

ST. MARTIN PARISH SHERIFF
St. Martinville, Louisiana
Financial Report
Year Ended June 30, 2020

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INDEPENDENT AUDITORS' REPORT

*A Professional Accounting Corporation

The Honorable Becket Breaux
St. Martin Parish Sheriff
St. Martinville, Louisiana

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

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, each major fund, and the aggregate remaining fund information of the St. Martin Parish Sheriff, as of June 30, 2020, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information, the schedule of employer's share of net pension liability, the schedule of employer contributions, the schedule of changes in the Sheriff's total OPEB liability and related ratios, and applicable notes to required supplementary information on pages 46 through 51 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.

Management has omitted the 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 this missing information.

Other Supplementary Information

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

The other supplementary information section 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 it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 8, 2021, on our consideration of the St. Martin Parish Sheriff's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and

other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the St. Martin Parish Sheriff's internal control over financial reporting and compliance.

Champagne & Company, LLC
Certified Public Accountants

Breaux Bridge, Louisiana
January 8, 2021

BASIC FINANCIAL STATEMENTS

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS (GWFS)**

ST. MARTIN PARISH SHERIFF
St. Martinville, Louisiana

Statement of Net Position
June 30, 2020

ASSETS

Current assets:

Cash and interest-bearing deposits	\$ 9,932,111
Inventory	17,489
Receivables	510,324
Due from other governmental units	567,631
Prepaid items	<u>142,180</u>
Total current assets	<u>11,169,735</u>

Noncurrent assets:

Capital assets:

Non-depreciable	1,214,098
Depreciable, net	<u>10,465,957</u>
Total noncurrent assets	<u>11,680,055</u>
Total assets	<u>22,849,790</u>

DEFERRED OUTFLOWS OF RESOURCES:

Deferred amount on pension	3,100,430
Deferred amount on post employment benefit plan	<u>3,462,509</u>
Total deferred outflows of resources	<u>6,562,939</u>

LIABILITIES

Current liabilities:

Accounts payable	147,692
Due to others	83,871
Other accrued liabilities	600,719
Capital lease payable	<u>161,335</u>
Total current liabilities	<u>993,617</u>

Noncurrent liabilities:

Capital lease payable	49,969
Postemployment benefit obligation payable	12,733,861
Net pension liability	<u>5,267,105</u>
Total noncurrent liabilities	<u>18,050,935</u>
Total liabilities	<u>19,044,552</u>

DEFERRED INFLOWS OF RESOURCES

1,189,552

NET POSITION

Net investment in capital assets	11,468,751
Unrestricted	<u>(2,290,126)</u>
Total net position	<u>\$ 9,178,625</u>

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

ST. MARTIN PARISH SHERIFF
St. Martinville, Louisiana

Statement of Activities
For the Year Ended June 30, 2020

Expenses:	
Public safety:	
Personal services and related benefits	\$ 10,906,086
Operating services	2,703,369
Operations and maintenance	3,795,477
Interest expense	<u>12,782</u>
Total expenses	<u>17,417,714</u>
Program revenues:	
Fines, forfeitures, and other fees	<u>2,938,162</u>
Net program expense	<u>(14,479,552)</u>
General revenues:	
Property taxes, levied for general purposes	7,034,386
Sales tax	3,741,351
Federal sources	108,555
State sources	2,142,070
Nonemployer pension contributions	471,684
Interest and investment earnings	146,232
Miscellaneous	<u>735,933</u>
Total general revenues	<u>14,380,211</u>
Change in net position	(99,341)
Beginning net position	<u>9,277,966</u>
Ending net position	<u>\$ 9,178,625</u>

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

FUND FINANCIAL STATEMENTS (FFS)

FUND DESCRIPTIONS - GOVERNMENTAL FUNDS

MAJOR FUNDS

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

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

911 Communications District -

To account for the operation of the communications district which was established to implement and administer the 911 emergency telephone system. The system is financed by user fees assessed on customer's telephone service. Expenditures for this system are paid from this fund.

ST. MARTIN PARISH SHERIFF
St. Martinville, Louisiana

Balance Sheet
Governmental Funds
June 30, 2020

	<u>General</u>	911 Communications <u>District</u>	<u>Total</u>
ASSETS			
Cash and interest-bearing deposits	\$ 8,669,960	\$ 1,262,151	\$ 9,932,111
Receivables:			
Due from other governmental units	567,631	-	567,631
Due from other funds	9,085	-	9,085
Sales tax receivable	361,086	-	361,086
Other receivables	42,780	106,458	149,238
Inventory	17,489	-	17,489
Prepaid items	137,896	4,284	142,180
Total assets	<u>\$ 9,805,927</u>	<u>\$ 1,372,893</u>	<u>\$ 11,178,820</u>
LIABILITIES AND FUND BALANCE			
Liabilities:			
Accounts payable	\$ 147,692	\$ -	\$ 147,692
Due to others	83,871	-	83,871
Other accrued liabilities	352,050	18,818	370,868
Due to other funds	-	9,085	9,085
Total liabilities	<u>583,613</u>	<u>27,903</u>	<u>611,516</u>
Fund balances -			
Nonspendable	155,385	4,284	159,669
Restricted	-	-	-
Committed	-	-	-
Assigned	-	1,340,706	1,340,706
Unassigned	9,066,929	-	9,066,929
Total fund balances	<u>9,222,314</u>	<u>1,344,990</u>	<u>10,567,304</u>
Total liabilities and fund balances	<u>\$ 9,805,927</u>	<u>\$ 1,372,893</u>	<u>\$ 11,178,820</u>

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

ST. MARTIN PARISH SHERIFF
St. Martinville, Louisiana

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

Total fund balance for governmental funds at June 30, 2020 \$ 10,567,304

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	\$ 1,153,593	
Construction in progress	60,505	
Buildings and improvements, net of \$3,424,952 accumulated depreciation	6,889,659	
Equipment and vehicles, net of \$5,249,239 accumulated depreciation	2,880,520	
Equipment and vehicles - capital lease, net of \$949,717 accumulated depreciation	<u>695,778</u>	11,680,055

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

Pension plan	3,100,430	
Post employment benefit obligation	<u>3,462,509</u>	6,562,939

General long-term debt of governmental activities is not payable from current resources and, therefore, not reported in the funds. This debt is:

Capital lease payable and underlying accrued interest	(211,304)	
Accrued compensated absences	(229,851)	
Net OPEB obligation payable	(12,733,861)	
Net pension liability	<u>(5,267,105)</u>	(18,442,121)

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

Pension plan		<u>(1,189,552)</u>
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Total net position of governmental activities at June 30, 2020 \$ 9,178,625

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

ST. MARTIN PARISH SHERIFF
St. Martinville, Louisiana

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

	General	911 Communications District	Totals
Revenues:			
Taxes	\$ 10,775,737	\$ -	\$ 10,775,737
Intergovernmental	2,250,625	-	2,250,625
Fees, charges, and commissions for services	1,807,008	1,131,154	2,938,162
Interest income	126,321	19,911	146,232
Miscellaneous	815,455	-	815,455
Total revenues	<u>15,775,146</u>	<u>1,151,065</u>	<u>16,926,211</u>
Expenditures:			
Current -			
Public safety:			
Personal services and related benefits	8,931,752	655,117	9,586,869
Operating services	2,565,291	138,342	2,703,633
Operations and maintenance	2,661,812	90,092	2,751,904
Debt service - principal	196,378	-	196,378
Debt service - interest	12,564	-	12,564
Capital outlay	1,259,512	202,408	1,461,920
Total expenditures	<u>15,627,309</u>	<u>1,085,959</u>	<u>16,713,268</u>
Excess of revenues over expenditures	<u>147,837</u>	<u>65,106</u>	<u>212,943</u>
Other financing sources:			
Proceeds from capital lease	219,878	-	219,878
Total other financing sources	<u>219,878</u>	<u>-</u>	<u>219,878</u>
Net change in fund balance	367,715	65,106	432,821
Fund balances, beginning	<u>8,854,599</u>	<u>1,279,884</u>	<u>10,134,483</u>
Fund balances, ending	<u>\$ 9,222,314</u>	<u>\$ 1,344,990</u>	<u>\$ 10,567,304</u>

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

ST. MARTIN PARISH SHERIFF
St. Martinville, 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 change in fund balances for the year ended June 30, 2020 per Statement of Revenues, Expenditures and Changes in Fund Balances	\$ 432,821
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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	\$ 1,461,920	
Depreciation expense for the year ended June 30, 2020	<u>(1,116,558)</u>	345,362

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

	(3,605)
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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 capital lease payable	(23,718)	
Net change in post employment benefit obligation payable and related deferrals	(620,051)	
Net change in net pension liability and related deferrals	<u>(141,768)</u>	<u>(873,919)</u>

Total change in net position for the year ended June 30, 2020 per Statement of activities	<u>\$ (99,341)</u>
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The accompanying notes are an integral part of the basic financial statements.

FUND DESCRIPTIONS - FIDUCIARY FUNDS

AGENCY FUNDS

All of these funds are reflected in the totals of the agency funds presented in the statement of fiduciary net assets.

Civil Fund

The Civil Fund was established to account for funds held in connection with civil suits, Sheriff's sales, and garnishments and payment of these collections to the Sheriff's General Fund and other recipients in accordance with applicable laws.

Tax Collector Fund

The Tax Collector Fund was established per Article V, Section 27 of the Louisiana Constitution of 1974, which provides that the Sheriff will serve as the collector of state and parish taxes and fees. The Fund is used to collect and distribute these taxes and fees to appropriate taxing bodies.

Bonds and Fines Fund

The Bonds and Fines Fund is used to account for the collection of bonds, fines, installment fines, and costs and payment of these collections to the Sheriff's General Fund and other recipients in accordance with applicable laws.

Inmate Trust Fund

The Prison Inmate Fund is used to account for the deposits made by, and for, inmates to their individual accounts and the appropriate disbursements to these inmates.

ST. MARTIN PARISH SHERIFF
St. Martinville, Louisiana

Statement of Fiduciary Net Position - Agency Funds
June 30, 2020

Assets	
Cash and cash equivalents	<u>\$ 900,209</u>
Liabilities	
Held for inmates	\$ 43,091
Held for taxing bodies	<u>857,118</u>
Total liabilities	<u>\$ 900,209</u>

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

ST. MARTIN PARISH SHERIFF
St. Martinville, 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 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, serving subpoenas, et cetera.

As the chief law enforcement officer of the parish, the Sheriff is responsible for enforcing state and local laws, ordinances, et cetera, within the territorial boundaries of the parish. The Sheriff provides protection to the residents of the parish through on-site patrols, investigations, et cetera, and serves the residents of the parish through the establishment of neighborhood watch programs, anti-drug abuse programs, et cetera. In addition, the Sheriff, when requested, 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 accompanying financial statements of the St. Martin Parish Sheriff (Sheriff) have been prepared in conformity with generally accepted accounting principles (GAAP) generally accepted in the United States of America as applied to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

The accounting and reporting policies of the St. Martin Parish Sheriff (Sheriff) conform to generally accepted accounting principles 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, account groups, 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. Other than certain operating expenditures of the Sheriff's office that are paid or provided by the parish government as required by Louisiana law, the Sheriff is financially independent. Accordingly, the Sheriff is a separate governmental reporting entity. Certain units of local government, over which the Sheriff exercises no oversight responsibility, such as the parish government, parish school board, other independently elected parish officials, and municipalities within the parish, are excluded from the accompanying financial statements. These units of government are

ST. MARTIN PARISH SHERIFF
St. Martinville, Louisiana

Notes to Basic Financial Statements (continued)

considered separate reporting entities and issue financial statements separate from those of the parish Sheriff.

In determining the financial reporting entity, the Sheriff complies with the provisions of GASB Statement 14, "The Financial Reporting Entity," and includes all component units of which the Sheriff appointed a voting majority of the units' board; the Sheriff is either able to impose its will on the unit or a financial benefit or burden relationship exists. Blended component units are separate legal entities that meet the criteria described above and whose governing body is the same or substantially the same as the Sheriff or the component unit provides services entirely to the Sheriff. These component units' funds are blended into those of the Sheriff's by appropriate activity type to compose the primary government presentation. The component unit that is blended into the reporting activity of the Sheriff's report is described below:

The 911 Communications District was created in 1988 to implement and administer the 911 emergency telephone system. The Sheriff is financially accountable for the District as a result of fiscal dependency. The District is reported as a special revenue fund.

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity, except the fiduciary funds. The Sheriff has no business-type activities.

The statement of activities presents a comparison between program revenues of the Sheriff and the cost of the function. Program revenues are derived directly from Sheriff users as a fee for services. Revenues that are not classified as program revenues, including taxes, are presented as general revenues.

Fund Financial Statements

The accounts of the Sheriff are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistently with legal and managerial requirements.

The various funds of the Sheriff are all classified as governmental. The emphasis on fund financial statements is on major governmental funds. A fund is considered major if it is the primary operating fund of the Sheriff, if management chooses to define a particular fund as major, or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10

ST. MARTIN PARISH SHERIFF
St. Martinville, Louisiana

Notes to Basic Financial Statements (continued)

percent of the corresponding total for all funds of that category or type; and

- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The funds of the Sheriff considered to be major funds are described below:

Governmental Funds –

General Fund

The General Fund, as provided by Louisiana Revised Statute 33:1422, is the principal fund of the Sheriff's office and accounts for and reports all operations of the Sheriff's office not accounted for and reported in another fund. The Sheriff's primary sources of revenue are an ad valorem tax levied by the law enforcement district, sales and use tax of one-half percent (.5%), and fees for feeding and keeping prisoners. Other sources of revenue include video poker revenue, state revenue sharing, state supplemental pay for deputies, civil and criminal fees, and fees for court attendance and maintenance of prisoners. General operating expenditures are paid from this fund.

911 Communications District Special Revenue Fund

This special revenue fund accounts for the operation of the communications district which was established to implement and administer the conventional and wireless 911 emergency telephone system. The system is financed by user fees assessed on customers' telephone service. Expenditures for this system are paid from this fund.

The following fund is a nonmajor fund:

Debt Service Fund

To account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

Agency Funds –

The agency funds are used as depositories for civil suits, cash bonds, taxes, fees, et cetera. Disbursements from these funds are made to various parish agencies, litigants in suits, et cetera, in the manner prescribed by law. The agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The individual agency funds used by the Sheriff for the year ended June 30, 2020 are as follows:

ST. MARTIN PARISH SHERIFF
St. Martinville, Louisiana

Notes to Basic Financial Statements (continued)

Civil Fund – To account for funds held in connection with civil suits, Sheriff’s sales and garnishments and payment of these collections to the Sheriff’s General Fund and other recipients in accordance with applicable laws.

Tax Collector Fund – Article V, Section 27 of the Louisiana Constitution of 1974, provides that the Sheriff will serve as the collector of state and parish taxes and fees. The Tax Collector Fund is used to collect and distribute these taxes and fees to the appropriate taxing bodies.

Bonds and Fines Fund – To account for the collection of bonds, fines, installment fines, and costs and payment of these collections to the Sheriff’s General Fund and other recipients in accordance with applicable laws.

Inmate Trust Fund – To account for the deposits made by, and for, inmates to their individual accounts and the appropriate disbursements to these inmates.

Inmate Welfare Fund – To account for funds confiscated from inmates and used for the general welfare of the inmates as a whole.

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

In the government-wide statement of net position and the statement of activities, governmental activities are presented using the 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.

In the fund financial statements, the current financial resources measurement focus is used. 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.

Basis of Accounting

In the government-wide statement of net position and statement of activities, governmental 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

ST. MARTIN PARISH SHERIFF
St. Martinville, Louisiana

Notes to Basic Financial Statements (continued)

the exchange takes place. 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."

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when "measurable and available." Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within 60 days of the end of the fiscal year. For revenue recognition as it relates to federal awards, available means collectible within 12 months of the end of the fiscal year. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported when due. When both restricted and unrestricted resources are available for use, it is the Sheriff's policy to use restricted resources first, then unrestricted resources as they are needed.

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

Cash, interest-bearing deposits, and investments

For purposes of the Statement of Net Position, cash and interest-bearing deposits include all demand accounts, savings accounts, and certificates of deposits of the Sheriff.

Interfund receivables 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 portion) 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.

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received.

Capital Assets

The accounting treatment for buildings, improvements and equipment (capital assets) depends on whether they are reported in the government-wide or fund financial statements.

In the government-wide financial statements, capital assets are capitalized at historical cost, or estimated historical cost if actual is unavailable, except for donated

ST. MARTIN PARISH SHERIFF
St. Martinville, Louisiana

Notes to Basic Financial Statements (continued)

fixed assets, which are recorded at their estimated fair value at the date of donation. Interest costs are not capitalized as they relate to fixed assets. The Sheriff's threshold for capitalization is \$5,000.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings and improvements	20-40 years
Equipment and vehicles	3-10 years

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

Compensated Absences

Employees of the Sheriff's office earn from 96 hours to 120 hours per calendar year of vacation leave depending on total years of service and number of hours worked. A maximum of 48 hours of unused accrued vacation time is allowed to be carried over to subsequent years. Full-time employees earn 96 hours per year of sick leave. Sick leave may be accumulated; however, if an employee resigns or is terminated, the accumulated sick leave is forfeited. Upon retirement, accumulated sick leave in excess of 320 hours shall be paid in biweekly installments. A lump sum payment may be requested barring any budgetary constraints. Should budgetary constraints prohibit lump sum payment, severance pay will be distributed in bi-weekly installments. At June 30, 2020 the Sheriff has \$229,851 of leave benefits required to be accrued and reported.

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, net position is classified as net assets 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

ST. MARTIN PARISH SHERIFF
St. Martinville, Louisiana

Notes to Basic Financial Statements (continued)

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.

In the fund statements, governmental fund equity is classified as fund balance. Fund balances of the governmental funds are classified as follows:

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.

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.

Committed – amounts that can be used only for specific purposes determined by a formal action of the Sheriff. The Sheriff is the highest level of decision-making authority for the Sheriff's Office. Commitments may be established, modified, or rescinded only through resolutions approved by the Sheriff.

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. Under the Sheriff's adopted policy, only he may assign amounts for specific purposes.

Unassigned – all other spendable amounts.

ST. MARTIN PARISH SHERIFF
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Notes to Basic Financial Statements (continued)

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

	General Fund	911 Communications District	Total Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
Nonspendable:			
Prepaid items	\$ 137,896	\$ 4,284	\$ 142,180
Inventory	17,489	-	17,489
Assigned:			
911 services	-	1,340,706	1,340,706
Unassigned	<u>9,066,929</u>	<u>-</u>	<u>9,066,929</u>
Total fund balances	<u>\$ 9,222,314</u>	<u>\$ 1,344,990</u>	<u>\$ 10,567,304</u>

When an expenditure is incurred for 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 his commitment or assignment actions.

E. Prepaid Items

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 software and maintenance agreements.

F. Inventory

The inventory is stated at cost, which is determined by the first-in, first-out method.

G. Use of Estimates

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

ST. MARTIN PARISH SHERIFF
St. Martinville, Louisiana

Notes to Basic Financial Statements (continued)

(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 \$10,832,320 of which \$900,209 is attributable to fiduciary funds, which is 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 the Sheriff will not be able to recover the 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 the pledge of securities owned by the pledging financial institution. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the financial institution. These securities are held in the name of the pledging financial institution in a holding or custodial bank that is mutually acceptable to both parties. Deposit balances (bank balances) at June 30, 2020 are secured as follows:

Bank balances	<u>\$ 11,162,695</u>
At June 30, 2020 the deposits are secured as follows:	
Federal deposit insurance	\$ 1,876,442
Pledged securities	<u>9,286,253</u>
Total	<u>\$ 11,162,695</u>

Deposits in the amount of \$9,286,253 were exposed to custodial credit risk. These deposits are uninsured and collateralized with securities held by the pledging institution's trust department, 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 property taxes. Ad valorem taxes attach as an enforceable lien on property as of January 1, of each year. Taxes are levied by the taxing bodies 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 St. Martin Parish and are collected by the Sheriff. The taxes are remitted to the appropriate taxing bodies net of deductions for pension fund contributions.

ST. MARTIN PARISH SHERIFF
St. Martinville, Louisiana

Notes to Basic Financial Statements (continued)

Ad valorem taxes are budgeted and recorded in the year 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 17.91 mills on property with assessed valuations totaling \$395,771,578.

Total law enforcement taxes levied during 2020 were \$7,088,287.

(4) Due from Other Governmental Units and Others

Amounts due from other governmental units at June 30, 2020, consist of the following:

Maintenance of prisoners	\$ 107,192
State and parish contracts	21,594
Video poker revenue	306,421
Court attendance, civil fees, bond fees, etc.	17,049
Salary reimbursements	56,238
Pay telephone commissions	18,406
Other sources	40,731
Totals	<u>\$ 567,631</u>

(5) Capital Assets

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

	Balance 07/01/19	Additions	Deletions	Balance 06/30/20
Governmental activities:				
Land	\$ 1,134,825	\$ 18,768	\$ -	\$ 1,153,593
Construction in progress	414,207	60,505	(414,207)	60,505
Buildings and improvements	9,881,287	433,324	-	10,314,611
Equipment and vehicles	7,307,764	1,154,177	(332,182)	8,129,759
Equipment and vehicles-capital leases	1,659,221	219,878	(233,604)	1,645,495
Totals	<u>20,397,304</u>	<u>1,886,652</u>	<u>(979,993)</u>	<u>21,303,963</u>
Less accumulated depreciation				
Buildings and improvements	(3,134,222)	(290,730)	-	(3,424,952)
Equipment and vehicles	(4,967,658)	(599,633)	318,052	(5,249,239)
Equipment and vehicles-capital leases	(957,126)	(226,195)	233,604	(949,717)
Total accumulated depreciation	<u>(9,059,006)</u>	<u>(1,116,558)</u>	<u>551,656</u>	<u>(9,623,908)</u>
Governmental activities, capital assets, net	<u>\$ 11,338,298</u>	<u>\$ 770,094</u>	<u>\$ (428,337)</u>	<u>\$ 11,680,055</u>

Depreciation expense was charged to governmental activities as operations and maintenance in the amount of \$1,116,558.

ST. MARTIN PARISH SHERIFF
St. Martinville, Louisiana

Notes to Basic Financial Statements (continued)

(6) Operating Leases

A. As Lessee:

Rental expense for the year ended June 30, 2020 was \$42,807. The Sheriff had the following lease agreements in effect during the year ended June 30, 2020:

<u>Description</u>	<u>Balance Term</u>	<u>Expiration Date</u>	<u>Payment Frequency</u>	<u>Lease Amount</u>
Mail machine	4 Years	06/2021	quarterly	\$ 1,277

The lease payments for the remaining years are as follows:

<u>Year Ending June 30</u>	<u>Amount</u>
2021	5,109

B. As Lessor:

In the year ended June 30, 2015, the Sheriff entered into a lease agreement with the Louisiana State Police which allowed the Louisiana State Police to occupy Jail II and related Substation facility for a period of five years from March 21, 2014 through March 20, 2019. The lease agreement calls for total payments to be \$630,000, which includes: an initial payment of \$3,500 in March 2014, fifty-nine monthly payments of \$10,500 per month beginning in April 2014, and a final payment of \$7,000 in March 2019. In the year ended June 30, 2019, the Sheriff entered into a new lease agreement, for a period of five years from March 21, 2019 through March 30, 2024. The new lease agreement calls for total payments to be \$861,577, which includes: an initial payment of \$4,787 in March 2019, fifty-nine monthly payments of \$14,360 per month beginning April 2019, and a final payment of \$9,573 in March 2024. Total lease payments received by the Sheriff for the year ended June 30, 2020 totaled \$138,865. The facility has a cost of \$990,711, accumulated depreciation of \$612,249, and a carrying value of \$378,462.

(7) 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. 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.

ST. MARTIN PARISH SHERIFF
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Notes to Basic Financial Statements (continued)

The Sheriffs' Pension and Relief Fund is a cost-sharing, multiple-employer defined benefit pension plan established in accordance with the provisions of Louisiana Revised Statute 11:2171 to provide retirement, disability, and survivor benefits to employees of sheriff's offices throughout the State of Louisiana, employees of the Louisiana Sheriffs' Association, and the Sheriffs' Pension and Relief Fund's office.

Summary of Significant Accounting Policies:

The Sheriff's 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 events as of the date of the financial statements and estimates over 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.

ST. MARTIN PARISH SHERIFF
St. Martinville, Louisiana

Notes to Basic Financial Statements (continued)

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 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

ST. MARTIN PARISH SHERIFF
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Notes to Basic Financial Statements (continued)

equal to the greatest of 45% of final average compensation or the member's 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.

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.

ST. MARTIN PARISH SHERIFF
St. Martinville, Louisiana

Notes to Basic Financial Statements (continued)

Cost-of-Living Adjustments

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% allocated from the Funding Deposit Account.

In accordance with state statute, the Fund receives ad valorem taxes, insurance premium taxes, and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities but are not considered special funding situations. Non-employer contributions are recognized as revenue in the amount of \$471,684 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 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 \$5,267,105 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 1.113499%, which was an increase of 0.029203% from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the Sheriff recognized pension expense of \$1,580,404 plus employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, \$2,638.

ST. MARTIN PARISH SHERIFF
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Notes to Basic Financial Statements (continued)

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	\$ -	\$ 1,009,071
Changes of assumptions	1,609,701	-
Net difference between projected and actual earnings on pension plan investments	189,539	-
Change in proportion and differences between employer contributions and proportionate share of contributions	331,600	180,481
Employer contributions subsequent to the measurement date	969,590	-
Total	\$ 3,100,430	\$ 1,189,552

Deferred outflows of resources of \$969,590 related to pensions resulting from the Sheriff's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ended		
2021		\$ 404,940
2022		(136,533)
2023		261,945
2024		290,325
2025		120,611

Actuarial Assumptions:

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

ST. MARTIN PARISH SHERIFF
St. Martinville, Louisiana

Notes to Basic Financial Statements (continued)

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

Valuation Date	June 30, 2019
Actuarial Cost Method	Entry Age Normal Method
Actuarial Assumptions:	
Investment Rate of Return	7.10%, net of investment expense
Discount Rate	7.10%
Projected Salary Increases	5.5% (2.5% inflation, 3.0% 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.

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.

ST. MARTIN PARISH SHERIFF
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Notes to Basic Financial Statements (continued)

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

Asset Class	Expected Rate of Return		
	Target Asset Allocation	Real Return Arithmetic Basis	Long-term Expected Portfolio Real Rate of Return
Equity Securities	62%	7.1%	4.4%
Fixed Income	23%	3.0%	0.7%
Alternative Investments	15%	4.6%	0.6%
Totals	100%		5.7%
Inflation			2.4%
Expected Arithmetic Nominal Return			<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 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, 2019:

	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	<u>\$11,014,322</u>	<u>\$ 5,267,105</u>	<u>\$ 430,298</u>

ST. MARTIN PARISH SHERIFF
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Notes to Basic Financial Statements (continued)

Change in net pension liability:

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

- a. Differences between expected and actual experience: The differences between expected and actual experience with regard to economic or demographic factors in the measurement of the total pension liability were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan. The difference between expected and actual experience resulted in deferred inflows of resources in the amount of \$1,009,071 for the year ended June 30, 2020.
- b. Changes of assumptions: The changes of assumptions about future economic or demographic factors or of other inputs were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan. The changes of assumptions or other inputs resulted in a deferred outflow of resources in the amount of \$1,609,701 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 \$189,539 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 (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 pensions through the pension plan. The change in proportion resulted in a deferred outflow of resources in the amount of \$331,600 and in a deferred inflow of resources in the amount of \$180,481 for the year ended June 30, 2020.

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.

ST. MARTIN PARISH SHERIFF
St. Martinville, Louisiana

Notes to Basic Financial Statements (continued)

Estimates:

The process of preparing the schedule of employer allocations and schedule of pension amounts in conformity with account 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.

(8) 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	Tax Collector Fund	Bonds and Fines Fund	Inmate Trust Fund
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Balances, June 30, 2019	\$ 71,988	\$ 340,901	\$ 432,290	\$ 65,840
Additions	677,351	43,163,349	1,407,288	299,616
Reductions	<u>(681,524)</u>	<u>(43,016,826)</u>	<u>(1,553,687)</u>	<u>(306,377)</u>
Balances, June 30, 2020	<u>\$ 67,815</u>	<u>\$ 487,424</u>	<u>\$ 285,891</u>	<u>\$ 59,079</u>

(9) Changes in Long-Term Debt

The following is a summary of long-term debt transactions of the St. Martin Parish Sheriff for the year ended June 30, 2020. The bonds relate to governmental activities and are paid by the debt service fund. The capital leases also relate to governmental activities, and the payments are made from the general fund. In the past, payments on long-term debt that pertained to the Sheriff's governmental activities were made by either the debt service fund or by the general fund.

ST. MARTIN PARISH SHERIFF
St. Martinville, Louisiana

Notes to Basic Financial Statements (continued)

	<u>Equipment Capital Lease</u>	<u>Vehicle Capital Leases</u>	<u>Total</u>
Long-term debt at June 30, 2019	\$ 63,527	\$ 124,059	\$ 187,586
Debt assumed	-	219,878	219,878
Debt retired	<u>(21,176)</u>	<u>(174,984)</u>	<u>(196,160)</u>
Long-term debt at June 30, 2020	<u>\$ 42,351</u>	<u>\$ 168,953</u>	<u>\$ 211,304</u>

Long-term debt at June 30, 2020 is comprised of the following:

Vehicle Capital Leases:

\$31,410 capital lease on (1) 2018 Chevrolet Tahoe, due in quarterly installments of \$4,176; from November 14, 2018 to August 14, 2020; interest rate of 5.000 percent	\$ 4,119
\$125,640 capital lease on (4) 2018 Chevrolet Tahoes, due in quarterly installments of \$16,703; from December 1, 2018 to September 1, 2020; interest rate of 5.000 percent	16,474
\$31,410 capital lease on (1) 2018 Chevrolet Tahoe, due in quarterly installments of \$4,176; from January 15, 2019 to October 15, 2021; interest rate of 5.000 percent	8,181
\$219,878 capital lease on (7) 2019 Chevrolet Tahoes, due in quarterly installments of \$29,183; from October 12, 2019 to October 12, 2021; interest rate of 5.000 percent	<u>140,179</u>
	<u>\$ 168,953</u>

Equipment Capital Leases:

\$101,313 capital lease on taser packages for police officers due in annual installments of \$16,610 for the first payment, and \$21,176 for the remaining four payments; from October 20, 2017 to October 20, 2021	<u>\$ 42,351</u>
Total debt	\$ 211,304
Less: current portion	<u>(161,335)</u>
Long-term debt	<u>\$ 49,969</u>

ST. MARTIN PARISH SHERIFF
St. Martinville, Louisiana

Notes to Basic Financial Statements (continued)

The annual requirements to amortize all debt outstanding at June 30, 2020 are as follows:

Year Ending June 30	Principal	Interest	Total
2021	\$ 161,335	\$ 5,804	\$ 167,139
2022	49,969	389	50,358
Totals	<u>\$ 211,304</u>	<u>\$ 6,193</u>	<u>\$ 217,497</u>

(10) Litigation and Claims

At June 30, 2020, the Sheriff is involved in several lawsuits claiming damages. Management is of the opinion that insurance coverage should be adequate to cover most monetary damages. A liability has been accrued at June 30, 2020 in the amount of \$69,794 (included in other accrued liabilities balance), which represents additional anticipated out-of-pocket costs.

(11) Expenditures of the Sheriff's Office Paid by the Parish Council

The cost of maintaining and operating the Sheriff's office building, as required by statute, is paid by the St. Martin Parish Government. These expenditures are not included in the accompanying financial statements.

(12) Risk Management

The Sheriff is exposed to risks of loss in the areas of general and auto liability, property hazards, and workers' compensation. Those risks, with the exception of workers' compensation, are handled by purchasing commercial insurance. The Sheriff is liable for claims up to \$25,000 per incident. The Sheriff's office is considered to be self-insured for workers' compensation. There have been no significant reductions in insurance coverage during the current fiscal year nor have settlements exceeded coverage during the preceding two years. There was one settlement during the year ended June 30, 2020.

(13) Health Care Liability

The Sheriff established a limited risk management program for group hospitalization insurance, effective July 1, 2011. The Sheriff hired UMR as administrator for this program.

The General Fund of the Sheriff recognizes the assets, liabilities, revenues and expenditures of the group hospitalization insurance plan. The claims liability of \$33,545 (included in other accrued liabilities balance) reported in the general fund at June 30, 2020, is based on the loss that is probable to have existed at the date of the financial statements and the amount of the loss that can be

ST. MARTIN PARISH SHERIFF
St. Martinville, Louisiana

Notes to Basic Financial Statements (continued)

reasonably reduced by estimated insurance reimbursements. The Sheriff currently does not discount its claims liabilities.

A reconciliation of changes in liabilities is as follows:

	Balance at Beginning of Fiscal Year	Claims and Changes in Estimates	Benefit Payments and Claims	Balance at Fiscal Year-End
Group hospitalization				
2017-2018	\$ 177,780	2,626,969	(2,522,038)	\$ 282,711
2018-2019	\$ 282,711	2,195,989	(2,390,276)	\$ 88,424
2019-2020	\$ 88,424	2,456,535	(2,511,414)	\$ 33,545

(14) Interfund Transactions

A. Receivables and Payables

Interfund receivables and payables consisted of the following at June 30, 2020:

	<u>Receivables</u>	<u>Payables</u>
Major Funds:		
Governmental Funds:		
General Fund	\$ 9,085	\$ -
911 Communications District	-	9,085
Total	<u>\$ 9,085</u>	<u>\$ 9,085</u>

Several months of operating expenses had not yet been reimbursed at year-end, causing the balances noted above. These reimbursements are expected to be made within the next fiscal year.

(15) Other Post-Retirement Health Care and Life Insurance Benefits / GASB 75

Plan Description –The St. Martin Parish Sheriff’s Office (the Sheriff) provides certain continuing health care and life insurance benefits for its retired employees. The St. Martin 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 paragraph 4 of Governmental Accounting Standards Board (GASB) Statement No. 75. The Sheriff does not issue a separate financial report.

Benefits Provided – Medical and life insurance benefits are provided to employees upon actual retirement. The employer pays 100% of the medical coverage for the retiree only (not dependents) for employees with 15 or more years of service hired before July 1, 2009. For employees hired on

ST. MARTIN PARISH SHERIFF
St. Martinville, Louisiana

Notes to Basic Financial Statements (continued)

and after July 1, 2009, the employer pays 50% of the retiree's medical coverage (not dependents) for 20 or more years of service. Employees are covered by a retirement system whose retirement eligibility (D.R.O.P. entry) provisions are as follows. For employees whose membership in the retirement system began prior to January 1, 2012, retirement eligibility is 30 years of service at any age or, age 55 and 12 years of service. For employees whose membership in the retirement system began on or after January 1, 2012, retirement eligibility is 30 years of service and age 55 or, age 60 and 20 years of service, or age 62 and 12 years of service.

Life insurance coverage is continued to retirees and the employer pays 100% of the cost of the retiree's life insurance after retirement based on the blended premium. For employees hired on and after January 1, 2009, the employer pays for the first \$10,000 of life insurance and the retiree pays the blended premium for the remainder. There is an age-related reduction formula after retirement (reducing to 75% of pre-retirement coverage at age 65 and to 50% at age 70). The employer cost is based on the blended active/retired rate and there is thus an additional implied subsidy. Since GASB 75 requires the use of "unblended" rates, we have used the 94GAR mortality table described below to "unblend" the rates so as to reproduce the composite blended rate overall as the rate structure to calculate the actuarial valuation results for life insurance. All of the assumptions used for the valuation of the medical benefits have been used except for the trend assumption; zero trend was used for life insurance.

Employees covered by benefit terms – At July 1, 2019, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	39
Inactive members entitled to but not yet receiving benefit payments	-
Active employees	<u>180</u>
	<u>219</u>

Total OPEB Liability

The Sheriff's total OPEB liability of \$12,733,861 was measured as of July 1, 2019 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs – The total OPEB liability in the July 1, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.5%
Salary increases	4.0%, 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	5.5% annually for 10 years, 4.5% after
Mortality	SOA RP-2000 Table

ST. MARTIN PARISH SHERIFF
St. Martinville, Louisiana

Notes to Basic Financial Statements (continued)

The discount rate was based on the average of the Bond Buyers' 20 Year General Obligation municipal bond index over the 52 weeks immediately preceding the applicable measurement dates.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of ongoing evaluations of the assumptions from July 1, 2009 to June 30, 2020.

Changes in the Total OPEB Liability

Balance at June 30, 2019	<u>\$10,421,624</u>
Changes for the year:	
Service cost	241,559
Interest	359,698
Differences between expected and actual experience	301,699
Changes in assumptions	1,698,331
Benefit payments, net transfers, and direct expenses	<u>(289,050)</u>
Net changes	<u>2,312,237</u>
 Balance at June 30, 2020	 <u>\$12,733,861</u>

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate – The following presents the total OPEB liability of the Sheriff, as well as what the Sheriff's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.21%) or 1-percentage-point higher (3.21%) than the current discount rate:

	1.0% Decrease 1.21%	Current Discount Rate 2.21%	1.0% Increase 3.21%
Total OPEB liability	<u>\$15,144,010</u>	<u>\$12,733,861</u>	<u>\$10,853,055</u>

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates – The following presents the total OPEB liability of the Sheriff, as well as what the Sheriff's total OPEB liability would be if it were calculated using 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 Discount Rate 5.5%	1.0% Increase 6.5%
Total OPEB liability	<u>\$11,397,965</u>	<u>\$12,733,861</u>	<u>\$14,432,750</u>

ST. MARTIN PARISH SHERIFF
St. Martinville, Louisiana

Notes to Basic Financial Statements (continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2020, the Sheriff recognized OPEB expense of \$1,083,027. 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 experiences	\$ 633,801	\$ -
Changes of assumptions	2,828,708	-
Net difference between projected and actual earnings on OPEB plan investments	-	-
Total	\$ 3,462,509	\$ -

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

Fiscal Year Ending June 30			
2021	\$	464,708	
2022		464,708	
2023		464,708	
2024		464,708	
2025		464,708	
Thereafter		1,138,969	
		\$ 3,462,509	

ST. MARTIN PARISH SHERIFF
St. Martinville, Louisiana

Notes to Basic Financial Statements (continued)

(16) Ex-officio Tax Collector

The amount of cash on hand at year-end was \$487,424. The amount of ad valorem taxes collected by taxing authority was:

St. Martin Parish Government	\$ 12,930,220
St. Martin Parish School Board	13,041,985
St. Martin Parish Assessor	1,342,741
St. Martin Parish Water & Sewer Districts	498,616
St. Martin Parish Law Enforcement	6,970,529
St. Martin Parish Library	2,977,356
Teche-Vermillion Freshwater District	548,770
Atchafalaya Basin Levee District	497,689
Municipalities	526,479
Department of Agriculture and Forestry	20,355
Louisiana Tax Commission	21,579
St. Martin Parish Hospital District	888,050
	<u>\$ 40,264,369</u>

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

	<u>LTC</u> <u>Decreases</u>	<u>FDIC</u> <u>Property</u>	<u>Bank-</u> <u>ruptcy</u>	<u>Adjudi-</u> <u>cations</u>	<u>Unpaid</u>
St. Martin Parish Government	\$ 73,438	\$ 31	\$ 712	\$ 38,369	\$ 139,872
St. Martin Parish School Board	76,410	36	716	36,471	132,585
St. Martin Parish Assessor	7,867	4	74	3,755	13,650
St. Martin Parish Water & Sewer Districts	1,337	-	-	142	930
St. Martin Parish Law Enforcement	40,838	19	383	19,492	70,862
St. Martin Parish Library	17,443	8	164	8,326	30,268
Teche-Vermillion Freshwater District	3,215	1	30	1,535	5,579
Atchafalaya Basin Levee District	2,682	4	4	175	2,463
Municipalities	962	-	63	1,771	3,081
Department of Agriculture and Forestry	13	-	-	7	-
Louisiana Tax Commission	-	-	-	-	-
St. Martin Parish Hospital District	5,952	9	33	2,340	5,398
	<u>\$ 230,157</u>	<u>\$ 112</u>	<u>\$ 2,179</u>	<u>\$ 112,383</u>	<u>\$ 404,688</u>

The amount of occupational licenses collected by taxing authority was:

St. Martin Parish Government	\$ 700,754
St. Martin Parish Law Enforcement	123,663
	<u>\$ 824,417</u>

ST. MARTIN PARISH SHERIFF
St. Martinville, Louisiana

Notes to Basic Financial Statements (continued)

(17) Act 706 – Schedule of Compensation, Reimbursements, Benefits, and Other Payments to Entity Head

Under Act 706, the St. Martin Parish Sheriff’s Office is required to disclose the compensation, reimbursements, benefits, and other payments made to the Sheriff, in which the payments are related to the position. The following is a schedule of payments made to the Sheriff for the year ended June 30, 2020.

Entity head: Ronald J. Theriot, Sheriff (through June 30, 2020)

Salary and allowance	\$ 166,704
Benefits - insurance	12,712
Benefits - retirement	<u>20,421</u>
 Total	 <u><u>\$ 199,837</u></u>

(18) Excess of Expenditures Over Appropriations

For the year ended June 30, 2020, the following fund had actual expenditures over appropriations:

Fund	Final Budget	Actual	Excess
General Fund	\$ 15,287,514	\$ 15,627,309	\$ (339,795)

(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 this St. Martin Parish Sheriff’s financial statements has not yet been determined.

(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 St. Martin Parish Sheriff expects this matter to negatively impact the availability of resources and operating results. The financial impact cannot be reasonably estimated at this time.

ST. MARTIN PARISH SHERIFF
St. Martinville, Louisiana

Notes to Basic Financial Statements (continued)

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. St. Martin Parish Sheriff received \$835,130 of funding in September of 2020 for eligible expenditures incurred through June 30, 2020. This funding will be reflected as revenue on the financial statements for the year ended June 30, 2021.

**REQUIRED
SUPPLEMENTARY INFORMATION**

ST. MARTIN PARISH SHERIFF
St. Martinville, Louisiana
General Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 10,613,000	\$ 10,563,000	\$ 10,775,737	\$ 212,737
Intergovernmental	2,274,270	1,935,858	2,250,625	314,767
Fees, charges, and commissions for services	1,524,682	1,786,326	1,807,008	20,682
Interest Income	115,000	118,000	126,321	8,321
Miscellaneous	711,889	767,347	815,455	48,108
Total revenues	15,238,841	15,170,531	15,775,146	604,615
Expenditures:				
Current:				
Public safety:				
Personal services and related benefits	9,080,508	9,192,608	8,931,752	260,856
Operating services	2,741,710	2,663,532	2,565,291	98,241
Operations and maintenance	3,019,475	2,584,433	2,661,812	(77,379)
Debt service	-	187,766	208,942	(21,176)
Capital outlay	199,274	659,175	1,259,512	(600,337)
Total expenditures	15,040,967	15,287,514	15,627,309	(339,795)
Excess (deficiency) of revenues over expenditures	197,874	(116,983)	147,837	264,820
Other financing sources:				
Proceeds from capital lease	-	-	219,878	219,878
Total other financing sources	-	-	219,878	219,878
Exces (deficiency) of revenues over expenditures and other financing sources (uses)	197,874	(116,983)	367,715	484,698
Fund balance, beginning	7,559,441	8,854,599	8,854,599	-
Fund balance, ending	\$ 7,757,315	\$ 8,737,616	\$ 9,222,314	\$ 484,698

ST. MARTIN PARISH SHERIFF
St. Martinville, Louisiana
Special Revenue Fund - 911 Communications District

Budgetary Comparison Schedule
For the Year Ended June 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenue				
Fees, charges, and commissions for services				
911 fees	\$1,102,500	\$ 1,084,000	\$ 1,131,154	\$ 47,154
Interest income	<u>20,900</u>	<u>24,400</u>	<u>19,911</u>	<u>(4,489)</u>
Total revenues	<u>1,123,400</u>	<u>1,108,400</u>	<u>1,151,065</u>	<u>42,665</u>
Expenditures				
Current:				
Public Safety				
Personal services and related benefits:				
Salaries	658,878	651,875	576,938	74,937
Pension and payroll taxes	<u>87,725</u>	<u>86,150</u>	<u>78,179</u>	<u>7,971</u>
Total personnel service and related benefits	<u>746,603</u>	<u>738,025</u>	<u>655,117</u>	<u>82,908</u>
Operating services:				
Hospitalization insurance	180,000	165,000	132,913	32,087
Other liability insurance	<u>5,500</u>	<u>5,500</u>	<u>5,429</u>	<u>71</u>
Total operating services	<u>185,500</u>	<u>170,500</u>	<u>138,342</u>	<u>32,158</u>
Operations and maintenance:				
Leases and rents	-	-	1,834	(1,834)
Office supplies and expense	1,500	1,250	353	897
E-911 implement	37,020	43,720	38,495	5,225
Other	<u>64,155</u>	<u>61,585</u>	<u>49,410</u>	<u>12,175</u>
Total operations and maintenance	<u>102,675</u>	<u>106,555</u>	<u>90,092</u>	<u>16,463</u>
Capital outlay				
Equipment and vehicles	<u>-</u>	<u>241,000</u>	<u>202,408</u>	<u>38,592</u>
Total capital outlay	<u>-</u>	<u>241,000</u>	<u>202,408</u>	<u>38,592</u>
Total expenditures	<u>1,034,778</u>	<u>1,256,080</u>	<u>1,085,959</u>	<u>170,121</u>
Excess (deficiency) of revenues over expenditures	88,622	(147,680)	65,106	212,786
Fund balance, beginning	<u>1,050,031</u>	<u>1,279,884</u>	<u>1,279,884</u>	<u>-</u>
Fund balance, ending	<u>\$1,138,653</u>	<u>\$ 1,132,204</u>	<u>\$ 1,344,990</u>	<u>\$ 212,786</u>

ST. MARTIN PARISH SHERIFF
St. Martinville, 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 Employee Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	1.008367%	\$ 3,993,139	\$ 6,535,128	61.10%	87.34%
2016	1.074946%	4,791,590	7,127,064	67.23%	86.61%
2017	1.130292%	7,173,845	7,712,873	93.01%	82.10%
2018	1.146044%	4,962,684	7,938,059	62.52%	88.49%
2019	1.084296%	4,157,894	7,462,568	55.72%	90.41%
2020	1.113499%	5,267,105	7,785,756	67.65%	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.

ST. MARTIN PARISH SHERIFF
St. Martinville, 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	\$ 1,015,606	\$ 1,015,606	\$ -	\$ 7,127,064	14.25%
2016	1,061,242	1,061,242	-	7,712,873	13.75%
2017	1,051,793	1,051,793	-	7,938,059	13.25%
2018	951,521	951,521	-	7,462,568	12.75%
2019	956,822	956,822	-	7,785,756	12.29%
2020	969,590	969,590	-	7,867,776	12.32%

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

ST. MARTIN PARISH SHERIFF
St. Martinville, Louisiana

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

	<u>2018</u>	<u>2019</u>	<u>2020</u>
Total OPEB Liability			
Service cost	\$ 143,077	\$ 149,686	\$ 241,559
Interest	270,964	288,136	359,698
Changes of benefit terms	-	-	-
Differences between expected and actual experience	213,560	272,993	301,699
Changes of assumptions	-	1,615,352	1,698,331
Benefit payments	-	(273,981)	(289,050)
Net change in total OPEB liability	<u>627,601</u>	<u>2,052,186</u>	<u>2,312,237</u>
Total OPEB liability - beginning	<u>7,741,837</u>	<u>8,369,438</u>	<u>10,421,624</u>
Total OPEB liability - ending	<u>\$ 8,369,438</u>	<u>\$ 10,421,624</u>	<u>\$ 12,733,861</u>
Covered-employee payroll	\$ 7,284,679	\$ 7,695,491	\$ 7,695,491
Sheriff's net OPEB liability as a percentage of covered-employee payroll	114.89%	135.43%	165.47%

Notes to Schedule:

Benefit changes:	None	None	None
Changes of assumptions:			
Discount rate:	3.50%	3.50%	2.21%
Mortality:	RP-2000	RP-2000	RP-2000
Trend:	5.50%	5.50%	Variable

This schedule is intended to cover 10 fiscal years. As each year ensues in the future, the information will be added until the schedule covers 10 years.

ST. MARTIN PARISH SHERIFF
St. Martinville, Louisiana

Notes to the 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:

1. The chief financial officer prepares a proposed budget and submits it to the Sheriff for the fiscal year no later than fifteen days prior to the beginning of each fiscal year.
2. A summary of the proposed budget is published, and the public is notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for a hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is legally adopted prior to the commencement of the fiscal year for which the budget is being adopted.
5. All budgetary appropriations lapse at the end of each fiscal year.
6. The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts included in the accompanying financial statements are as originally adopted and as finally amended by the Sheriff. Such amendments were not material in relation to the original appropriations.

(2) Pension Plan

Changes of Assumptions – Changes of assumptions about future economic or demographic factors or of other inputs 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.

OTHER SUPPLEMENTARY INFORMATION

ST. MARTIN PARISH SHERIFF
St. Martinville, Louisiana
General Fund

Budgetary Comparison Schedule - Revenues
For the Year Ended June 30, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Taxes:				
Ad valorem	\$ 6,813,000	\$ 7,063,000	\$ 7,034,386	\$ (28,614)
Sales tax	<u>3,800,000</u>	<u>3,500,000</u>	<u>3,741,351</u>	<u>241,351</u>
Total taxes	<u>10,613,000</u>	<u>10,563,000</u>	<u>10,775,737</u>	<u>212,737</u>
Intergovernmental:				
Federal grants	107,385	68,935	108,555	39,620
State of Louisiana -				
State grants	22,942	22,942	20,669	(2,273)
Revenue sharing	108,943	108,981	108,975	(6)
Video poker	1,425,000	1,125,000	1,410,420	285,420
Supplemental pay	<u>610,000</u>	<u>610,000</u>	<u>602,006</u>	<u>(7,994)</u>
Total intergovernmental	<u>2,274,270</u>	<u>1,935,858</u>	<u>2,250,625</u>	<u>314,767</u>
Fees, charges, and commissions for services				
Taxes and licenses	205,000	205,000	227,610	22,610
Civil and criminal fees	495,350	510,080	464,113	(45,967)
Court attendance	35,000	30,000	28,390	(1,610)
Feeding and keeping prisoners	625,000	862,100	877,400	15,300
State and parish contracts	49,332	49,146	52,646	3,500
Commissary sales	40,000	50,000	58,751	8,751
Telephone commissions	<u>75,000</u>	<u>80,000</u>	<u>98,098</u>	<u>18,098</u>
Total fees, charges, and commissions for services	<u>1,524,682</u>	<u>1,786,326</u>	<u>1,807,008</u>	<u>20,682</u>
Interest income	<u>115,000</u>	<u>118,000</u>	<u>126,321</u>	<u>8,321</u>
Miscellaneous	<u>711,889</u>	<u>767,347</u>	<u>815,455</u>	<u>48,108</u>
Total revenues	<u>\$ 15,238,841</u>	<u>\$ 15,170,531</u>	<u>\$ 15,775,146</u>	<u>\$ 604,615</u>

ST. MARTIN PARISH SHERIFF
St. Martinville, Louisiana
General Fund

Budgetary Comparison Schedule - Expenditures
For the Year Ended June 30, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Current:				
Public Safety				
Personal services and related benefits:				
Sheriff's salary	\$ 145,183	\$ 153,314	\$ 151,549	\$ 1,765
Deputies' salaries	7,564,168	7,644,985	7,344,628	300,357
Other salaries	243,977	289,795	351,030	(61,235)
Pension and payroll taxes	1,035,025	1,044,359	1,009,522	34,837
Sheriff's expense allowance	15,155	15,155	15,155	-
Other related benefits	77,000	45,000	59,868	(14,868)
Total personnel service and related benefits	<u>9,080,508</u>	<u>9,192,608</u>	<u>8,931,752</u>	<u>260,856</u>
Operating services:				
Hospitalization insurance	2,316,119	2,225,262	2,127,752	97,510
Auto insurance	199,960	204,960	204,041	919
Other liability insurance	225,631	233,310	233,498	(188)
Total operating services	<u>2,741,710</u>	<u>2,663,532</u>	<u>2,565,291</u>	<u>98,241</u>
Operations and maintenance				
Auto fuel and oil	480,000	260,000	283,163	(23,163)
Auto maintenance	162,335	162,335	161,240	1,095
Deputy uniforms, supplies, etc.	226,395	174,273	172,082	2,191
Training	46,912	46,913	15,250	31,663
Office supplies and expenses	239,562	239,562	207,178	32,384
Small equipment	63,181	63,181	129,095	(65,914)
Telephone and utilities	315,000	317,142	326,705	(9,563)
Radio	3,020	1,000	338	662
Prisoner feeding and maintenance	291,433	308,683	298,431	10,252
Legal and professional fees	130,100	145,959	192,074	(46,115)
Criminal investigation expense	-	-	3,392	(3,392)
Leases and rents	249,649	32,700	35,864	(3,164)
Commissary expense	185	185	46	139
Other	811,703	832,500	836,954	(4,454)
Total operations and maintenance	<u>3,019,475</u>	<u>2,584,433</u>	<u>2,661,812</u>	<u>(77,379)</u>

(continued)

ST. MARTIN PARISH SHERIFF
St. Martinville, Louisiana
General Fund

Budgetary Comparison Schedule - Expenditures (Continued)
For the Year Ended June 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Debt service:				
Principal payments	-	178,378	196,378	(18,000)
Interest	-	9,388	12,564	(3,176)
Total debt service	<u>-</u>	<u>187,766</u>	<u>208,942</u>	<u>(21,176)</u>
Capital outlay:				
Autos	150,000	150,000	561,324	(411,324)
Buildings	260	260	332,022	(331,762)
Other equipment	49,014	508,915	347,398	161,517
Land	-	-	18,768	(18,768)
Total capital outlay	<u>199,274</u>	<u>659,175</u>	<u>1,259,512</u>	<u>(600,337)</u>
Total expenditures	<u>\$ 15,040,967</u>	<u>\$ 15,287,514</u>	<u>\$ 15,627,309</u>	<u>\$ (339,795)</u>

STATE OF LOUISIANA, PARISH OF ST. MARTIN

AFFIDAVIT

The Honorable Becket Breaux, Sheriff of St. Martin Parish

BEFORE ME, the undersigned authority, personally came and appeared, Becket Breaux, the sheriff of St. Martin Parish, State of Louisiana, who after being duly sworn, deposed and said:

The following information is true and correct:

\$487,424 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 St. Martin Parish

SWORN to and subscribed before me, Notary, this 9th day of Dec. 2020 in my office in the St. Martinville, Louisiana. (City/Town)

[Handwritten Signature] (Signature)

Darren Doré (Print), # 21224

Notary Public at death (Commission)

**INTERNAL CONTROL
COMPLIANCE
AND
OTHER MATTERS**

Champagne & Company, LLC

Certified Public Accountants

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*A Professional Accounting Corporation

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 Becket Breaux
St. Martin Parish Sheriff
St. Martinville, 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, each major fund, and the aggregate remaining fund information of the St. Martin Parish Sheriff, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the St. Martin Parish Sheriff's basic financial statements and have issued our report thereon dated January 8, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the St. Martin 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 St. Martin Parish Sheriff's internal control. Accordingly, we do not express an opinion on the effectiveness of the St. Martin 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 preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We consider the deficiency described in the accompanying schedule of prior and current year audit findings and management's corrective action plan, identified as item 2020-001, to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the St. Martin 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

St. Martin Parish Sheriff's Response to Findings

The St. Martin Parish Sheriff's response to the findings identified in our audit is described in the accompanying schedule of prior and current year audit findings and management's corrective action plan. The St. Martin 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 8, 2021

ST. MARTIN PARISH SHERIFF
St. Martinville, Louisiana

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

I. Prior Year Findings:

Internal Control Over Financial Reporting

2019-001 Inadequate Controls over Financial Statement Preparation

Finding: The Sheriff's department 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 the related notes.

Status: Unresolved. See item 2020-001.

Compliance

There were no findings reported at June 30, 2019.

Management Letter Items

There were no items reported at June 30, 2019.

(continued)

ST. MARTIN PARISH SHERIFF
St. Martinville, Louisiana

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

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

Internal Control Over Financial Reporting

2020-001 Inadequate Controls Over Financial Statement Preparation
Year initially occurred - unknown

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.

Effect:

This condition represents a significant deficiency in the internal control of the Sheriff.

Cause:

The condition resulted because Sheriff personnel do 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:

Mr. Becket Breaux, Sheriff, 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 contents and presentation.

Compliance

There are no findings reported at June 30, 2020.

Management Letter Items

There are no items reported at June 30, 2020.