash and cash equivalents (book balances) totaling \$2,595,157 as follows:

	<u>Statement of Net Position</u>	<u>Statement of Fiduciary Asset & Liabilities</u>	<u>Total</u>
Petty Cash	\$ 730	\$ -	\$ 730
Demand Deposits	<u>639,085</u>	<u>1,955,342</u>	<u>2,594,427</u>
<u>TOTAL</u>	<u>\$ 639,815</u>	<u>\$1,955,342</u>	<u>\$2,595,157</u>

VERNON PARISH SHERIFF
LEESVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 3 - CASH AND CASH EQUIVALENTS – Continued

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. 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. At June 30, 2020, the Sheriff has \$3,098,124 in deposits (collected bank balances). These deposits are secured from risk by \$485,050 of federal deposit insurance and \$3,833,367 was collateralized by securities by pledging banks in the Sheriff's name.

NOTE 4 - RECEIVABLES

The receivables at June 30, 2020, are as follows:

<u>Class of Receivable</u>	<u>General Fund</u>	<u>Agency Funds</u>	<u>Total</u>
Grant Reimbursements	\$1,296,421	\$ -	\$1,296,421
Ad Valorem and Sales Tax	331,440	-	331,440
License	3,619	-	3,619
Fees, Charges, and Commissions for Services	15,280	-	15,280
Feeding and Keeping of Prisoners	47,017	-	47,017
Other	<u>11,716</u>	<u>-</u>	<u>11,716</u>
<u>TOTAL</u>	<u>\$1,691,794</u>	<u>\$ -</u>	<u>\$1,691,794</u>

NOTE 5 - CAPITAL ASSETS

A summary of changes in capital assets for the year ended June 30, 2020 follows:

	<u>Balance June 30, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2020</u>
<u>Capital Assets</u>				
Vehicles	\$ 238,823	\$ 17,128	\$ -	\$ 255,951
Furniture & Equipment	518,511	86,078	-	604,589
Buildings	2,194,053	-	-	2,194,053
Land	<u>129,390</u>	<u>-</u>	<u>-</u>	<u>129,390</u>
	<u>\$3,080,777</u>	<u>\$ 103,206</u>	<u>\$ -</u>	<u>\$3,183,983</u>
<u>Accumulated Depreciation</u>				
Vehicles	\$ (145,996)	\$ (54,632)	\$ -	\$ (200,628)
Furniture & Equipment	(384,225)	(30,531)	-	(414,756)
Buildings	<u>(1,428,617)</u>	<u>(52,368)</u>	<u>-</u>	<u>(1,480,985)</u>
	<u>(1,958,838)</u>	<u>(137,531)</u>	<u>-</u>	<u>(2,096,369)</u>
<u>Net Capital Assets</u>	<u>\$ 1,121,939</u>	<u>\$ (34,325)</u>	<u>\$ -</u>	<u>\$ 1,087,614</u>

VERNON PARISH SHERIFF
LEESVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 6 - PENSION PLAN

Substantially all employees of the Vernon Parish Sheriff's office are members of the Louisiana Sheriffs Pension and Relief Fund (the System), a multiple-employer (cost sharing), public employee retirement system (PERS), controlled and administered by a separate board of trustees. All sheriffs and deputies who are found to be physically fit, earn at least \$400 per month, and who were at least 18 years of age at the time of original employment are required to participate in the System. Employees are eligible to retire at or after age 55 with at least 12 years of credited service and receive a benefit, payable monthly for life, equal to percentage of their final-average salary for each year of credited service. Final - average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least 12 years of service and do not withdraw employee contributions may retire at or after age 55 and receive the benefit accrued to their date of termination as indicated previously. Employees who terminate with at least 20 years of credited service are also eligible to elect early benefits between ages 50 and 55 with reduced benefits equal to the actuarial equivalent of the benefit to which they would otherwise be entitled at age 55. 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, 6554 Florida Boulevard, Suite 215, Baton Rouge, Louisiana 70806, or by calling (800) 586-9049.

Plan members are required by state statute to contribute 10.25 percent of their annual covered salary and the Vernon Parish Sheriff is required to contribute at an actuarially determined rate. The current rate is 12.75 percent of annual covered payroll. Contributions to the System also include one-half of one percent of the taxes shown to be collectible by the tax rolls of each parish and funds as required and available from insurance premium taxes. The contribution requirements of plan members and the Vernon 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 Vernon Parish Sheriff's contributions to the System for the years ended June 30, 2018, 2019 and 2020 were \$654,137, \$550,860 and \$537,503, respectively, equal to the required contributions for each year.

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

At June 30, 2020, the Sheriff reported a liability of \$3,048,405 for its proportionate share of the net pension liability of the system. The net pension liability was measured as of June 30, 2019 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Sheriff's proportion of the net pension liability was based on a projection of the Sheriff's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2019, the Sheriff's proportion was .644452% which was a decrease of .127889% from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the Sheriff recognized pension expense of \$137,298 representing its proportionate share of the system's net expense, including amortization of deferred amounts.

VERNON PARISH SHERIFF
LEESVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 6 - PENSION PLAN - Continued

At June 30, 2020, the Sheriff reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows Of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ (584,013)
Changes of assumptions	931,636	-
Net difference between projected and actual earnings on pension plan investments	90,487	-
Changes in proportion and differences between Employer contributions and proportionate share of contributions	-	(580,950)
Employer contributions subsequent to the measurement date	<u>537,503</u>	<u>-</u>
Total	<u>\$1,559,626</u>	<u>\$(1,164,963)</u>

The Sheriff reported a total of \$557,503 as deferred outflow of resources related to pension contributions made subsequent to the measurement period of June 30, 2019 which will be recognized as a reduction in net pension liability in the year ended June 30, 2020.

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

Year	
2020	\$ 33,149
2021	(207,203)
2022	23,421
2023	61,247
2024	<u>(26,800)</u>
	<u>\$(116,186)</u>

Actuarial Assumptions

A Summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2019 is 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% (2.5% inflation, 3.0% merit)
Mortality	RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Table for active members, healthy annuitants and beneficiaries.

VERNON PARISH SHERIFF
LEESVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 6 - PENSION PLAN – Continued

Discount Rate

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 rates, approved by PRSAC taking into consideration the recommendation of the Fund’s actuary. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following table presents the Sheriff’s proportionate share of the net pension liability (NPL) using the discount rate of each Retirement System as well as what the Sheriff’s proportionate share of the NPL would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate used by each of the Retirement Systems:

	<u>1.0% Decrease</u>	<u>Current Discount Rate</u>	<u>1.0% Increase</u>
LSPRF Rates	6.10%	7.10%	8.10%
VPSO Share of NPL	\$6,374,682	\$3,048,405	\$2,490,410

Change in Net Pension Liability

The differences between expected and actual experience with regard to economic or demographic factors in the measurement of the pension liability, changes of assumptions about future economic or demographic factors, and changes in the employer’s proportionate share 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 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.

NOTE 7 - CHANGES IN GENERAL LONG-TERM OBLIGATIONS

The following is a summary of changes in long-term debt for the year ended June 30, 2020:

	Balance June 30, <u>2019</u>	<u>Additional</u>	<u>Reductions</u>	Balance June 30, <u>2020</u>	Amounts Due Within <u>One Year</u>
Installment Loans	\$40,036	\$ -	\$ (40,036)	\$ -	\$ -
Tax Anticipation Loan	-	1,500,000	(1,500,000)	-	-
Compensated Absences	<u>236,190</u>	<u>215,575</u>	<u>(230,987)</u>	<u>220,778</u>	<u>-</u>
	<u>\$276,226</u>	<u>\$1,715,575</u>	<u>\$(1,771,023)</u>	<u>\$ 220,778</u>	<u>\$ -</u>

The installment loans were paid in full during the year, and therefore no future annual debt service requirements are reported. The loans were for six vehicles at Sabine State Bank and equipment at Axon Company.

VERNON PARISH SHERIFF
LEESVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 8 – POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

General Information about the OPEB Plan

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

Benefits Provided – Medical, dental and life insurance benefits are provided through comprehensive plans and are made available to employees upon actual retirement. Employees retirement eligibility (D.R.O.P. entry) provisions are as follows: attainment of 30 years of service at any age, or age 55 and 12 years of service if earlier; or, for employees hired after January 1st, 2012, the earliest of age 55 and 30 years of service, age 60 and 20 years of service, and age 62 with 12 years of service. Notwithstanding this there is a minimum service requirement of 15 years for benefits.

Life insurance coverage is provided to retirees and 100% of the blended rate (active and retired) is paid by the employer for the amount \$10,000. The amount of insurance coverage while active is continued after retirement, but insurance coverage amounts are reduced to 75% of the original amount at age 65 and to 50% of the original amount at age 70.

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

Inactive employees or beneficiaries currently receiving benefit payments	44
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	117
	<hr style="border-top: 1px solid black;"/>
	<u>161</u>

Total OPEB Liability

The Sheriff’s total OPEB liability of \$16,006,201 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%
Discount Rate	2.21% annually
Healthcare cost trend rates	5.5% annually until year 2030, then 4.5%
Mortality	SOA RP-2014 Table

VERNON PARISH SHERIFF
LEESVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

The discount rate was based on the Bond Buyers' 20 Year General Obligation municipal bond index as of June 30, 2020, the end of the applicable measurement period.

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

Changes in the Total OPEB Liability

Balance at June 30, 2019	\$ 12,649,770
Changes for the year:	
Service cost	805,800
Interest	456,843
Differences between expected and actual experience	(1,056,360)
Changes in assumptions	3,401,965
Benefit payments and net transfers	(251,817)
Net changes	3,356,431
Balance at June 30, 2020	\$ 16,006,201

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	\$ 19,233,471	\$ 16,006,201	\$ 13,501,150

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	\$ 13,860,591	\$ 16,006,201	\$ 18,749,391

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 \$1,634,976. At June 30, 2020, the Sheriff reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

VERNON PARISH SHERIFF
LEESVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 884,495	\$ (924,315)
Changes in assumptions	3,200,066	-
Total	\$ 4,084,561	\$ (924,315)

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

<u>Years ending June 30:</u>	
2021	372,332
2022	372,332
2023	372,332
2024	372,332
2025	372,332
Thereafter	1,298,585

NOTE 9- STEWARDSHIP AND ACCOUNTABILITY

The General Fund had actual revenues which were less than budgeted revenues for the year ended June 30, 2020:

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Other Revenues	\$ 409,880	\$ 231,820	\$ (178,060)

NOTE 10 - TAXES PAID UNDER PROTEST

Louisiana Revised Statute 47:1576 provides that taxpayers, at the time of payment of all taxes due, give notice to the tax collector of their intention to file suit for recovery of all or a portion of the total taxes paid. Upon receipt of this notice, the amount paid is segregated and held by the tax collector for a period of 30 days. If suit is filed within the 30-day period for recovery of such amounts, the funds are held pending outcome of the suit. If the taxpayer prevails, the tax collector refunds the amount due, with interest at the rate of 2 percent per annum from the date the funds were received by the tax collector. The following is a summary of changes in the taxes paid under protest as recorded in the Tax Collector Agency Fund:

Balance, June 30, 2019	\$ 330,769
Additions:	
Taxes	289,026
Interest	166
Settlements to Taxing Bodies & Others	_____ -
 Balance, June 30, 2020	 <u>\$619,960</u>

VERNON PARISH SHERIFF
LEESVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 11 - ON - BEHALF PAYMENTS

Expenditures for operation and maintenance of the Sheriff’s office and the accounting office located in the parish courthouse annex, and the courthouse annex as required by Louisiana Revised Statute 33:4715, are paid by the Vernon Parish Police Jury.

NOTE 12 - LITIGATION AND CLAIMS

At June 30, 2020, the sheriff is involved in three litigation matters. Legal counsel has not determined if any of the matters may be a case of liability but all would be under insurance limits.

NOTE 13 - EX-OFFICIO TAX COLLECTOR

The amount of cash on hand at June 30, 2020 was \$940,219. The unsettled balances of the Tax Collector Fund at June 30, 2020 consist of:

Refunds & Redemptions	<u>\$940,219</u>
	<u>\$940,219</u>

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

<u>Taxing Authority</u>	<u>Taxes Collected</u>
Vernon Parish Assessor	\$ 914,018
Vernon Parish Sheriff	3,247,070
Vernon Parish Police Jury	5,601,511
Vernon Parish School Board	7,960,341
La Agriculture & Forestry Commission	36,712
South Vernon Parish Water District	79,889
West Vernon Parish Water District	77,277
Louisiana Tax Commission	10,819
Vernon Parish Clerk	46,812
Vernon Parish District Attorney	37,449
Municipal Employees	46,812
Parochial Employees	46,812
Teachers Retirement	187,244
Vernon Parish Registrar of Voters	<u>11,706</u>
	<u>\$18,304,472</u>

There were no taxes uncollected due to bankruptcies. The amount of collection on behalf of other taxing authorities is as follows:

<u>Taxing Authority</u>	<u>Vernon Parish Police Jury</u>	<u>Commission paid to Vernon Parish Sheriff</u>	<u>Final Distribution</u>
Occupational License	<u>\$ 412,449</u>	<u>\$ 60,619</u>	<u>\$ 351,830</u>

VERNON PARISH SHERIFF
LEESVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 13 - EX-OFFICIO TAX COLLECTOR – Continued

The Vernon Parish Sheriff's Office does not collect sales tax, hotel/motel tax, tax incremental finance district, public utility insurance premiums or any other taxes other than ad valorem tax and occupational licenses for tax authorities.

NOTE 14 - RELATED PARTY TRANSACTIONS

There were no related party transactions that came to our attention.

NOTE 15 – COVID-19 PANDEMIC

The ongoing COVID-19 outbreak in the United States and Louisiana has caused business disruption through mandated and voluntary closings of businesses. While the disruption is currently expected to be temporary, there is considerable uncertainty around whether these happenings will precipitate a wider economic recession. As a result, the related financial impact on the Sheriff's operations and the duration cannot be estimated at this time.

NOTE 16 - SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date the financial statements were available to be issued, March 15, 2021, and determined that one event occurred that requires disclosure. Management applied, and was awarded additional grant funding from the CARES act in the amount of \$840,275 that was received in November 2020.

REQUIRED SUPPLEMENTAL INFORMATION (PART B)

VERNON PARISH SHERIFF
LEESVILLE, LOUISIANA

**Statement of Revenues, Expenditures and Changes in Fund Balance -
Budget to Actual
General Fund
For the Year Ended June 30, 2020**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Over(Under)
	Original	Final		
<u>Operating Revenue</u>				
Tax - Ad Valorem	2,900,000	2,828,700	\$ 3,159,799	\$ 331,099
Tax - Sales	3,000,000	3,181,100	3,181,068	(32)
Intergovernmental Revenue				
Federal	25,000	42,500	1,497,837	1,455,337
State	552,000	470,600	459,109	(11,491)
Local	950,000	756,500	752,240	(4,260)
State Revenue Sharing	233,800	232,400	232,438	38
Fees, Charges, & Services				
Licenses	65,000	64,200	64,238	38
Fines & Costs	575,200	368,400	368,653	253
Civil	387,000	200,660	200,342	(318)
Housing Prisoners	568,000	646,000	633,377	(12,623)
Use of Money - Interest Earning	3,500	3,500	1,110	(2,390)
Other	441,500	409,880	231,823	(178,057)
Total Operating Revenues	<u>\$9,701,000</u>	<u>\$9,204,440</u>	<u>\$ 10,782,034</u>	<u>\$1,577,594</u>
<u>Operating Expenditures</u>				
General Government				
Personnel Services	8,219,200	7,467,220	7,129,182	338,038
Operating Services	917,500	1,344,250	1,360,078	(15,828)
Materials and Supplies	189,200	247,720	251,371	(3,651)
Travel and Other Charges	6,200	11,700	12,996	(1,296)
Debt Service				
Principal	1,632,000	1,559,400	1,527,952	31,448
Interest and Bank Charges	28,000	43,200	31,447	11,753
Capital Outlay	171,200	142,900	139,713	3,187
Total Expenditures	<u>11,163,300</u>	<u>10,816,390</u>	<u>10,452,739</u>	<u>363,651</u>
Other Financing Sources				
Proceeds from Bank Loan	1,500,000	1,500,000	1,500,000	-
<u>Excess (Deficiency) of Revenues Over Expenditures</u>				
	37,700	(111,950)	1,829,295	(1,941,245)
<u>Fund Balance - Beginning of the Year</u>				
	<u>(587,942)</u>	<u>(587,942)</u>	<u>(587,942)</u>	<u>-</u>
<u>FUND BALANCE - END OF THE YEAR</u>				
	<u>\$ (550,242)</u>	<u>\$ (699,892)</u>	<u>\$ 1,241,353</u>	<u>\$ (1,941,245)</u>

The accompanying notes are an integral part of this financial statement.

VERNON PARISH SHERIFF
LEESVILLE, LOUISIANA
NOTES TO THE BUDGETARY COMPARISON SCHEDULES
FOR THE YEAR ENDED JUNE 30, 2020

A. BUDGETS

General Budget Practices The Sheriff follows these procedures in establishing the budgetary data reflected in the financial statements:

The chief administrative deputy prepares a proposed budget for the General Fund and submits it to the Sheriff for the fiscal year no later than fifteen days prior to the beginning of each fiscal year.

A summary of the proposed budget is published, and the public is notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.

A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.

After holding the public hearing and completion of all action necessary to finalize and implement the budget, the budget is legally adopted prior to the commencement of the fiscal year for the which the budget is being adopted.

Appropriations (unexpended budget balances) lapse at year-end.

Encumbrances Encumbrance accounting, under which purchase orders are recorded in order to reserve that portion of the applicable appropriation, is not employed.

Budget Basis of Accounting The budget is prepared on the modified accrual basis of accounting, a basis consistent with accounting principles generally accepted in the United States of America (GAAP). Budgeted amounts are originally adopted or amended by the Sheriff. Such amendments were not material in relation to original appropriations.

B. UNFAVORABLE BUDGET VARIANCES

Actual expenditures greater than budgeted expenditures:

	<u>Final Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
Other Revenues	\$ 409,880	\$ 231,823	\$ (178,057)

VERNON PARISH SHERIFF
LEESVILLE, LOUISIANA
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED JUNE 30, 2020

	2018	2019	2020
Total OPEB Liability			
Service cost	\$ 152,732	\$ 149,239	\$ 805,800
Interest	396,730	410,263	456,843
Changes of benefit terms	-	-	-
Differences between expected and actual experience	166,121	854,502	(1,056,360)
Changes of assumptions	-	255,253	3,401,965
Benefit payments	<u>(263,612)</u>	<u>(278,111)</u>	<u>(251,817)</u>
Net change in total OPEB liability	451,971	1,391,147	3,356,431
Total OPEB liability - beginning	<u>10,806,652</u>	<u>11,258,623</u>	<u>12,649,770</u>
Total OPEB liability - ending (a)	<u><u>\$ 11,258,623</u></u>	<u><u>\$ 12,649,770</u></u>	<u><u>\$ 16,006,201</u></u>
Covered-employee payroll	\$ 4,246,748	\$ 4,374,150	\$ 4,373,577
Net OPEB liability as a percentage of covered-employee payroll	265.11%	289.19%	365.98%
Notes to Schedule:			
<i>Benefit Changes:</i>	None	None	None
<i>Changes of Assumptions:</i>			
<i>Discount Rate:</i>	3.62%	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.

VERNON PARISH SHERIFF
LEESVILLE, LOUISIANA
SCHEDULE OF VERNON PARISH SHERIFF'S CONTRIBUTIONS
FOR THE YEAR ENDED JUNE 30, 2020

Fiscal Year	(a) Statutorily required contribution	(b) Contributions in relation to the statutorily required contribution	(a-b) Contribution deficiency	Agency's covered payroll	Contributions as a percentage of covered payroll
2015	\$ 765,354	\$ 765,354	\$ -	\$ 5,370,905	14.25%
2016	\$ 764,069	\$ 764,069	\$ -	\$ 5,556,857	13.75%
2017	\$ 737,545	\$ 737,545	\$ -	\$ 5,566,364	13.25%
2018	\$ 654,137	\$ 654,137	\$ -	\$ 5,130,486	12.75%
2019	\$ 550,860	\$ 550,860	\$ -	\$ 4,502,102	12.24%
2020	\$ 537,503	\$ 537,503	\$ -	\$ 4,387,776	12.25%

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

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

VERNON PARISH SHERIFF
LEESVILLE, LOUISIANA
SCHEDULE OF SHERIFF PROPORTIONATE SHARE OF NET PENSION LIABILITY
FOR THE YEAR ENDED JUNE 30, 2020

Fiscal Year	Agency's proportion of the net pension liability (asset)	Agency's proportionate share of the net pension liability (asset)	Agency's covered payroll	Agency's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2015	84.51%	\$ 3,346,418	\$ 5,370,905	62.31%	87.34%
2016	81.01%	\$ 3,610,912	\$ 5,556,857	64.98%	99.23%
2017	81.37%	\$ 5,164,176	\$ 5,566,364	92.77%	82.10%
2018	80.36%	\$ 3,479,964	\$ 5,130,486	67.83%	102.00%
2019	77.23%	\$ 2,961,656	\$ 4,502,102	65.78%	102.00%
2020	64.45%	\$ 3,048,405	\$ 4,387,776	69.47%	88.91%

Amounts presented were determined as of the measurement date (previous fiscal year end).
Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

OTHER SUPPLEMENTAL INFORMATION

VERNON PARISH SHERIFF
LEESVILLE, LOUISIANA
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2020

	<u>Vernon Communicatons District</u>	<u>Inmate Commissary Fund</u>	<u>Total</u>
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 441,029	\$ 152	\$ 441,181
<u>TOTAL ASSETS</u>	<u>\$ 441,029</u>	<u>\$ 152</u>	<u>\$ 441,181</u>
<u>LIABILITIES AND FUND BALANCE</u>			
Payables	\$ -	\$ 152	\$ 152
Fund Balance - Assigned	441,029	-	441,029
<u>TOTAL LIABILITIES AND FUND BALANCES</u>	<u>\$ 441,029</u>	<u>\$ 152</u>	<u>\$ 441,181</u>

VERNON PARISH SHERIFF
LEESVILLE, LOUISIANA
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2020

	Vernon Communications District	Inmate Commissary Fund	Total
REVENUES:			
Fees, Services and Charges	\$ 810,754	\$ -	\$ 810,754
Other	-	152	152
TOTAL REVENUES	<u>810,754</u>	<u>152</u>	<u>810,906</u>
EXPENDITURES			
Public Safety			
Personnel	484,168	-	484,168
Operating	160,750	-	160,750
Materials and Supplies	-	-	-
Travel and Other	-	-	-
Capital Outlay	55,975	-	55,975
TOTAL EXPENDITURES	<u>700,893</u>	<u>-</u>	<u>700,893</u>
Excess (Deficiency) of Revenues over Expenditures	109,861	152	110,013
FUND BALANCE AT BEGINNING OF YEAR	<u>331,168</u>	<u>-</u>	<u>331,168</u>
FUND BALANCE AT END OF YEAR	<u>\$ 441,029</u>	<u>\$ 152</u>	<u>\$ 441,181</u>

STATE OF LOUISIANA, PARISH OF VERNON

AFFIDAVIT

JOHN S. CRAFT (Sheriff's Name), Sheriff of VERNON (Parish)

BEFORE ME, the undersigned authority, personally came and appeared, JOHN S. CRAFT (Name), the sheriff of VERNON Parish, State of Louisiana, who after being duly sworn, deposed and said:

The following information is true and correct:

\$ 940,218.62 is the amount of cash on hand in the tax collector account on 6-30-2020 (Date);

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.

John S. Craft
Signature
Sheriff of Vernon
(Parish)

SWORN to and subscribed before me, Notary, this 16th day of November 2020, in my office in the Leesville, Louisiana.
(City/Town)

Jennie Davis (Signature)
Jennie Davis (Print), # 63345
Notary Public
expires May 16, 2022 (Commission)

VERNON PARISH SHERIFF
LEESVILLE, LOUISIANA
SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS
TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER
JUNE 30, 2020

Agency Head: Sam Craft, Sheriff

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 165,870
Benefits - Insurance	12,945
Benefits - Retirement	-
Travel Reimbursement	<u>1,442</u>
Total	<u>\$ 180,257</u>

OTHER SUPPLEMENTAL INFORMATION –
COMPLIANCE REQUIREMENTS

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

To the Honorable John S. Craft
Vernon Parish Sheriff
Leesville, Louisiana

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities of Vernon Parish Sheriff, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Sheriff’s basic financial statements, and have issued my report thereon dated March 15, 2021.

Internal Control Over Financial Reporting

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

A deficiency in internal control 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, detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Sheriff’s financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

To the Honorable John S. Craft
Vernon Parish Sheriff
Leesville, Louisiana

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Vernon Parish Sheriff's financial statements are free from material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of 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 my 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 for the use of management of Vernon Parish Sheriff and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

West Monroe, Louisiana
March 15, 2021



David M. Smith, CPA (APSC)

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE
UNIFORM GUIDANCE

To the Honorable John S. Craft
Vernon Parish Sheriff
Leesville, Louisiana

Report on Compliance for Each Major Federal Program

I have audited the Vernon Parish Sheriff's (Sheriff) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Sheriff's major federal programs for the year ended June 30, 2020. The Sheriff's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

My responsibility is to express an opinion on compliance for each of the Sheriff's major federal programs based on my audit of the types of compliance requirements referred to above. I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Sheriff's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances.

I believe that my audit provides a reasonable basis for my opinion on compliance for each major federal program. However, my audit does not provide a legal determination of the Sheriff's compliance.

Opinion on Each Major Federal Program

In my opinion, the Sheriff complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

Report on Internal Control Over Compliance

Management of the Sheriff is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing my audit of compliance, I considered the Sheriff's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of the Sheriff's internal control over compliance.

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

My consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. I did not identify any deficiencies in internal control over compliance that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of my testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Office of the Louisiana Legislative Auditor as a public document.



West Monroe, Louisiana
March 15, 2021

VERNON PARISH SHERIFF
LEESVILLE, LOUISIANA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2020

Grantor	CFDA#	Amount Spent
Department of Justice		
Passed through the Louisiana Commission on Law Enforcement		
Violence Against Women Grants:		
Domestic Violence Investigation	16.588	18,017
Domestic & Secual Violence Investigations	16.588	4,990
Total Violence Against Women Grants		<u>23,007</u>
Multi-Jurisdictional Narcotics Task Force	16.738	14,533
School Resource Officer - SRO	16.710	23,654
Coronavirus Emergency Supplemental Funding Program	16.034	3,733
Bureau of Justice Assistance (Office of Justice Programs)		
Bulletproof Vest Partnership (BVP)	16.607	10,305
Total Department of Justice		<u>75,232</u>
FEMA:		
SHSG 2019 EMW-2019-SS-00014-S01	97.067	46,039
EMPG 2019 EMT-2019-EP-00006-S01	97.042	25,927
FIPS 115-057BD-00 Hazard Mitigation Grant - Severe Storms and Flooding	97.039	10,272
FIPS 115-057BD-00 Hazard Mitigation Grant - Hurricane Harvey	97.039	5,895
Total FEMA		<u>88,133</u>
Department of the US Treasury		
Coronavirus Aid, Relief and Economic Security Act (CARES Act)		
Covid 19 Funding 2-B	21.019	1,221,030 *
TOTAL FEDERAL ASSISTANCE		<u><u>1,384,395</u></u>

*Denotes Major Federal Program.

VERNON PARISH SHERIFF
LEESVILLE, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR
THE YEAR ENDED JUNE 30, 2020

Part I-Summary of Auditor's Results

Financial Statement Audit

- i. The type of audit report was unmodified.
- ii. There were no significant deficiencies required to be disclosed by Government Auditing Standards issued by the Comptroller General of the United States of America.
- iii. There were no instances of noncompliance, as defined by the Government Auditing Standards, to the financial statements.

Audit of Federal Awards

- iv. There were no significant deficiencies required to be disclosed by the Uniform Guidance (2 CFR 200).
- v. The type of report the auditor issued on compliance for the major program was unmodified.
- vi. The audit disclosed no findings which the auditor is required to report under the Uniform Guidance.
- vii. The major federal program was:
Coronavirus Aid, Relief and Economic Security Act (CARES) CFDA #21.019
- viii. The dollar threshold used to identify between Type A and Type B programs as described in the Uniform Guidance was \$750,000.
- ix. The auditee does not qualify as a low-risk auditee under the Uniform Guidance.

Part II - Findings related to the financial statements which are required to be reported in accordance with Government Auditing Standards generally accepted in the United States of America.

Section I - **Internal Control and Compliance Material to the Financial Statements**

No findings were reported under this section.

Section II - **Financial Statement Findings**

No findings were reported under this section.

Section III - **Management Letter**

No management letter was issued.

VERNON PARISH SHERIFF
LEESVILLE, LOUISIANA
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2020

Section I - Internal Control and Compliance Material to the Financial Statements

No findings were reported under this section.

Section II - Financial Statement Findings

No findings were reported under this section.

Section III - Management Letter

No management letter was issued.