

AVOUELLES PARISH SHERIFF

Marksville, Louisiana

Financial Report

Year Ended June 30, 2020

TABLE OF CONTENTS

	Page
Independent Auditors' Report	1-3
BASIC FINANCIAL STATEMENTS	
GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)	
Statement of net position	6
Statement of activities	7
FUND FINANCIAL STATEMENTS (FFS)	
Balance sheet - governmental funds	10
Reconciliation of the governmental funds balance sheet to the statement of net position	11
Statement of revenues, expenditures, and changes in fund balances - governmental funds	12
Reconciliation of the statement of revenues, expenditures, and changes in fund balances of governmental funds to the statement of activities	13
Statement of net position - proprietary fund	14
Statement of revenues, expenses, and changes in net position - proprietary fund	15
Statement of cash flows - proprietary fund	16
Statement of fiduciary net position - agency funds	17
Notes to basic financial statements	18-45
REQUIRED SUPPLEMENTARY INFORMATION	
General Fund:	
Budgetary comparison schedule	47
Special Revenue Fund:	
Budgetary comparison schedule - 1994 Sales Tax Fund	48
Schedule of employer contributions	49
Schedule of employer's share of net pension liability	50
Schedule of changes in total OPEB liability and related ratios	51
Notes to required supplementary information	52
OTHER SUPPLEMENTARY INFORMATION	
General Fund:	
Schedule of expenditures - amended budget (GAAP basis) and actual Affidavit	54-55 56
INTERNAL CONTROL, COMPLIANCE, AND OTHER MATTERS	
Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	58-59
Schedule of prior and current year audit findings and management's corrective action plan	60-63

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INDEPENDENT AUDITORS' REPORT

The Honorable David Dauzat
Avoyelles Parish Sheriff
Marksville, Louisiana

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and

the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information, schedule of employer contributions, schedule of employer's share of net pension liability, schedule of changes in the sheriff's total OPEB liability and related ratios, and notes to the required supplementary information on pages 47 through 52 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. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Avoyelles Parish Sheriff's basic financial statements. The other supplementary information on pages 54 through 56 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The other supplementary information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 14, 2021, on our consideration of the Avoyelles Parish Sheriff's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Avoyelles Parish Sheriff's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Avoyelles Parish Sheriff's internal control over financial reporting and compliance.

Champagne & Company, LLC
Certified Public Accountants

Breaux Bridge, Louisiana
January 14, 2021

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

AVOYELLES PARISH SHERIFF
Marksville, Louisiana

Statement of Net Position
June 30, 2020

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and interest-bearing deposits	\$ 1,614,877	\$ 24,743	\$ 1,639,620
Due from other governmental units	425,305	-	425,305
Inventory	2,403	38,983	41,386
Other assets	43,526	-	43,526
Total current assets	2,086,111	63,726	2,149,837
Noncurrent assets:			
Capital assets:			
Land	174,400	-	174,400
Depreciable assets, net	2,976,954	66,540	3,043,494
Total noncurrent assets	3,151,354	66,540	3,217,894
Total assets	5,237,465	130,266	5,367,731
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pension	879,254	9,188	888,442
Deferred outflows related to OPEB	1,748,859	-	1,748,859
Total deferred outflows of resources	2,628,113	9,188	2,637,301
LIABILITIES			
Current liabilities:			
Accounts and other accrued payables	1,109,851	1,269	1,111,120
Compensated absences payable	33,060	-	33,060
Capital lease payable	39,772	-	39,772
Total current liabilities	1,182,683	1,269	1,183,952
Noncurrent liabilities:			
Capital lease payable	86,037	-	86,037
Net pension liability	1,689,784	7,890	1,697,674
OPEB obligation payable	13,254,023	-	13,254,023
Total noncurrent liabilities	15,029,844	7,890	15,037,734
Total liabilities	16,212,527	9,159	16,221,686
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pension	1,075,136	4,088	1,079,224
Deferred inflows related to OPEB	1,111,593	-	1,111,593
Total deferred inflows of resources	2,186,729	4,088	2,190,817
NET POSITION			
Net investment in capital assets	3,151,354	66,540	3,217,894
Restricted for sales tax dedications	585,700	-	585,700
Unrestricted (deficit)	(14,270,732)	59,667	(14,211,065)
Total net position	\$ (10,533,678)	\$ 126,207	\$ (10,407,471)

The accompanying notes are an integral part of the basic financial statements.

AVOYELLES PARISH SHERIFF
Marksville, Louisiana

Statement of Activities
For the Year Ended June 30, 2020

Activities	Expenses	Program Revenues			Net (Expense) Revenues and Change in Net Position		
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:							
Public safety	\$ 10,048,605	\$4,411,332	\$ 209,108	\$ -	\$ (5,428,165)	\$ -	(5,428,165)
Interest expense	49,536	-	-	-	(49,536)	-	(49,536)
Total governmental activities	<u>10,098,141</u>	<u>4,411,332</u>	<u>209,108</u>	<u>-</u>	<u>(5,477,701)</u>	<u>-</u>	<u>(5,477,701)</u>
Business-type activities							
Commissary	290,198	406,699	-	-	-	116,501	116,501
Total business-type activities	<u>290,198</u>	<u>406,699</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>116,501</u>	<u>116,501</u>
Total	<u>\$ 10,388,339</u>	<u>\$4,818,031</u>	<u>\$ 209,108</u>	<u>\$ -</u>	<u>\$ (5,477,701)</u>	<u>\$ 116,501</u>	<u>\$ (5,361,200)</u>
General revenues:							
Taxes -							
Property taxes, levied for general purposes					1,088,508	-	1,088,508
Sales and use taxes, levied for general purposes					2,362,940	-	2,362,940
State revenue sharing					126,731	-	126,731
Grants and contributions not restricted to specific programs							
State sources					46,770	-	46,770
Interest and investment earnings					5,268	241	5,509
Miscellaneous					140,476	-	140,476
Nonemployer pension contributions					149,345	2,686	152,031
Transfers					<u>126,000</u>	<u>(126,000)</u>	<u>-</u>
Total general revenues and transfers					<u>4,046,038</u>	<u>(123,073)</u>	<u>3,922,965</u>
Change in net position					(1,431,663)	(6,572)	(1,438,235)
Net position (deficit) - July 1, 2019					<u>(9,102,015)</u>	<u>132,779</u>	<u>(8,969,236)</u>
Net position (deficit) - June 30, 2020					<u>\$ (10,533,678)</u>	<u>\$ 126,207</u>	<u>\$ (10,407,471)</u>

The accompanying notes are an integral part of the basic financial statements.

FUND FINANCIAL STATEMENTS

MAJOR FUND DESCRIPTIONS

General Fund

The General Fund is used to account for resources traditionally associated with governments which are not required to be accounted for in another fund.

Special Revenue Fund

1994 Sales Tax Fund

To account for the receipt and use of proceeds of the Sheriff's 1994 one-half percent sales and use tax. These taxes are dedicated to the following purposes: Establishing, acquiring, constructing, improving, maintaining, staffing, and operating equipment and facilities necessary to provide enhanced 911 emergency telephone, ambulance, dispatch and other services for the benefit of the residents of the Parish.

Debt Service Fund

Sales Tax Bond Sinking and Reserve

To accumulate monies for repayment of the \$1,460,000 Sales Tax Bonds, Series 2004, interest due semi-annually at 4.0 to 6.5 percent and for repayment of the \$500,000 Certificates of Indebtedness, Series 2007, interest due semi-annually at 4.22%. Payments are derived from the one-half cent sales and use tax approved by the voters on November 19, 1992. The bonds were paid off in year end June 30, 2020. This fund is closed at June 30, 2020.

Enterprise Fund

Commissary Fund

To account for the provision of a commissary to the parish inmates housed by the Sheriff. All activities necessary to provide such services are accounted for in this fund.

AVOUELLES PARISH SHERIFF
Marksville, Louisiana

Balance Sheet - Governmental Funds
June 30, 2020

	General Fund	1994 Sales Tax	Sales Tax Bonds	Total
ASSETS				
Cash and interest-bearing deposits	\$ 1,254,047	\$ 360,830	\$ -	\$ 1,614,877
Due from other governmental agencies	178,061	247,244	-	425,305
Inventory	2,403	-	-	2,403
Other assets	22,653	20,873	-	43,526
Total assets	\$ 1,457,164	\$ 628,947	\$ -	\$ 2,086,111
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts and other payables	\$ 157,477	\$ 22,374	-	\$ 179,851
Total liabilities	157,477	22,374	-	179,851
Fund balances:				
Nonspendable	25,056	20,873	-	45,929
Restricted	-	585,700	-	585,700
Unassigned	1,274,631	-	-	1,274,631
Total fund balances	1,299,687	606,573	-	1,906,260
Total liabilities and fund balances	\$ 1,457,164	\$ 628,947	\$ -	\$ 2,086,111

The accompanying notes are an integral part of the basic financial statements.

AVOYELLES PARISH SHERIFF
Marksville, Louisiana

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

Total fund balances for governmental funds at June 30, 2020 \$ 1,906,260

Total net position reported for governmental activities in the statement of net position is different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:

Land	\$ 174,400	
Buildings and improvements, net of \$2,376,866 accumulated depreciation	2,712,157	
Equipment and furniture, net of \$2,083,130 accumulated depreciation	122,993	
Leased Equipment, net of \$80,523 accumulated depreciation	129,537	
Vehicles, net of \$1,160,802 accumulated depreciation	<u>12,267</u>	3,151,354

The deferred outflows of expenditures are not a use of current resources, and therefore, are not reported in the funds:

Pension plan	879,254	
Post employment benefit obligation	<u>1,748,859</u>	2,628,113

Some debt/payables of governmental activities are not payable from current resources and, therefore, not reported in the funds:

Compensated absences payable	(33,060)	
Litigation and claims (part of accounts and other accrued payables)	(930,000)	
Lease payable	(125,809)	
Net pension liability	(1,689,784)	
Net OPEB obligation payable	<u>(13,254,023)</u>	(16,032,676)

The deferred inflows of contributions are not available resources, and therefore, are not reported in the funds:

Pension plan	(1,075,136)	
Post employment benefit obligation	<u>(1,111,593)</u>	<u>(2,186,729)</u>

Total net position of governmental activities at June 30, 2020 \$ (10,533,678)

The accompanying notes are an integral part of the basic financial statements.

AVOYELLES PARISH SHERIFF
Marksville, Louisiana

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

	General Fund	1994 Sales Tax	Sales Tax Bonds	Total
Revenues:				
Ad valorem taxes	\$ 1,088,508	\$ -	\$ -	\$ 1,088,508
Sales taxes	-	2,361,635	1,305	2,362,940
Intergovernmental revenues -				
Local sources	83,228	109,229		192,457
State grants:				
State revenue sharing (net)	126,731	-	-	126,731
State supplemental pay	202,085	-	-	202,085
Other	10,711	-	-	10,711
Fees, charges, and commissions for services -				
Civil and criminal	605,413	-	-	605,413
Feeding and keeping prisoners	3,394,311	-	-	3,394,311
Inmate fund revenues	133,895	-	-	133,895
Work release program	163,299	-	-	163,299
Miscellaneous-				
Other	102,678	26,979	77	129,734
Total revenues	5,910,859	2,497,843	1,382	8,410,084
Expenditures:				
Current -				
Public safety:				
Personal services and related benefits	4,190,539	491,220	-	4,681,759
Operating services	1,091,239	-	-	1,091,239
Operations and maintenance	2,612,476	284,986	-	2,897,462
Debt service	-	46,498	138,038	184,536
Capital outlay	45,660	12,462	-	58,122
Total expenditures	7,939,914	835,166	138,038	8,913,118
Excess (deficiency) of revenues over expenditures	(2,029,055)	1,662,677	(136,656)	(503,034)
Other financing sources (uses):				
Transfers in	-	151,608	-	151,608
Transfers out	1,876,000	(1,750,000)	(151,608)	(25,608)
Total other financing sources (uses)	1,876,000	(1,598,392)	(151,608)	126,000
Net change in fund balances	(153,055)	64,285	(288,264)	(377,034)
Fund balances, beginning	1,452,742	542,288	288,264	2,283,294
Fund balances, ending	\$ 1,299,687	\$ 606,573	\$ -	\$ 1,906,260

The accompanying notes are an integral part of the basic financial statements.

AVOYELLES PARISH SHERIFF
Marksville, Louisiana

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

Total net changes in fund balances for the year ended June 30, 2020 per Statement of Revenues, Expenditures and Changes in Fund Balances	\$ (377,034)
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The change in net position reported for governmental activities in the
statement of activities is different because:

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

Capital outlay which is considered expenditures on Statement of Revenues, Expenditures and Changes in Fund Balances	\$ 58,122	
Depreciation expense for the year ended June 30, 2020	<u>(184,977)</u>	(126,855)

Because governmental funds do not record fixed assets and accumulated
depreciation, any assets disposed of with no selling price do not affect
the statement of revenues, expenditures, and changes in fund balance.
However, in the statement of activities, a gain or loss is shown on assets
that are not fully depreciated.

Loss on sale of assets	(18,951)
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Expenses not requiring the use of current financial resources and therefore,
are not reported as expenditures in the governmental funds:

Net change in compensated absences payable	3,143	
Net change in OPEB liability and related deferrals	(403,421)	
Net change in pension liability and related deferrals	248,702	
Net change in lease payable	37,753	
Net change in bonds payable	135,000	
Net change in litigation and claims payable	<u>(930,000)</u>	<u>(908,823)</u>

Total changes in net position for the year ended June 30, 2020 per Statement of Activities	<u>\$ (1,431,663)</u>
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The accompanying notes are an integral part of the basic financial statements.

AVOUELLES PARISH SHERIFF
Marksville, Louisiana

Statement of Net Position
Proprietary Fund
June 30, 2020

ASSETS

Current assets:

Cash and interest-bearing deposits	\$ 24,743
Inventory	<u>38,983</u>
Total current assets	<u>63,726</u>

Noncurrent assets:

Capital assets, net of accumulated depreciation	<u>66,540</u>
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Total assets	<u>130,266</u>
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DEFERRED OUTFLOWS OF RESOURCES

9,188

LIABILITIES

Current liabilities:

Accounts and other accrued liabilities	<u>1,269</u>
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Noncurrent liabilities:

Net pension liability	<u>7,890</u>
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Total liabilities	<u>9,159</u>
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DEFERRED INFLOWS OF RESOURCES

4,088

NET POSITION

Net investment in capital assets	66,540
Unrestricted	<u>59,667</u>
Total net position	<u>\$ 126,207</u>

The accompanying notes are an integral part of the basic financial statements.

AVOYELLES PARISH SHERIFF
Marksville, Louisiana

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

Sales	\$ 406,699
Cost of goods sold	<u>202,725</u>
Gross profit	<u>203,974</u>
Operating expenses:	
Personal services and related benefits	71,856
Operations and maintenance	12,184
Depreciation	<u>3,433</u>
Total operation expenses	<u>87,473</u>
Operating income	116,501
Nonoperating revenues:	
Interest income	241
Nonemployer pension contributions	<u>2,686</u>
Total nonoperating revenues	<u>2,927</u>
Income before transfers	119,428
Transfers out	<u>(126,000)</u>
Change in net position	(6,572)
Net position, beginning	<u>132,779</u>
Net position, ending	<u>\$ 126,207</u>

The accompanying notes are an integral part of the basic financial statements.

AVOYELLES PARISH SHERIFF
Marksville, Louisiana

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

Cash flows from operating activities:	
Receipts from customers	\$ 406,699
Payments to suppliers	(238,474)
Payments to employees	<u>(71,856)</u>
Net cash provided by operating activities	<u>96,369</u>
Cash flows from noncapital financing activities:	
Transfer to other funds	(126,000)
Nonemployer pension contributions	<u>(2,976)</u>
Net cash used by noncapital financing activities	<u>(128,976)</u>
Cash flows from investing activities:	
Interest earned	<u>241</u>
Net decrease in cash and cash equivalents	(32,366)
Cash and cash equivalents, beginning of period	<u>57,109</u>
Cash and cash equivalents, end of period	<u>\$ 24,743</u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 116,501
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	3,433
Changes in current assets and liabilities -	
Decrease in inventory	9,491
Decrease in accounts payable	<u>(33,056)</u>
Net cash provided by operating activities	<u>\$ 96,369</u>

The accompanying notes are an integral part of the basic financial statements.

AVOUELLES PARISH SHERIFF
Marksville, Louisiana

Statement of Fiduciary Net Position
Agency Funds
June 30, 2020

ASSETS

Cash and interest-bearing deposits	<u>\$ 147,590</u>
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LIABILITIES

Due to taxing bodies, prisoners and others	<u>\$ 147,590</u>
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The accompanying notes are an integral part of the basic financial statements.

AVOYELLES PARISH SHERIFF
Marksville, Louisiana

Notes to Basic Financial Statements

(1) Summary of Significant Accounting Policies

As provided by Article V, Section 27 of the Louisiana Constitution of 1974, the Avoyelles Parish Sheriff (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, investigations, and serves the residents of the parish through the establishment of neighborhood watch programs, anti-drug abuse programs, et cetera. In addition, when requested, the Sheriff provides assistance to other law enforcement agencies within the parish.

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

The accounting and reporting policies of the Avoyelles Parish Sheriff conform to accounting principles generally accepted in the United States of America as applicable to governments. Such accounting and reporting procedures also conform to the requirements of the industry audit guide, *Audits of State and Local Governmental Units*.

The following is a summary of certain significant accounting policies;

A. Financial Reporting Entity

For financial reporting purposes, the Sheriff includes all funds, activities, et cetera that are controlled by the Sheriff as an independently elected parish official. As an independently elected parish official, the Sheriff is solely responsible for the 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. The Sheriff is fiscally independent. As required by accounting principles generally accepted in the United States of America, the financial statements of the reporting entity include those of the Avoyelles Parish Sheriff (the primary government). There are no component units to be included in the Sheriff's reporting entity.

AVOUELLES PARISH SHERIFF
Marksville, Louisiana

Notes to Basic Financial Statements (Continued)

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

The statement of net position and the statement of activities display information about the Sheriff as a whole. These statements include all non-fiduciary activities of the Sheriff. Information contained in these statements reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, deferred outflows of resources, and liabilities and deferred inflows or resources 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, deferred outflows of resources, liabilities and deferred inflows of resources resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, "Accounting and Financial Reporting for Nonexchange Transactions."

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

Fund Financial Statements (FFS)

The Sheriff uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain sheriff functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts. The various funds of the Sheriff are classified into three categories: governmental, proprietary, and fiduciary. The emphasis on fund financial statements is on major funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the Sheriff or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures of the individual governmental fund is at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets liabilities, revenues, or expenditures of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The Sheriff reports the following major governmental funds:

AVOYELLES PARISH SHERIFF
Marksville, Louisiana

Notes to Basic Financial Statements (Continued)

Governmental Funds –

General Fund

The General Fund is the primary operating fund of the Sheriff. It accounts for all financial resources except those that are required to be accounted for in other funds.

1994 Sales Tax Special Revenue Fund

The Sales Tax Special Revenue Fund accounts for the proceeds of a one-half percent sales and use tax that is legally restricted to expenditures for specific purposes.

Debt Service Fund

The Sales Tax Bond Sinking and Reserve Debt Service Fund is used to account for the accumulation of resources for and the payment of general long-term debt principal, interest and related costs.

Additionally, the Avoyelles Parish Sheriff reports the following fund types:

Proprietary Fund –

A proprietary fund is used to account for ongoing activities that are similar to those often found in the private sector. The measurement focus is based upon the determination of net income, financial position, and cash flows. Operating revenues of the proprietary fund are revenues derived from user charges (commissary sales). Nonoperating revenues are those of an ancillary nature. The following is the Sheriff's proprietary fund type:

Enterprise fund

An enterprise fund is used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The Sheriff applies all applicable principles under the Governmental Accounting Standards Board (GASB) in accounting and reporting for its enterprise fund. The Sheriff's enterprise fund is the Commissary Fund.

Fiduciary Funds

Fiduciary fund reporting focuses on net assets and changes in net assets. The only funds accounted for in this category by the Sheriff are agency funds. The agency funds account for assets held by the Sheriff as an agent for various taxing bodies (tax collections) and for deposits held pending court action. These funds are custodial in

AVOYELLES PARISH SHERIFF
Marksville, Louisiana

Notes to Basic Financial Statements (Continued)

nature (assets equal liabilities) and do not involve measurement of results of operations. Consequently, the agency funds have no measurement focus, but use the accrual basis of accounting.

C. Measurement Focus/Basis of Accounting

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide statement of net position and the statement of activities, both governmental and business-type activities are presented using the economic resources measurement focus as defined in item b. below.

In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate:

- a. All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b. The proprietary fund utilizes an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net position.

Basis of Accounting

In the government-wide statement of net position and statement of activities, both governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the

AVOYELLES PARISH SHERIFF
Marksville, Louisiana

Notes to Basic Financial Statements (Continued)

Sheriff considers all revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures (including capital outlay) generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due. Also certain compensated absences and claims and judgments are recognized when the obligations are expected to be liquidated with expendable available financial resources.

The proprietary fund utilizes the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset is used.

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Equity

Cash and Interest-bearing Deposits

Cash and interest-bearing deposits include amounts in demand deposits, interest-bearing demand deposits, and time deposits. These deposits are stated at cost, which approximates market. For the purpose of the proprietary fund statement of cash flows, "cash and cash equivalents" include all demand and savings accounts, and certificates of deposit or short-term investments with an original maturity of three months or less when purchased.

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Receivables are charged against income as they become uncollectible. In the opinion of management, all receivables at year-end were collectible, and an allowance for doubtful accounts was not considered necessary.

Interfund Receivable and Payables

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as "due to and from other funds." Short-term interfund loans are reported as "interfund receivables and payables." Long-term interfund loans (noncurrent) are reported as "advances from and to other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Position.

Inventory

Inventory of the Sheriff's General Fund consists of food purchased by the Sheriff. Inventory of the Sheriff's Enterprise Fund consists of items purchased by the Sheriff for resale to prisoners. All inventory items are recorded as expenses when consumed. All purchased inventory items are valued at the lower of cost (first-in, first-out) or market.

AVOYELLES PARISH SHERIFF
Marksville, Louisiana

Notes to Basic Financial Statements (Continued)

Prepaid Expenses

Payments made to vendors for services that will benefit periods beyond June 30, 2020 are recorded as prepaid items. The prepaid items that existed at June 30, 2020 were prepaid insurance and prepaid computer maintenance expenses.

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

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Buildings and improvements	5-60
Office, equipment, and furniture	7-20
Vehicles	5

Compensated Absences

Each full-time employee of the Sheriff earns annual leave at a rate of 8 to 12 days per year, depending on their length of service. Annual leave begins accruing from the start of the employees full-time salaried status, and is accumulated bi-weekly throughout the year. Unused annual leave may be carried forward from year to year, not to exceed 2 days. Upon termination or resignation, employees are paid for unused annual leave at the employee's current rate of pay.

Each full-time employee of the Sheriff earns 10 days of sick leave per year. Sick leave begins accruing from the start of the employees full-time salaried status, and is accumulated bi-weekly throughout the year. Unused sick leave may be carried forward from year to year, not to exceed 5 days. Upon termination or resignation, unused sick leave is forfeited.

The employees of the Sheriff had accumulated and vested leave benefits totaling \$33,060 at June 30, 2020.

AVOUELLES PARISH SHERIFF
Marksville, Louisiana

Notes to Basic Financial Statements (Continued)

Deferred Outflows of Resources and Deferred Inflows of Resources

In some instances, the GASB requires a government to delay recognition of decreases in net position as expenditures until a future period. In other instances, governments are required to delay recognition of increases in net position as revenues until a future period. In these circumstances, deferred outflows of resources and deferred inflows of resources result from the delayed recognition of expenditures or revenues, respectively.

Equity Classifications

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

- a. Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – Consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Constraints may be placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – Net amount of the assets, deferred outflows of resources, liabilities and deferred inflows of resources that are not included in either of the other two categories of net position.

Proprietary fund equity is classified the same as in the government-wide statements. In the fund financial statements, governmental fund equity is classified as follows:

- a. *Nonspendable* – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.
- b. *Restricted* – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
- c. *Committed* – amounts that can be used only for specific purposes determined by a formal decision of the Sheriff, which is the highest level of decision making authority.

AVOYELLES PARISH SHERIFF
Marksville, Louisiana

Notes to Basic Financial Statements (Continued)

- d. *Assigned* – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes by a formal decision of the Sheriff, which is the highest level of decision making authority.
- e. *Unassigned* – all other spendable amounts.

When an expenditure is incurred, for the purposes for which both restricted and unrestricted fund balance is available, the Sheriff considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Sheriff considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Sheriff has provided otherwise in its commitment or assignment actions.

As of June 30, 2020, fund balances are comprised of the following:

	General Fund	1994 Sales Tax	Sales Tax Bond	Total Governmental Funds
Nonspendable:				
Inventory	\$ 2,403	\$ -	\$ -	\$ 2,403
Prepaid items	22,653	20,873	-	43,526
Restricted:				
911 expenditures	-	585,700	-	585,700
Unassigned	1,274,631	-	-	1,274,631
Total fund balances	\$ 1,299,687	\$ 606,573	\$ -	\$ 1,906,260

E. Revenues, Expenditures, and Expenses

Program Revenues

Program revenues included in the Statement of Activities are derived directly from the program itself or from parties outside the Sheriff's taxpayers or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the Sheriff's general revenues.

Revenues

Ad valorem taxes and the related state revenue sharing are recorded in the year taxes are due and payable. Ad valorem taxes are assessed on a calendar year basis, become due on November 15 of each year, and become delinquent on December 31. The taxes are generally collected in December, January and February of the fiscal year.

Sales taxes are considered as "measurable" when in the hands of the sales tax collector and are recognized as revenue at that time.

AVOUELLES PARISH SHERIFF
Marksville, Louisiana

Notes to Basic Financial Statements (Continued)

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

Interest on interest-bearing deposits is recorded or accrued as revenues when earned. Substantially all other revenues are recorded when received.

Expenditures

The Sheriff's primary expenditures include salaries and insurance, which are recorded when the liability is incurred. Capital expenditures and purchases of various operating supplies are recorded as expenditures at the time purchased.

Grant Revenue

In general, grants received by the Sheriff are reimbursable type grants, and revenues are recognized as earned only when the expenditures to be reimbursed have been incurred.

Other Financing Sources

Transfers between funds that are not expected to be repaid are accounted for as other financing sources (uses) when the transfer is authorized by the Sheriff.

F. Estimates

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

(2) Cash and Interest – Bearing Deposits

Under state law, the Sheriff may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The Sheriff may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2020, the Sheriff has cash and interest-bearing deposits (book balances) totaling \$1,787,210 of which \$147,590 is attributable to fiduciary funds, which are not presented in the statement of net position.

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the Sheriff's deposits may not be recovered or will not be able to recover collateral securities that are in the possession of an outside party. 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 similar federal security plus the federal deposit insurance must at all

AVOYELLES PARISH SHERIFF
Marksville, Louisiana

Notes to Basic Financial Statements (Continued)

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. The following is a summary of deposit balances (bank balances) at June 30, 2020, and the related federal insurance and pledged securities:

Bank Balances	<u>\$ 2,207,300</u>
At June 30, 2020 the deposits are secured as follows:	
Federal deposit insurance	\$ 500,000
Pledged securities	<u>1,707,300</u>
Total	<u>\$ 2,207,300</u>

Deposits in the amount of \$1,707,300 were exposed to custodial credit risk. These deposits are uninsured and collateralized with securities held by the pledging institution's trust department or agent, but not in the Sheriff's name. The Sheriff does not have a policy for custodial credit risk.

(3) Ad Valorem Taxes

The Sheriff is the ex-officio tax collector of the parish and is responsible for the collection and distribution of ad valorem taxes. Ad valorem taxes attach as an enforceable lien on property as of January 1, of each year. Taxes are levied by the parish government in June and are actually billed to the taxpayers by the Sheriff in October. Billed taxes are due by December 31, becoming delinquent on January 1 of the following year. The taxes are based on assessed values determined by the Tax Assessor of Avoyelles Parish and are collected by the Sheriff. The taxes are remitted to the appropriate taxing bodies net of deductions for assessor's compensation and pension fund contributions.

Ad valorem taxes are budgeted and recorded in the year for which levied and billed. For the year ended June 30, 2020 law enforcement taxes applicable to the Sheriff's General Fund, were levied at the rate of 6.41 mills on property with assessed valuations totaling \$150,060,641.

Total law enforcement taxes levied during 2020 were \$961,904. There were no taxes receivable in the General Fund at June 30, 2020.

AVOYELLES PARISH SHERIFF
Marksville, Louisiana

Notes to Basic Financial Statements (Continued)

(4) Due from Other Governmental Units

Amounts due from other governmental agencies totaling \$425,305 at June 30, 2020, consisted of the following:

	Governmental Activities		
	General Fund	Special Revenue	Total
Feeding and keeping prisoners	\$ 161,153	\$ -	\$ 161,153
Telephone commissions	-	24,641	24,641
Sales tax revenue	-	214,334	214,334
Other	16,908	8,269	25,177
Total	\$ 178,061	\$ 247,244	\$ 425,305

(5) Capital Assets

Capital asset activity for the year ended June 30, 2020 was as follows:

	Balance 7/1/2019	Additions	Deletions	Balance 6/30/2020
Governmental activities:				
Assets not being depreciated:				
Land	\$ 174,400	\$ -	\$ -	\$ 174,400
Assets being depreciated:				
Buildings and improvements	5,112,667	-	23,644	5,089,023
Equipment and furniture	2,441,622	58,122	293,621	2,206,123
Equipment-capital lease	210,060	-	-	210,060
Vehicles	1,197,418	-	24,349	1,173,069
Total	9,136,167	58,122	341,614	8,852,675
Less: accumulated depreciation				
Buildings and improvements	2,289,763	102,012	14,909	2,376,866
Equipment and furniture	2,349,355	26,540	292,765	2,083,130
Equipment-capital lease	38,511	42,012	-	80,523
Vehicles	1,161,378	14,413	14,989	1,160,802
Total	5,839,007	184,977	322,663	5,701,321
Governmental activities, capital assets, net	\$ 3,297,160	\$ (126,855)	\$ 18,951	\$ 3,151,354

AVOYELLES PARISH SHERIFF
Marksville, Louisiana

Notes to Basic Financial Statements (Continued)

	Balance 7/1/2019	Additions	Deletions	Balance 6/30/2020
Business-type activities				
Assets being depreciated:				
Buildings and improvements	101,868	-	-	101,868
Equipment and furniture	5,895	-	-	5,895
Vehicles	23,000	-	-	23,000
Total	130,763	-	-	130,763
Less: accumulated depreciation				
Buildings and improvements	31,895	3,433	-	35,328
Equipment and furniture	5,895	-	-	5,895
Vehicles	23,000	-	-	23,000
Total	60,790	3,433	-	64,223
Business-type activities, capital assets, net	\$ 69,973	\$ (3,433)	\$ -	\$ 66,540

Depreciation expense in the amount of \$184,977 was charged to governmental activities as public safety. Depreciation expense in the amount of \$3,433 was charged to business-type activities.

(6) Accounts and Other Accrued Payables

The accounts and other accrued payables at June 30, 2020 consisted of the following:

	Governmental Activities	Business-Type Activities	Total
Accounts	\$ 70,435	\$ 673	\$ 71,108
Salaries	71,360	534	71,894
Payroll taxes and withholdings	3,056	62	3,118
Litigation and claims	965,000	-	965,000
Total	\$1,109,851	\$ 1,269	\$1,111,120

(7) Dedication of Proceeds and Flow of Funds – Sales and Use Tax

Proceeds of the one-half cent sales and use tax (2020 collections – \$2,362,940 approved by voters on November 19, 1992 and levied by the Sheriff beginning January 1, 1993 are dedicated to the following purposes:

Establishing, acquiring, constructing, improving, maintaining, staffing and operating equipment and facilities necessary to provide enhanced 911 emergency telephone, ambulance, dispatch and any other services for the benefit of the residents of the Parish.

AVOUELLES PARISH SHERIFF
Marksville, Louisiana

Notes to Basic Financial Statements (Continued)

At June 30, 2020, \$247,244 of sales tax receivable is reflected on the Sales Tax Fund's balance sheet.

(8) Pension Plan / GASB 68

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 the Sheriffs' Pension and Relief Fund (Fund) and additions to / deductions from the Fund's fiduciary net position have been determined on the same basis as they are reported by the Fund. This plan is a cost-sharing, multiple employer defined benefit plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Summary of Significant Accounting Policies:

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

Basis of Accounting:

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

Fund Employees:

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

Plan Fiduciary Net Position:

Plan fiduciary net position is a significant component of the Fund's collective net pension liability. The Fund's plan fiduciary net position was determined using the accrual basis of accounting. The Fund's assets, liabilities, revenues, and expenses were recorded with the use of estimates and assumptions in conformity with accounting principles generally accepted in the United States of America. Such estimates primarily relate to unsettled transactions and

AVOYELLES PARISH SHERIFF
Marksville, Louisiana

Notes to Basic Financial Statements (Continued)

events as of the date of the financial statements and estimates over the determination of the fair market value of the Fund's investments. Accordingly, actual results may differ from estimated amounts.

Plan Description:

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

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

Retirement Benefits:

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

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

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

For a member whose first employment making him eligible for membership in the system began after June 30, 2006 and before July 1, 2013, final average compensation is

AVOYELLES PARISH SHERIFF
Marksville, Louisiana

Notes to Basic Financial Statements (Continued)

based on the average monthly earnings during the highest sixty consecutive months or joined months if service was interrupted. The earnings to be considered for each twelve-month period within the sixty-month period shall not exceed 125% of the preceding twelve-month period.

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

Disability Benefits:

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

Survivor Benefits:

Survivor benefits for death solely as a result of injuries received in the line of duty are based on the following. For a spouse alone, a sum equal to 50% of the member's final average compensation with a minimum of \$150 per month. If a spouse is entitled to benefits and has a child or children under eighteen years of age (or over said age if physically or mentally incapacitated and dependent upon the member at the time of his death), an additional sum of 15% of the member's final average compensation is paid to each child with total benefits paid to spouse and children not to exceed 100%. If a member dies with no surviving spouse, surviving children under age eighteen will receive monthly benefits of 15% of the member's final average compensation up to a maximum of 60% of final average compensation if there are more than four children. If a member is eligible for normal retirement at the time of death, the surviving spouse receives an automatic Option 2 benefit. The additional benefit payable to children shall be the same as those available for members who die in the line of duty. In lieu of receiving Option 2 benefit, the surviving spouse may receive a refund of the member's accumulated contributions. All benefits payable to surviving children shall be extended through age twenty-three, if the child is a full-time student in good standing enrolled at a board approved or accredited school, college, or university.

Deferred Benefits:

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

AVOYELLES PARISH SHERIFF
Marksville, Louisiana

Notes to Basic Financial Statements (Continued)

Back Deferred Retirement Option Plan (Back-DROP):

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

Permanent Benefit Increases/Cost-of-Living Adjustments:

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

Employer Contributions:

According to state statute, contribution requirements for all employers are actuarially determined each fiscal year. For the year ending June 30, 2019, the actual employer contribution rate was 12.25% with an additional 0.00% allocated from the Funding Deposit Account.

In accordance with state statute, the Fund also receives ad valorem taxes, insurance premium taxes, and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities, but are not considered special funding situations. Non-employer contributions are recognized as revenue in the amount of \$152,031 and excluded from pension expense for the year ended June 30, 2020.

Schedule of Employer Allocations:

The schedule of employer allocations reports the historical employer contributions in addition to the employer allocation percentages for each participating employer. The historical employer contributions are used to determine the proportionate relationship of each employer to all employers

AVOYELLES PARISH SHERIFF
Marksville, Louisiana

Notes to Basic Financial Statements (Continued)

of Sheriffs' Pension and Relief Fund. The employer's proportion was determined on a basis that is consistent with the manner in which contributions to the pension plan are determined. The allocation percentages were used in calculating each employer's proportionate share of the pension amounts.

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

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

At June 30, 2020, the Sheriff reported a liability of \$1,697,674 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Sheriff's proportion of the net pension liability was based on a projection of the Sheriff's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2019, the Sheriff's proportion was .358899% which was an increase of .045642% from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the Sheriff recognized pension expense of \$204,614 less employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, \$2,413.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experiences	\$ -	\$ 325,240
Changes of assumptions	518,833	-
Net difference between projected and actual earnings on pension plan investments	61,092	-
Change in proportion and differences between employer contributions and proportionate share of contributions	(402)	753,984
Employer contributions subsequent to the measurement date	308,919	-
Total	\$ 888,442	\$ 1,079,224

Deferred outflows of resources of \$308,919 related to pensions resulting from the Sheriff's contributions subsequent to the measurement date will be recognized as a reduction of the net pension

AVOYELLES PARISH SHERIFF
Marksville, Louisiana

Notes to Basic Financial Statements (Continued)

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:

<u>Fiscal Year Ended</u>		
2021		\$ (130,572)
2022		(237,328)
2023		(108,892)
2024		(24,838)
2025		1,929

Actuarial Assumptions:

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2020 are as follows:

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

AVOYELLES PARISH SHERIFF
Marksville, Louisiana

Notes to Basic Financial Statements (Continued)

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

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

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

	Expected Rate of Return		
Asset Class	Target Asset Allocation	Real Return Arithmetic Basis	Long-term Expected Portfolio Real Rate of Return
Equity Securities	62%	7.1%	4.4%
Bonds	23%	3.0%	0.7%
Alternative Investments	15%	4.6%	0.6%
Totals	100%		5.7%
Inflation			<u>2.4%</u>
Expected Arithmetic Nominal Return			<u>8.1%</u>

The discount rate used to measure the total pension liability was 7.10%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers and non-employer contributing entities will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the Fund's actuary. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the employer's proportionate share of the net pension liability using the discount rate of 7.10%, as well as what the employer's proportionate share of the net pension liability

AVOYELLES PARISH SHERIFF
Marksville, Louisiana

Notes to Basic Financial Statements (Continued)

would be if it were calculated using a discount rate that is one percentage-point lower (6.10%) or one percentage-point higher (8.10%) than the current rate as of June 30, 2020:

	Changes in Discount Rate		
	1.0% Decrease 6.10%	Current Discount Rate 7.10%	1.0% Increase 8.10%
Employer's proportionate share of the net pension liability	\$ 3,550,097	\$ 1,697,674	\$ 138,692

Change in Net Pension Liability:

The changes in the net pension liability for the year ended June 30, 2020 were recognized in the current reporting period except as follows:

- a. **Differences between Expected and Actual Experience:** Differences between expected and actual experience with regard to economic or demographic factors in the measurement of the total pension liability were recognized as pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan. The differences between expected and actual experience resulted in a deferred inflow of resources in the amount of \$325,240 for the year ended June 30, 2020.
- b. **Changes of Assumptions:** Changes of assumptions about future economic or demographic factors were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan. Changes of assumptions resulted in a deferred outflow of resources in the amount of \$518,833 for the year ended June 30, 2020.
- c. **Differences between Projected and Actual Investment Earnings:** Differences between projected and actual investment earnings on pension plan investments were recognized in pension expense using the straight-line amortization method over a closed five-year period. The differences between projected and actual investment earnings resulted in a deferred outflow of resources in the amount of \$61,092 for the year ended June 30, 2020.
- d. **Change in Proportion:** Changes in the employer's proportionate shares of the collective net pension liability and collective deferred outflows of resources and deferred inflows of resources since the prior measurement date were recognized in the employer's pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided pensions through the pension plan. The change in proportion resulted in a deferred inflow of resources in the amount of \$753,984 and a deferred outflow of resources in the amount of \$402 for the year ended June 30, 2020.

AVOYELLES PARISH SHERIFF
Marksville, Louisiana

Notes to Basic Financial Statements (Continued)

Contributions – Proportionate Share:

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

Estimates:

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

Retirement Fund Audit Report:

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

(9) Post Retirement Health Care and Life Insurance Benefits

General Information about the OPEB Plan

Plan description – The Avoyelles Parish Sheriff (the Sheriff) provides certain continuing health care and life insurance benefits for its retired employees. The Avoyelles 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) Statement No. 75.

Benefits Provided – Medical, dental, vision and life insurance benefits are provided to employees upon actual retirement. The employer pays 100% of net cost (total premium less retiree contribution, if any) of retiree medical coverage for employees. Employees are covered by the Louisiana Sheriff's Pension and Relief Fund, whose retirement eligibility (D.R.O.P. entry) provisions as follows: 30 years of service at any age or, age 55 and 12 years of service. For hires on and after January 1, 2012 it is age 55 and 30 years of service, or 60 and 20 years of service, or 62 and 12 years of service.

Life insurance coverage is continued to retirees by election and based on a blended rate for active employees and retirees. The employer pays for \$10,000 of life insurance after retirement for the retiree. However, those rates are based on the blended active/retired rate and there is thus an implied subsidy.

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

AVOYELLES PARISH SHERIFF
Marksville, Louisiana

Notes to Basic Financial Statements (Continued)

Inactive employees or beneficiaries currently receiving benefit payments	58
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	76
	134

The Sheriff's total OPEB liability of \$13,254,023 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 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
Discount rate	3.50% annually (Beginning of Year to Determine ADC) 2.21% annually (As of End of Year Measurement Date)
Healthcare cost trend rates	Flat 5.5% annually
Mortality	SOA RP-2000 Table

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

The actuarial assumptions used in the July 1, 2018 valuation were updated (rolled forward) using 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	\$ 11,175,952
Changes for the year:	
Service cost	279,812
Interest	396,055
Differences between expected and actual experience	521,600
Changes in assumptions	1,292,276
Benefit payments and net transfers	(411,672)
Net changes	2,078,071
Balance at June 30, 2020	\$ 13,254,023

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:

AVOYELLES PARISH SHERIFF
Marksville, Louisiana

Notes to Basic Financial Statements (Continued)

	1.0% Decrease (1.21%)	Current Discount Rate (2.21%)	1.0% Increase (3.21%)
Total OPEB liability	\$ 15,619,509	\$ 13,254,023	\$ 11,388,377

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	\$ 11,513,821	\$ 13,254,023	\$ 15,433,769

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 \$815,093. At June 30, 2020, the Sheriff reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 447,086	\$ (1,111,593)
Changes in assumptions	1,301,773	
Total	\$ 1,748,859	\$ (1,111,593)

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

Years ending June 30:	
2021	139,226
2022	139,226
2023	139,226
2024	139,226
2025	139,226
Thereafter	(58,864)

AVOYELLES PARISH SHERIFF
Marksville, Louisiana

Notes to Basic Financial Statements (Continued)

(10) Changes in Agency Fund Balances

A summary of changes in agency fund balances due to taxing bodies and others and due to prisoners follows:

	Civil Fund	Bond Fund	Fines and Costs Fund	12th Judicial Court Fines Fund	Tax Collector Fund	Inmate Fund
Balances, June 30, 2019	\$ 96,891	\$ 30,150	\$ 24,198	\$ -	\$ 15,201	\$104,748
Additions	613,168	3,079	284,516	594,601	12,696,844	713,615
Reductions	<u>(648,463)</u>	<u>(2,000)</u>	<u>(296,508)</u>	<u>(594,521)</u>	<u>(12,705,126)</u>	<u>(782,803)</u>
Balances, June 30, 2020	<u>\$ 61,596</u>	<u>\$ 31,229</u>	<u>\$ 12,206</u>	<u>\$ 80</u>	<u>\$ 6,919</u>	<u>\$ 35,560</u>

(11) Changes in Long-Term Debt

The Sheriff's long-term debt is attributable to governmental activities. Sales tax bonds were funded by sales tax revenue and paid by the Debt Service Fund. Capital lease payments were paid out of the 1994 Sales Tax Fund. The following is a summary of the long-term debt transactions for the year ended June 30, 2020:

	Governmental Funds				
	Balance 6/30/2019	Additions	Reductions	Balance 6/30/2020	Due Within One Year
Sales Tax Bonds	\$ 135,000	\$ -	\$ 135,000	\$ -	\$ -
Lease payable	163,562	-	37,753	125,809	39,772
Compensated absences payable	<u>36,203</u>	<u>-</u>	<u>3,143</u>	<u>33,060</u>	<u>33,060</u>
Total	<u>\$ 334,765</u>	<u>\$ -</u>	<u>\$ 175,896</u>	<u>158,869</u>	<u>\$ 72,832</u>

	Business-Type Activities				
	Balance 6/30/2019	Additions	Reductions	Balance 6/30/2020	Due Within One Year
Compensated absences payable	\$ 984	\$ -	\$ 984	\$ -	\$ -
Total	<u>\$ 984</u>	<u>\$ -</u>	<u>\$ 984</u>	<u>\$ -</u>	<u>\$ -</u>

Debt outstanding at June 30, 2020 is comprised of the following:

\$210,060 lease for emergency call works radio equipment for 911 call system with Motorola on July 25, 2018. For 5 years at an interest rate of 5.22%; \$46,498 due annually

\$ 125,809

AVOYELLES PARISH SHERIFF
Marksville, Louisiana

Notes to Basic Financial Statements (Continued)

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 39,772	\$ 6,727	\$ 46,499
2022	41,898	4,600	46,498
2023	<u>44,139</u>	<u>2,360</u>	<u>46,499</u>
Totals	<u>\$ 125,809</u>	<u>\$ 13,687</u>	<u>\$ 139,496</u>

(12) Litigation and Claims

At June 30, 2020, the Sheriff is involved in several lawsuits claiming damages which are not covered by insurance. Management is unable to estimate the ultimate resolution of most of these matters because they are premature for estimation of possible loss. For these cases, no liability has been recorded. There are a few lawsuits where management believes it is probable that the Sheriff will be unsuccessful in the case and has an estimate of monetary damages. These have been accrued on the government wide financial statements and presented in accounts and other accrued payables. The amount accrued is \$965,000.

(13) Risk Management

The Sheriff is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Sheriff was unable to obtain law enforcement liability insurance at a cost it considered to be economically justifiable. Management believes it is more economical to manage its risk internally and set aside assets for claim settlement in its General Fund. As of June 30, 2020, no funds were designated for law enforcement liability claims and incidental costs. In October 2015 the Sheriff reduced insurance premiums by becoming self-insured for general and automobile liability.

(14) Act 706 – Compensation, Benefits and Other Payments to Sheriff

A detail of compensation, benefits and other payments paid to Sheriff Doug Anderson for the year ended June 30, 2020 is as follows:

Entity head: Doug Anderson, Sheriff (through June 30, 2020)

Salary	\$ 170,122
Benefits - payroll taxes	2,462
Benefits - pension fund	20,840
Benefits - health/life insurance	9,274
Travel	304
Conference registration fee	<u>225</u>
Total	<u>\$ 203,227</u>

AVOYELLES PARISH SHERIFF
Marksville, Louisiana

Notes to Basic Financial Statements (Continued)

(15) Interfund Transactions

Transfers of \$1,876,000 in the General Fund consisted of amounts transferred from the Sales Tax Special Revenue Fund and the Enterprise Fund to the General Fund for reimbursement of personnel services and related benefits and other expenditures. Transfers of \$151,608 in the 1994 Sales Tax fund consisted of amounts transferred from the Sales Tax Bonds Fund for the payment of bond principal and interest.

(16) Wireless E911 Service

The Avoyelles Parish Sheriff does not collect service charges on emergency telephone services. All 911 services are funded with the proceeds of the one-half percent sales and use tax now being levied and collected pursuant to an election held on November 3, 1992, recorded as revenue in the Special Revenue Fund in these financial statements.

(17) Ex-officio Tax Collector

The amount of cash on hand at the end of the year was \$6,919. The amount of taxes collected by taxing authority was as follows:

Avoyelles Parish Policy Jury	\$ 3,618,803
Avoyelles Parish School Board	3,646,233
Avoyelles Parish Assessor	885,493
Avoyelles Parish Sheriff	1,276,877
Hospital Service District No. 1	140,062
City of Marksville	223,005
City of Bunkie	370,617
Ward I Fire District	57,275
Fire Protection District No. 2	1,186,015
Red River Waterway District Treasurer	385,606
Southwest Water District	45,232
Red River, Atchafalaya, Bayou Boeuf-Levee District	399,994
Gravity Drainage District	15,349
Louisiana Forestry Commissoin	15,113
Louisiana Tax Commission	15,708
Pension funds	319,757
Redemptions & Refunds	<u>96,647</u>
Total	<u>\$ 12,697,786</u>

AVOYELLES PARISH SHERIFF
Marksville, Louisiana

Notes to Basic Financial Statements (Continued)

The amount of taxes assessed and uncollected, and the reason for failure to do so is as follows:

	LTC <u>Decreases</u>	Adjudi- <u>cations</u>	<u>Unpaid</u>
Avoyelles Parish Police Jury	\$ 33,475	\$ 1,626	\$ 3,425
Avoyelles Parish School Board	36,131	966	3,419
Avoyelles Parish Assessor	8,492	227	803
Avoyelles Parish Water District	72	3	
Avoyelles Parish Law Enforcement	9,805	262	928
Avoyelles Parish Library			
Municipalities	6,121	604	54
Forestry Commission	7		
Avoyelles Parish Hospital District	1,235	2	7
Fire District #2	10,546	340	1,461
Red River Waterway District	<u>3,579</u>	<u>96</u>	<u>339</u>
	<u>\$ 109,463</u>	<u>\$ 4,126</u>	<u>\$10,436</u>

(18) Occupational Licenses

For the year ended June 30, 2020, the collection and distribution of the amount of occupational licenses collected by taxing authority was:

	Avoyelles Parish <u>Police Jury</u>	Avoyelles Parish <u>Sheriff</u>	<u>Total</u>
Occupational Licenses	<u>\$ 266,064</u>	<u>\$ 46,953</u>	<u>\$ 313,017</u>

(19) New Accounting Pronouncement

In January of 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 84, *Fiduciary Activities*. The objective of this statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. On May 8, 2020, the GASB agreed to delay the effective date of the standard by one year. Therefore, the new standard will be effective for fiscal year ending June 30, 2021. The effect of implementation on the Avoyelles Parish Sheriff's financial statements has not yet been determined.

AVOYELLES PARISH SHERIFF
Marksville, Louisiana

Notes to Basic Financial Statements (Continued)

(20) Subsequent Event

The COVID-19 outbreak in the United States has caused business disruption through mandated closings, reduction of operating hours, or operational restrictions for nonessential businesses, including retail stores, restaurants, personal service businesses and all entertainment venues. While the disruption is expected to be temporary, there is still uncertainty around the duration of and the implications of the closings. The Avoyelles Parish Sheriff expects this matter to negatively impact availability of resources and operating results. The financial impact cannot be reasonably estimated at this time.

The Coronavirus Aid, Relief, and Economic Security (CARES) Act was signed into law on March 27, 2020. This Act provides for reimbursement of eligible expenditures to certain state and local governments impacted by the COVID-19 outbreak. Avoyelles Parish Sheriff received approximately \$850,000 of funding in September of 2020 for eligible expenditures incurred through June 30, 2020 and approximately \$760,000 in November for expenditures from July 1, 2020 through September 30, 2020. This funding will be reflected as revenue on the financial statements for the year ended June 30, 2021.

REQUIRED SUPPLEMENTARY INFORMATION

AVOYELLES PARISH SHERIFF
Marksville, Louisiana

General Fund
Budgetary Comparison Schedule
Year Ended June 30, 2020

	2020			Variance with Final Budget Positive (Negative)
	Budget		Actual	
	Original	Final		
Revenues:				
Ad valorem taxes	\$ 1,015,000	\$ 1,040,968	\$ 1,088,508	\$ 47,540
Intergovernmental revenues -				
Federal grants	20,000	10,738	-	(10,738)
Local sources	131,000	108,130	83,228	(24,902)
State grants:				
State revenue sharing	174,311	129,795	126,731	(3,064)
State supplemental pay	277,957	206,972	202,085	(4,887)
Other	14,732	10,970	10,711	(259)
Fees, charges, and commissions for services -				
Civil and criminal and other charges	863,800	751,906	605,413	(146,493)
Feeding and keeping prisoners	3,783,711	3,403,567	3,394,311	(9,256)
Inmate fund revenues	149,256	134,260	133,895	(365)
Work release program	182,033	163,744	163,299	(445)
Miscellaneous-				
Other	124,000	104,324	102,678	(1,646)
Total revenues	<u>6,735,800</u>	<u>6,065,374</u>	<u>5,910,859</u>	<u>(154,515)</u>
Expenditures:				
Current -				
Public safety:				
Personal services and related benefits	4,307,000	4,115,028	4,190,539	(75,511)
Operating services	1,065,500	1,110,549	1,091,239	19,310
Operations and maintenance	2,577,500	2,467,753	2,612,476	(144,723)
Capital outlay	25,000	116,814	45,660	71,154
Total expenditures	<u>7,975,000</u>	<u>7,810,144</u>	<u>7,939,914</u>	<u>(129,770)</u>
Deficiency of revenues over expenditures	(1,239,200)	(1,744,770)	(2,029,055)	(284,285)
Other financing sources (uses):				
Transfers in (out)	1,690,000	1,856,000	1,876,000	20,000
Excess (deficiency) of revenues and other financing sources over expenditures	450,800	111,230	(153,055)	(264,285)
Fund balance, beginning	<u>1,452,742</u>	<u>1,452,742</u>	<u>1,452,742</u>	<u>-</u>
Fund balance, ending	<u>\$ 1,903,542</u>	<u>\$ 1,563,972</u>	<u>\$ 1,299,687</u>	<u>\$ (264,285)</u>

AVOYELLES PARISH SHERIFF
Marksville, Louisiana

Special Revenue Fund - 1994 Sales Tax Fund
Budgetary Comparison Schedule
Year Ended June 30, 2020

	2020			Variance with Final Budget Positive (Negative)
	Budget		Actual	
	Original	Final		
Revenues:				
Sales taxes	\$ 2,175,000	\$ 2,326,292	\$ 2,361,635	\$ 35,343
Intergovernmental revenues	115,000	104,447	109,229	4,782
Miscellaneous-				
Other	33,000	26,090	26,979	889
Total revenues	<u>2,323,000</u>	<u>2,456,829</u>	<u>2,497,843</u>	<u>41,014</u>
Expenditures:				
Current -				
Public safety:				
Personal services and related benefits	515,000	495,092	491,220	3,872
Operations and maintenance	241,500	245,378	284,986	(39,608)
Debt service	46,498	46,498	46,498	-
Capital Outlay	-	48,812	12,462	36,350
Total expenditures	<u>802,998</u>	<u>835,780</u>	<u>835,166</u>	<u>614</u>
Excess of revenues over expenditures	1,520,002	1,621,049	1,662,677	41,628
Other financing sources:				
Transfers in	-	151,608	151,608	-
Transfers out	(1,400,000)	(1,735,000)	(1,750,000)	(15,000)
Total other financing sources (uses)	<u>(1,400,000)</u>	<u>(1,583,392)</u>	<u>(1,598,392)</u>	<u>(15,000)</u>
Excess/(deficiency) of revenues over expenditures and other financing uses	120,002	37,657	64,285	26,628
Fund balance, beginning	<u>542,288</u>	<u>542,288</u>	<u>542,288</u>	<u>-</u>
Fund balance, ending	<u>\$ 662,290</u>	<u>\$ 579,945</u>	<u>\$ 606,573</u>	<u>\$ 26,628</u>

AVOYELLES PARISH SHERIFF
Marksville, Louisiana

Schedule of Employer Contributions
For the Year Ended June 30, 2020

Year ended June 30,	Contractually Required Contribution	Contributions in Relation to Contractual Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a % of Covered Employee Payroll
2015	\$ 573,467	\$ 573,467	\$ -	\$ 4,024,330	14.25%
2016	546,402	546,402	-	3,973,835	13.75%
2017	471,919	471,919	-	3,561,653	13.25%
2018	447,289	447,289	-	3,508,149	12.75%
2019	382,621	382,621	-	3,123,437	12.25%
2020	308,919	308,919	-	2,521,784	12.25%

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

AVOYELLES PARISH SHERIFF
Marksville, Louisiana

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

Year ended June 30,	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	0.662090%	\$ 2,621,880	\$ 4,188,610	62.60%	87.34%
2016	0.615129%	2,741,948	4,024,330	68.13%	86.61%
2017	0.532920%	3,382,387	3,973,835	85.12%	82.10%
2018	0.487751%	2,112,095	3,561,653	59.30%	88.49%
2019	0.404541%	1,551,273	3,508,149	44.22%	90.41%
2020	0.358899%	1,697,674	2,521,784	67.32%	88.91%

*The amounts presented have a measurement date of the previous fiscal year end.

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

AVOYELLES PARISH SHERIFF
Marksville, Louisiana

Schedule of Changes in the Sheriff's Total OPEB Liability and Related Ratios
Year Ended June 30, 2020

	<u>2018</u>	<u>2019</u>	<u>2020</u>
Total OPEB Liability			
Service cost	\$ 241,133	\$ 191,987	\$ 279,812
Interest	403,774	414,320	396,055
Changes of benefit terms	-	-	-
Differences between expected and actual experience	(417,122)	(1,024,509)	521,600
Changes of assumptions	-	242,635	1,292,276
Benefit payments	<u>(44,910)</u>	<u>(390,210)</u>	<u>(411,672)</u>
Net change in total OPEB liability	182,875	(565,777)	2,078,071
Total OPEB liability - beginning	<u>11,558,854</u>	<u>11,741,729</u>	<u>11,175,952</u>
Total OPEB liability - ending	<u>\$ 11,741,729</u>	<u>\$ 11,175,952</u>	<u>\$ 13,254,023</u>
Covered-employee payroll	\$ 2,878,693	\$ 2,244,748	\$ 2,312,090
Sheriff's net OPEB liability as a percentage of covered-employee payroll	407.88%	497.87%	573.25%

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

AVOYELLES PARISH SHERIFF
Marksville, Louisiana

Notes to Required Supplementary Information
For the Year Ended June 30, 2020

(1) Budget and Budgetary Accounting

The Sheriff follows these procedures in establishing the budgetary data reflected in the financial statements.

- a. The Chief Financial officer prepares the proposed budget for the general fund, the special revenue fund and the debt service fund on the modified accrual basis of accounting and submits it to the Sheriff and Chief Deputy for the fiscal year no later than fifteen days prior to the beginning of each fiscal year.
- b. A summary of the proposed budgets are published and the public is notified that the proposed budgets are available for public inspection. At the same time, a public hearing is called.
- c. A public hearing is held on the proposed budgets at least then days after publication of the call for a hearing.
- d. After the holding of the public hearing and completion of all actions necessary to finalize and implement the budgets, the budgets are legally adopted prior to the commencement of the financial year for which the budgets are being adopted.
- e. All budgetary appropriations lapse at the end of each fiscal year.
- f. The budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounted included in the accompanying financial statements are as originally adopted and as finally amended by the Sheriff.

(2) Excess Expenditures Over Appropriations

Fund	Final Budget	Actual	Excess
General Fund	\$ 7,810,144	\$ 7,939,914	\$ (129,770)

(3) Pension Plan

Changes of Assumptions-Changes of assumptions about future economic or demographic factors or of other inputs were recognized in pensione expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan.

(4) Other Post-Employment Benefits

Benefit Changes-There were no changes of benefit terms for the year ended June 30, 2020.

Changes of Assumptions-Discount rate changed from 3.5% to 2.21% during year ended June 30, 2020.

OTHER SUPPLEMENTARY INFORMATION

AVOYELLES PARISH SHERIFF
Marksville, Louisiana
General Fund

Schedule of Expenditures
Amended Budget (GAAP Basis) and Actual
For the Year Ended June 30, 2020

	2020		Variance Positive (Negative)
	Amended Budget	Actual	
Current:			
Public safety -			
Personal services and related benefits:			
Sheriff salary	\$ 164,028	\$ 167,038	\$ (3,010)
Deputies salaries	3,471,675	3,535,380	(63,705)
Pension, payroll taxes, and other benefits	<u>479,325</u>	<u>488,121</u>	<u>(8,796)</u>
Total personal services and related benefits	<u>4,115,028</u>	<u>4,190,539</u>	<u>(75,511)</u>
Operating services:			
Property insurance	26,460	26,000	460
Hospitalization insurance	1,074,984	1,056,292	18,692
Auto insurance	8,410	8,264	146
Other insurance	<u>695</u>	<u>683</u>	<u>12</u>
Total operating services	<u>1,110,549</u>	<u>1,091,239</u>	<u>19,310</u>
Operations and maintenance:			
Auto maintenance and fuel	182,306	192,998	(10,692)
Bail bonds and booking fee distributions	91,262	96,614	(5,352)
Bank charges and fees	18,893	20,001	(1,108)
Computers and maintenance	152,784	161,744	(8,960)
Dues and subscriptions	34,182	36,187	(2,005)
Jail expenses	103,047	109,090	(6,043)
Operating leases and rentals	77,896	82,464	(4,568)
Medical expenses of offenders	148,156	156,845	(8,689)
Office supplies and expenses	238,608	252,601	(13,993)
Prisoner feeding and maintenance	617,657	653,880	(36,223)
Professional fees	167,827	177,669	(9,842)
Repairs and maintenance	106,766	113,027	(6,261)
Telephone expense	41,117	43,528	(2,411)
Supplies	29,411	31,136	(1,725)
Utilities	366,251	387,730	(21,479)
Other	<u>91,590</u>	<u>96,962</u>	<u>(5,372)</u>
Total operations and maintenance	<u>2,467,753</u>	<u>2,612,476</u>	<u>(144,723)</u>

(continued)

AVOYELLES PARISH SHERIFF
Marksville, Louisiana

Schedule of Expenditures
Amended Budget (GAAP Basis) and Actual (Continued)
For the Year Ended June 30, 2020

	2020		
	Amended Budget	Actual	Variance Positive (Negative)
Debt service-			
Principal	\$ -	\$ -	\$ -
Interest	-	-	-
Total debt service	-	-	-
Capital outlay:			
Autos	-	-	-
Equipment	31,109	12,160	18,949
Buildings	85,705	33,500	52,205
Total capital outlay	116,814	45,660	71,154
Total expenditures	\$ 7,810,144	\$ 7,939,914	\$ (129,770)

STATE OF LOUISIANA, PARISH OF AVOYELLES

AFFIDAVIT

The Honorable David Dauzat, Sheriff of Avoyelles Parish

BEFORE ME, the undersigned authority, personally came and appeared, David Dauzat, the sheriff of Avoyelles Parish, State of Louisiana, who after being duly sworn, deposed and said:

The following information is true and correct:

\$6,919 is the amount of cash on hand in the tax collector account on June 30, 2020;

He further deposed and said:

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

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

[Handwritten Signature]

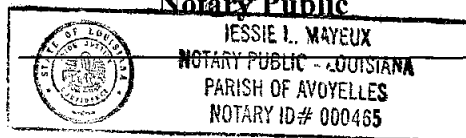
Signature
Sheriff of Avoyelles Parish

SWORN to and subscribed before me, Notary, this 10 day of December 2020 in my office in the Marksville, Louisiana.
(City/Town)

[Handwritten Signature] (Signature)

(Print), # 465

Notary Public



(Commission)

**INTERNAL CONTROL, COMPLIANCE AND
OTHER MATTERS**

Champagne & Company, LLC

Certified Public Accountants

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

The Honorable David Dauzat
Avoyelles Parish Sheriff
Marksville, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Avoyelles Parish Sheriff, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Avoyelles Parish Sheriff's basic financial statements and have issued our report thereon dated January 14, 2021.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses

or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify deficiencies in internal control, described in the accompanying schedule of prior and current year audit findings and management's corrective action plan, as 2020-001, 2020-002, and 2020-003, that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Avoyelles Parish Sheriff's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards*, identified as 2020-004 on the accompanying schedule of prior and current year audit findings and management's corrective action plan.

We noted a certain other matter that we reported to management of the Avoyelles Parish Sheriff in a separate letter dated January 14, 2021.

Avoyelles Parish Sheriff's Response to Findings

The Avoyelles Parish Sheriff's response to the findings identified in our audit is described in the accompanying schedule of current and prior year audit findings and corrective action plan. The Avoyelles Parish Sheriff's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Although the intended use of this report may be limited, under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Champagne & Company, LLC
Certified Public Accountants

Breaux Bridge, Louisiana
January 14, 2021

AVOYELLES PARISH SHERIFF
Marksville, Louisiana

Schedule of Prior and Current Year Audit Findings
and Management's Corrective Action Plan
Year Ended June 30, 2020

Part I: Prior Year Findings:

Internal Control over Financial Reporting

There were no findings reported at June 30, 2019.

Compliance

There were no findings reported at June 30, 2019.

Management Letter Items

There were no items reported at June 30, 2019.

Part II: Current Year Findings and Management's Corrective Action Plan

Internal Control over Financial Reporting

2020-001 – Inadequate Segregation of Accounting Duties; Year Initially Occurred—2020

Condition and Criteria:

The Sheriff did not have adequate segregation of functions within the accounting system.

Effect:

This condition represents a material weakness in the internal control of the Sheriff.

Cause:

The condition resulted because of the small number of employees in the accounting department.

Recommendation:

No plan is considered necessary due to the fact that it would not be cost effective to implement a plan.

Management's Corrective Action Plan:

Sheriff David Dauzat has determined that it is not feasible to achieve adequate segregation of functions within the accounting system. No plan is considered necessary.

(continued)

AVOYELLES PARISH SHERIFF
Marksville, Louisiana

Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan
Year Ended June 30, 2020 (continued)

2020-002 – Inadequate Controls over Financial Statement Preparation; Year Initially Occurred—2020

Condition and Criteria:

The Sheriff does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in recording the entity's financial transactions or preparing its financial statements, including related notes.

Effect:

This condition represents a material weakness in the internal control of the Sheriff.

Cause:

The condition resulted because the Sheriff's personnel does not have the qualifications and training to apply GAAP in recording the entity's financial transactions or preparing the financial statements.

Recommendation:

The Sheriff should consider outsourcing this task to its independent auditors and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation.

Management's Corrective Action Plan:

Sheriff David Dauzat has evaluated the cost vs. benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP, and determined that it is in the best interest of the government to outsource this task to its independent auditors, and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their content and presentation.

2020-003 – Inadequate Controls over Employee Timesheets—2020

Condition and Criteria:

According to Attorney General Opinions 15-186, 99-397, and 94-284, timesheets or a similar form of documentation is required to document and substantiate the accrual of leave. In addition, AG Opinion 86-652 notes that payments made for work that is not performed is a prohibited donation of public funds under Article VII, Section 14 of the Louisiana Constitution. Therefore, there should be some form of documentation and adequate supervision to ensure that the salaried employee is working the scheduled hours upon which their salary is based. We noted that the majority of salaried individuals are not attesting to time worked.

(continued)

AVOYELLES PARISH SHERIFF
Marksville, Louisiana

Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan
Year Ended June 30, 2020 (continued)

Effect:

This condition represents a material weakness in the internal control of the Sheriff.

Cause:

The condition resulted because the Sheriff's policy did not require salaried employees to attest to time worked.

Recommendation:

The Sheriff should enforce a policy that requires all employees (salaried and hourly) to attest to time and have supervisors approve this attestation.

Management's Corrective Action Plan:

Sheriff David Dauzat has implemented a policy requiring all employees to attest to time worked.

Compliance

2020-004 – R.S. 38:2211 Noncompliance with Louisiana Public Bid Law

Condition and Criteria:

Louisiana Revised Statute 38:2211, known as the Louisiana Public Bid Law, requires that purchases for materials and supplies exceeding \$30,000 must be advertised and allowed for contract with the lowest responsible bidder. The Sheriff did not obtain bids for the purchase of equipment, in the amount of approximately \$40,000.

Effect:

This condition represents a violation of the Louisiana Public Bid Law.

Cause:

This condition resulted because the Sheriff's personnel did not advertise or obtain bids for the purchase of equipment.

Recommendation:

The Sheriff should obtain bids for all contracts for supplies and materials exceeding \$30,000 prior to approving the purchase.

(continued)

AVOUELLES PARISH SHERIFF
Marksville, Louisiana

Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan
Year Ended June 30, 2020 (continued)

Management's Corrective Action Plan:

Sheriff David Dauzat will implement policies to ensure that they comply with the Louisiana Public Bid Law.

Management Letter Items:

2020-005—Controls over Accounting/Personnel Records

During our audit work, we noticed that controls over accounting/personnel records could be enhanced. As a result of our procedures, we have the following recommendation:

- We suggest that personnel records/accounting records be maintained in a separate and secure location with accessibility only allowed to designated employees with payroll duties.

Management's Corrective Action Plan:

Management will store personnel/accounting records in a separate and private location to limit accessibility to this information.

Champagne & Company, LLC

Certified Public Accountants

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MANAGEMENT LETTER

The Honorable David Dausat
Avoyelles Parish Sheriff
Marksville, Louisiana

We have audited the financial statements of the Avoyelles Parish Sheriff as of and for the year ended June 30, 2020, and submitted our report to you dated January 14, 2021. We noted a certain matter of concern as follows:

2020-005—Safeguarding of Accounting/Personnel Records

During our audit work, we noticed that controls over accounting/personnel records could be enhanced. As a result of our procedures, we have the following recommendation:

We suggest that personnel records/accounting records be maintained in a separate and secure location with accessibility only allowed to designated employees with payroll duties.

Should you have any questions or need additional information regarding this matter, please feel free to contact us.

Champagne & Company, LLC
Certified Public Accountants

Breaux Bridge, Louisiana
January 14, 2021