

ST. MARY PARISH SHERIFF

Franklin, Louisiana

Financial Report

Year Ended June 30, 2022

TABLE OF CONTENTS

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	1-3
BASIC FINANCIAL STATEMENTS	
Government-wide Financial Statements:	
Statement of Net Position	6-7
Statement of Activities	8
Fund Financial Statements:	
Balance Sheet - Governmental Funds	10
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	11
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	12-13
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	14-15
Statement of Fiduciary Net Position	16
Notes to the Financial Statements	17-46
REQUIRED SUPPLEMENTARY INFORMATION	
Budgetary Comparison Schedules	
General Fund	48-49
Special Revenue Fund	50
Schedule of Changes in the Total OPEB Liability and Related Ratios	51
Schedule of Proportionate Share of Net Pension Liability	52
Schedule of Contributions	53
Notes to the Required Supplementary Information	54-55
SUPPLEMENTARY INFORMATION	
SCHEDULES OF INDIVIDUAL FUNDS	
Fiduciary Fund Type - Custodial Funds:	
Descriptions	58
Combining Statement of Fiduciary Net Position	59
Combining Statement of Changes in Assets and Liabilities	60
Tax Collector Custodial Fund:	
Sworn Statement	61
Schedule of Compensation, Benefits and Other Payments to Agency Head	62
Schedule of Justice System Funding - Collecting and Disbursing	63-64
INTERNAL CONTROL, COMPLIANCE, AND OTHER INFORMATION	
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	66-67
Summary Schedule of Prior Year Findings	68
Schedule of Findings and Responses	69-70
Management's Corrective Action Plan for Current Year Findings	71



INDEPENDENT AUDITOR'S REPORT

The Honorable Blaise Smith
St. Mary Parish Sheriff
Franklin, Louisiana

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the St. Mary Parish Sheriff, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Sheriff's basic financial statements as listed in the table of contents.

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. Mary Parish Sheriff, as of June 30, 2022, 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.

Basis for Opinion

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the St. Mary Parish Sheriff and meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the St. Mary Parish Sheriff's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 St. Mary Parish Sheriff's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the St. Mary Parish Sheriff's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Emphasis of Matter

As described in Note 1 to the financial statements, in 2021, the St. Mary Parish Sheriff adopted new accounting guidance, GASB Statement No. 87, Leases. Our opinion is not modified with respect to this matter.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information, the schedule of changes in the total OPEB liability and related ratios, the schedule of proportionate share of net pension liability, and the schedule of contributions on pages 48-53 be presented to supplement the basic financial statements. Such information is the responsibility of management and,

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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the St. Mary Parish Sheriff's basic financial statements. The schedules of individual funds, sworn statement, schedule of compensation, benefits and other payments to agency head, and schedule of justice system funding – collecting and disbursing are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules of individual funds, sworn statement, and schedule of compensation, benefits and other payments to agency head are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 16, 2022, on our consideration of the St. Mary Parish Sheriff's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the St. Mary Parish Sheriff's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the St. Mary Parish Sheriff's internal control over financial reporting and compliance.

Darnall, Sikes & Frederick

(A Corporation of Certified Public Accountants)

Morgan City, Louisiana
November 16, 2022

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

ST. MARY PARISH SHERIFF
Franklin, Louisiana

Statement of Net Position
June 30, 2022

	<u>Governmental Activities</u>
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	
Current assets:	
Cash and cash equivalents	\$ 8,803,406
Receivables:	
Due from other governmental units	212,593
Other receivables	614,067
Prepaid expenses	44,118
Noncurrent assets:	
Capital assets:	
Nondepreciable	176,323
Depreciable, net of accumulated depreciation and amortization	1,529,726
Net pension asset	<u>393,427</u>
Total assets	11,773,660
Deferred outflows of resources:	
Deferred outflows of resources related to OPEB	3,447,482
Deferred outflows of resources related to net pension liability	<u>2,003,252</u>
Total deferred outflows of resources	<u>5,450,734</u>
Total assets and deferred outflows of resources	<u>\$ 17,224,394</u>

ST. MARY PARISH SHERIFF
Franklin, Louisiana

Statement of Net Position
June 30, 2022

	Governmental Activities
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	
Current liabilities:	
Accounts, salaries, and other payables	\$ 244,703
Due to taxing bodies and others	261
Long-term liabilities:	
Portion due or payable within one year:	
Compensated absences	209,167
Financed purchase obligations	96,606
Lease liability	9,954
Portion due or payable after one year:	
Compensated absences	15,744
Financed purchase obligations	100,363
Lease liability	21,558
Net other postemployment benefit obligation	7,763,010
Total liabilities	8,461,366
Deferred inflows of resources:	
Deferred inflows of resources related to OPEB	7,350,030
Deferred inflows of resources related to net pension liability	4,457,629
Total deferred inflows of resources	11,807,659
Net position:	
Net investment in capital assets	1,477,568
Restricted for Law Enforcement Sub-District No. 1	779,580
Unrestricted	(5,301,779)
Total net position	(3,044,631)
Total liabilities, deferred inflows of resources and net position	\$ 17,224,394

The accompanying notes are an integral part of this statement.

ST. MARY PARISH SHERIFF
Franklin, Louisiana

Statement of Activities
Year Ended June 30, 2022

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue And Changes in Net Position
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities:					
Public safety	\$ 11,273,082	\$ 2,237,624	\$ 728,949	\$ 11,300	\$ (8,295,209)
General Revenues:					
Ad valorem taxes					6,207,054
Sales taxes					2,704,775
State revenue sharing					184,264
Other intergovernmental					311,204
Cancellation of debt					42,296
Interest income					2,877
Miscellaneous					74,860
Non-employer pension contributions					<u>366,725</u>
Total general revenues					<u>9,894,055</u>
Change in net position					1,598,846
Net position -- beginning (as restated)					<u>(4,643,477)</u>
Net position -- ending					<u><u>\$ (3,044,631)</u></u>

The accompanying notes are an integral part of this statement.

FUND FINANCIAL STATEMENTS

ST. MARY PARISH SHERIFF
Franklin, Louisiana

Balance Sheet – Governmental Funds
June 30, 2022

	General Fund	Special Revenue Fund	Total
ASSETS			
Cash and cash equivalents	\$ 8,017,825	\$ 785,581	\$ 8,803,406
Receivables:			
Due from other governmental units	212,593	-	212,593
Other receivables	606,486	7,581	614,067
Due from other funds	13,582	-	13,582
Prepaid expenses	44,118	-	44,118
Total assets	<u>\$ 8,894,604</u>	<u>\$ 793,162</u>	<u>\$ 9,687,766</u>
 LIABILITIES AND FUND BALANCE			
Liabilities:			
Accounts, salaries, and other payables	\$ 244,703	\$ -	\$ 244,703
Due to taxing bodies and others	261	-	261
Due to other funds	-	13,582	13,582
Total liabilities	244,964	13,582	258,546
Fund balance:			
Nonspendable:			
Prepays	44,118	-	44,118
Restricted:			
Law Enforcement Sub-District No. 1	-	779,580	779,580
Unassigned	8,605,522	-	8,605,522
Total fund balance	<u>8,649,640</u>	<u>779,580</u>	<u>9,429,220</u>
Total liabilities and fund balance	<u>\$ 8,894,604</u>	<u>\$ 793,162</u>	<u>\$ 9,687,766</u>

The accompanying notes are an integral part of this statement.

ST. MARY PARISH SHERIFF
Franklin, Louisiana

Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2022

Total fund balances - governmental funds		\$ 9,429,220
Cost of capital assets at June 30, 2022	5,231,538	
Less: Accumulated depreciation and amortization as of June 30, 2022:		
Right to use lease - equipment	(8,324)	
Equipment	(891,507)	
Furniture	(29,538)	
Vehicles, boats, and trailers	(1,980,719)	
Buildings and improvements	<u>(615,401)</u>	
		1,706,049
Long-term liabilities at June 30, 2022:		
Compensated absences	(224,911)	
Financed purchase obligations	(196,969)	
Lease Liability	(31,512)	
Net other postemployment benefit obligation	<u>(7,763,010)</u>	
		(8,216,402)
Deferred outflows and inflows of resources at June 30, 2022:		
Deferred outflows of resources related to OPEB	3,447,482	
Deferred outflows of resources related to pensions	2,003,252	
Deferred inflows of resources related to OPEB	(7,350,030)	
Deferred inflows of resources related to pensions	<u>(4,457,629)</u>	
		(6,356,925)
Long-term assets at June 30, 2022:		
Net pension asset		<u>393,427</u>
Total net position - governmental activities		<u>\$ (3,044,631)</u>

The accompanying notes are an integral part of this statement.

ST. MARY PARISH SHERIFF
Franklin, Louisiana

Statement of Revenues, Expenditures and Changes
in Fund Balances – Governmental Funds
Year Ended June 30, 2022

	General Fund	Special Revenue Fund	Total
Revenues:			
Ad valorem taxes	\$ 6,073,232	\$ 133,822	\$ 6,207,054
Sales taxes	2,704,775	-	2,704,775
Intergovernmental revenues -			
Federal grants	128,142	-	128,142
State grants	44,552	-	44,552
Parish grants	31,202	-	31,202
State revenue sharing	184,264	-	184,264
State supplemental pay	536,353	-	536,353
Salary supplemental pay	332,442	-	332,442
Video poker	256,204	-	256,204
Indian gaming	55,000	-	55,000
Fees, charges, and commissions for service -			
Civil and criminal fees	373,653	-	373,653
Court attendance	16,388	-	16,388
Feeding, transporting, and keeping of prisoners	1,022,219	-	1,022,219
Fines and forfeitures	217,177	-	217,177
Commissary sales	76,757	-	76,757
Other	198,988	-	198,988
Interest income	2,220	657	2,877
Miscellaneous	166,448	-	166,448
Total revenues	12,420,016	134,479	12,554,495
Expenditures:			
Current -			
Public safety:			
Personnel and related benefits	8,360,342	119,797	8,480,139
Operating services	916,719	5,669	922,388
Materials and supplies	1,537,661	13,465	1,551,126
Debt service -			
Workmen's compensation judgment	2,963	-	2,963
Lease - principal	61,334	-	61,334
Interest and fiscal charges	5,073	-	5,073
Capital outlay	467,863	-	467,863
Total expenditures	11,351,955	138,931	11,490,886
Excess (deficiency) of revenues over expenditures	1,068,061	(4,452)	1,063,609

ST. MARY PARISH SHERIFF
Franklin, Louisiana

Statement of Revenues, Expenditures and Changes
in Fund Balances – Governmental Funds (Continued)
Year Ended June 30, 2022

	General Fund	Special Revenue Fund	Total
Other financing sources:			
Proceeds from financed purchase obligation	<u>155,361</u>	<u>-</u>	<u>155,361</u>
Net change in fund balances	1,223,422	(4,452)	1,218,970
Fund balances, beginning of year	<u>7,426,218</u>	<u>784,032</u>	<u>8,210,250</u>
Fund balances, end of year	<u>\$ 8,649,640</u>	<u>\$ 779,580</u>	<u>\$ 9,429,220</u>

The accompanying notes are an integral part of this statement.

ST. MARY PARISH SHERIFF
Franklin, Louisiana

Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances of Governmental Funds to the Statement of Activities
Year Ended June 30, 2022

Total net change in fund balances - governmental funds	\$ 1,218,970
Amounts reported for governmental activities in the statement of activities are 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. This is the amount by which capital outlay exceeded depreciation expense and capital outlay deletions in the current period.	157,060
Governmental funds report lease payments as expenditures. However, in the statement of activities, the right to use of the leased asset is amortized over the life of the lease, the repayment reduces long-term liabilities, and an interest expense is incurred.	(265)
Excess of compensated absences earned over amounts used.	(8,280)
Repayment and cancellation of long-term debt is reported as an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	106,593
Loan proceeds provide current financing resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position.	(155,361)
Other postemployment benefit obligations do not require the use of current financial resources and, therefore, are not recorded as a fund expenditure.	(709,537)
Governmental funds report pension contributions as expenditures. However, in the statement of activities, the cost of pension benefits earned net of employee contributions is reported as pension expense:	
Pension contributions subsequent to the measurement date	685,367
Cost of benefits earned net of employee contributions	29,016
Amortization of excess contributions during the measurement period	146
Miscellaneous revenues that was recognized previously in the statement of activities that provide current financial resources in the governmental funds.	(91,588)

ST. MARY PARISH SHERIFF
Franklin, Louisiana

Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances of Governmental Funds to the Statement of Activities (Continued)
Year Ended June 30, 2022

Some revenues reported in the statement of activities do not provide current financial resources in governmental funds:	
Non employer pension contributions	<u>366,725</u>
Change in net position - governmental activities	<u>\$ 1,598,846</u>

The accompanying notes are an integral part of this statement.

ST. MARY PARISH SHERIFF
Franklin, Louisiana

Statement of Fiduciary Net Position
June 30, 2022

	<u>Custodial Funds</u>
ASSETS	
Cash	\$ <u>1,992,144</u>
Total assets	\$ <u><u>1,992,144</u></u>
LIABILITIES	
Due to taxing bodies, prisoners and others	\$ <u>1,992,144</u>
Total liabilities	\$ <u><u>1,992,144</u></u>

The accompanying notes are an integral part of this statement.

ST. MARY PARISH SHERIFF
Franklin, Louisiana

Notes to the Financial Statements

INTRODUCTION

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of the Sheriff conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statute 24:513, the Louisiana Governmental Audit Guide. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The following is a summary of certain significant accounting policies:

Financial Reporting Entity

For financial reporting purposes, the Sheriff includes all funds and activities 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 council 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 council, 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 considered separate reporting entities and issue financial statements separate from those of the Sheriff.

ST. MARY PARISH SHERIFF
Franklin, Louisiana

Notes to the Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Change in Accounting Principles and Restatement

For 2021, the Sheriff implemented Governmental Accounting Standards Board (GASB) Statement No. 87, Leases. GASB Statement No. 87 enhances the relevance and consistency of information of the government's leasing activities. It establishes requirements for lease accounting based on the principle that leases are financings of the right to use an underlying asset. A lessee is required to recognize a lease liability and an intangible right to use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. These changes were incorporated in the Sheriff's 2022 financial statements and had an effect on the beginning net position of the Governmental Activities. The Sheriff recognized \$18,220 in net book value for the intangible right to use and a lease liability of \$18,675 for various office equipment leased prior to July 1, 2021.

The implementation of GASB Statement No. 87 had the following effect on net position as reported June 30, 2021:

	<u>Governmental Activities</u>
Net position June 30, 2021	\$(4,643,022)
Adjustments:	
Net book value - leased assets	18,220
Lease liability	<u>(18,675)</u>
Restated net position June 30, 2021	<u><u>\$(4,643,477)</u></u>

Government-wide and Fund Financial Statements

The Sheriff's basic financial statements consist of the government-wide statements on all activities of the Sheriff and the governmental fund financial statements (individual major funds).

The government-wide financial statements (the statement of net position and the statement of activities) report information on all of the activities of the St. Mary Parish Sheriff. Both the government-wide and the fund financial statements categorize primary activities as governmental.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function. *Program revenues* include (a) fees and charges paid by the recipients of services offered by the St. Mary Parish Sheriff, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or program. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

ST. MARY PARISH SHERIFF
Franklin, Louisiana

Notes to the Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Separate financial statements are provided for governmental funds and fiduciary funds even though the latter are excluded from the government-wide financial statements.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement* focus and the *accrual basis of accounting* as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when the liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Sales and use tax revenues are recognized in the period in which the underlying exchange transaction has occurred.

Grants and similar items are recognized as revenues in the year in which they are earned. As a general rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements.

Governmental fund financial statements are reported using the *current financial resources measurement* focus and the *modified accrual basis* of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities for the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

Ad valorem taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Ad valorem taxes are recognized as revenues in the year in which such taxes are levied and billed to the taxpayers. Other major revenues that are considered susceptible to accrual include sales and use taxes, earned grant revenues, intergovernmental revenues, and interest on investments.

The government reports the following 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 the operations of the Sheriff's office. The Sheriff's primary sources of revenue are an ad valorem tax levied by the law enforcement district, sales tax collections, and fees for the feeding and keeping of prisoners. Other sources of revenue include state revenue sharing, state supplemental pay for deputies, civil and criminal fees, and fees for court attendance. General operating expenditures are paid from this fund.

ST. MARY PARISH SHERIFF
Franklin, Louisiana

Notes to the Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Special Revenue Fund--The Special Revenue Fund accounts for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. This fund accounts for the revenues and expenditures related to Law Enforcement Sub-District No. 1.

Use of Restricted Funds

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.

Fiduciary Funds - Custodial Funds

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

Cash and Cash Equivalents

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. Under state law, the Sheriff may deposit funds in demand deposits, interest-bearing demand deposits or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the law of the United States.

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Uncollectible amounts due for receivables are charged off at the time information becomes available which would indicate uncollectibility of the particular receivable. Although the specific charge-off method is not in conformity with generally accepted accounting principles (GAAP), no allowance for uncollectible receivables was made due to immateriality.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

Capital Assets

The accounting treatment of property, plant, and equipment (capital assets) depends on whether the assets are reported in the government-wide or fund financial statements.

ST. MARY PARISH SHERIFF
Franklin, Louisiana

Notes to the Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-wide Financial Statements:

In the government-wide financial statements, capital assets are accounted for as assets. All capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Equipment	5-10 Years
Furniture	5 Years
Vehicles, boats, and trailers	5-10 Years
Buildings and improvements	10-40 Years

Fund Financial Statements:

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.

Equity Classifications

Government-wide Financial Statements:

Net position represents the difference between assets and liabilities. Net position is reported in three categories, as follows:

- a. Net investment in capital assets – consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – consists of net position items with constraints 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 – consists of the net amount of assets and liabilities that do not meet the definition of the above two components and is available for general use by the Sheriff's Office.

ST. MARY PARISH SHERIFF
Franklin, Louisiana

Notes to the Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

When an expenditure is incurred for purposes for which both restricted and unrestricted net position is available, the Sheriff applies restricted net position first.

Fund Financial Statements:

The Sheriff applies GASB Statement No. 54, “*Fund Balance Reporting and Governmental Fund Type Definitions*”. This statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government’s fund balances more transparent. See Note 9 for further explanation.

Compensated Absences

Employees of the Sheriff’s Office earn vacation leave based on time of service. Two weeks is earned for each year of service from one to four years, three weeks from five to nine years of service and four weeks is earned for each year of service from ten years thereafter. Vacation leave is non-cumulative. One-half day of sick leave is earned each month up to seven years of service at which time the employee earns one day per month. Unused sick days are carried over and accumulated up to 960 hours total. Sick leave is not compensable if an employee leaves the service of the St. Mary Parish Sheriff.

Use of Estimates

The Sheriff uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets, liabilities, revenues, and expenditures.

Other Postemployment Benefit Obligations

The Sheriff applies the provisions of GASB Statement No. 75, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. This pronouncement requires the Sheriff to calculate and recognize a net *other postemployment benefit* (OPEB) obligation at June 30, 2022. See Note 20 for further details.

ST. MARY PARISH SHERIFF
Franklin, Louisiana

Notes to the Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Pensions

The Sheriff applies the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. This pronouncement requires the Sheriff to calculate and recognize a net pension liability at June 30, 2021. 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 and additions to/deductions from the Sheriffs' Pension and Relief Fund fiduciary net position have been determined on the same basis as they are reported by the Sheriffs' Pension and Relief 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. See Note 21 for further details.

Deferred Outflows of Resources and Deferred Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Sheriff reported deferred outflows of resources related to pensions and OPEB.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Sheriff reported deferred inflows of resources related to pensions and OPEB.

See Notes 20 and 21 for additional information related to deferred outflows of resources and deferred inflows of resources related to pensions and OPEB.

Subsequent Event

The Sheriff has evaluated subsequent events through November 16, 2022, the date the financial statements were available to be issued.

ST. MARY PARISH SHERIFF
Franklin, Louisiana

Notes to the Financial Statements

NOTE 2 CASH AND CASH EQUIVALENTS

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 the United States bonds, notes or bills as well as certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

The carrying value of the Sheriff's cash and interest-bearing deposits with financial institutions at June 30, 2022 totaled \$10,795,550; \$1,992,144 is included in the Sheriff's fiduciary funds. The bank balance was \$11,202,957. Federal deposit insurance covered \$500,000 of the deposits while the remaining deposits were covered by collateral held by the pledging bank's agent in the Sheriff's name in the amount of \$19,232,271. Cash and interest-bearing deposits are stated at cost, which approximates market. Under state law these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The fair market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent.

Louisiana R.S. 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Sheriff that the fiscal agent has failed to pay deposited funds upon demand.

NOTE 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 each year. Taxes are levied by the Sheriff in September or October and are actually billed to the taxpayers in November. 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. Mary Parish and are collected by the Sheriff. The taxes are remitted to the appropriate taxing bodies net of deductions for pension fund contributions.

Ad valorem taxes are budgeted and recorded in the year levied and billed. For the year ended June 30, 2022, law enforcement district taxes applicable to the Sheriff's General Fund, were levied at the rate of 11.33 mills on property with net assessed valuations totaling \$538,177,811.

On October 12, 2019, the voters of Law Enforcement Sub-District No. 1 of St. Mary Parish approved a proposition to renew a 15.00 mills tax on all property subject to taxation in said district, beginning with the year 2021 and ending with the year 2025. The tax is in addition to the tax levied by the Law Enforcement District and collections are dedicated to providing increased patrols within Sub-District No.1. In the 2021 tax year, a 4.99 mill tax was levied on property with net assessed valuations totaling \$27,033,366.

Total taxes levied during the fiscal year ended June 30, 2022 were \$7,084,332.

ST. MARY PARISH SHERIFF
Franklin, Louisiana

Notes to the Financial Statements

NOTE 4 DUE FROM OTHER GOVERNMENTAL UNITS

Amounts due from other governmental units at June 30, 2022, consist of the following:

Federal grants	\$ 26,794
Parish grants	86,161
State grants	<u>99,638</u>
Total	<u>\$ 212,593</u>

NOTE 5 ACCOUNTS, SALARIES, AND OTHER PAYABLES

Accounts, salaries, and other payables at June 30, 202, consist of the following:

Accounts payable	\$ 104,778
Accrued salaries and related benefits	<u>139,925</u>
Total accounts, salaries, and other payables	<u>\$ 244,703</u>

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ST. MARY PARISH SHERIFF
Franklin, Louisiana

Notes to the Financial Statements

NOTE 6 CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended June 30, 2022 are as follows:

	Balance July 1, 2021 (as restated)	Additions	Deletions	Balance June 30, 2022
Capital assets not being depreciated or amortized:				
Land	\$ 112,729	\$ -	\$ -	\$ 112,729
Construction in progress	<u>-</u>	<u>63,594</u>	<u>-</u>	<u>63,594</u>
Total capital assets not being depreciated or amortized	112,729	63,594	-	176,323
Capital assets being depreciated and amortized:				
Right to use lease - equipment	18,220	20,896	-	39,116
Equipment	1,068,894	51,239	(13,500)	1,106,633
Furniture	29,538	-	-	29,538
Vehicles, boats and trailers	2,763,898	331,941	(225,223)	2,870,616
Buildings and improvements	<u>988,223</u>	<u>21,089</u>	<u>-</u>	<u>1,009,312</u>
Total capital assets being depreciated and amortized	4,868,773	425,165	(238,723)	5,055,215
Less accumulated depreciation for:				
Right to use lease - equipment	-	(8,324)	-	(8,324)
Equipment	(854,134)	(50,873)	13,500	(891,507)
Furniture	(29,538)	-	-	(29,538)
Vehicles, boats and trailers	(1,988,588)	(213,943)	221,812	(1,980,719)
Buildings and improvements	<u>(572,825)</u>	<u>(42,576)</u>	<u>-</u>	<u>(615,401)</u>
Total accumulated depreciation	<u>(3,445,085)</u>	<u>(315,716)</u>	<u>235,312</u>	<u>(3,525,489)</u>
Capital assets, being depreciated, net	<u>1,423,688</u>	<u>109,449</u>	<u>(3,411)</u>	<u>1,529,726</u>
Capital assets, net	<u>\$ 1,536,417</u>	<u>\$ 173,043</u>	<u>\$ (3,411)</u>	<u>\$ 1,706,049</u>

Depreciation expense of \$307,392 and amortization expense of \$8,324 for the year ended June 30, 2022 was charged to the public safety function.

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ST. MARY PARISH SHERIFF
Franklin, Louisiana

Notes to the Financial Statements

NOTE 7 CHANGES IN GENERAL LONG-TERM LIABILITIES

The following is a summary of the long-term liability transactions during the year:

	Balance at July 1, 2021	Additions	Reductions	Balance at June 30, 2022	Due Within One Year
Compensated absences	\$ 216,631	\$ 336,439	\$ 328,159	\$ 224,911	\$ 209,167
Financed purchase obligations	102,942	155,361	61,334	196,969	96,606
Workmen's compensation	45,259	-	45,259	-	-
Other postemployment benefits	14,330,347	-	6,567,337	7,763,010	-
Net pension liability (asset)	5,281,137	-	5,674,564	(393,427)	-
Total	<u>\$ 19,976,316</u>	<u>\$ 491,800</u>	<u>\$ 12,676,653</u>	<u>\$ 7,791,463</u>	<u>\$ 305,773</u>

On May 31, 1984, the Supreme Court of the State of Louisiana ruled that the St. Mary Parish Sheriff and the State of Louisiana were liable for the payment of death benefits under the Workmen's Compensation Act. Effective July 1, 1984, the widow and children of a deputy sheriff killed in the line of duty were entitled to \$148 per week until such time as one or more of the minor children reach the age of eighteen (twenty-one if enrolled as a full-time student) and/or such time as the widow dies or remarries. The Sheriff's liability (84 percent) is \$538.72 per month.

On January 1, 1995, both children were 18 or older and did not enroll in college; therefore, the monthly payments of \$538.72 were cut in half per R.S. 23:1232. The new monthly payments of \$269.36 began January 1995. On May 29, 2022, the widow was deceased; therefore, cancelling the debt owed at this date. The amount of \$42,296 is recorded as a cancellation of debt on the Statement of Activities. This amount was computed using a "Period Life Table" issued by the Social Security Administration.

On October 19, 2020, the Sheriff entered into a financed purchase agreement for financing the purchase of four 2020 Ford F-150 pickup trucks for the deputies. The financed purchase requires monthly payment of principal and interest of \$4,005 for thirty-six months with a final payment date of September 15, 2023. The lease agreement contains a non-appropriation exculpatory clause that allows cancellation if the Sheriff does not make an annual appropriation for the lease payments. At June 30, 2022, the book value, net of accumulated depreciation, was \$129,627 for the four trucks.

ST. MARY PARISH SHERIFF
Franklin, Louisiana

Notes to the Financial Statements

NOTE 7 CHANGES IN GENERAL LONG-TERM LIABILITIES (CONTINUED)

The financed purchase obligation at June 30, 2022 was as follows:

	Original Obligation Amount	Interest Rate	Final Maturity Date	Balance at June 30, 2022
Financed purchase obligation of four 2020 Ford F-150 pickup trucks	\$ 135,608	4.25%	9/15/2023	\$ 58,401

The payments to maturity, including interest requirements, are as follows:

Year Ending June 30,	Principal	Interest	Total
2023	\$ 46,471	\$ 1,584	\$ 48,055
2024	<u>11,930</u>	<u>84</u>	<u>12,014</u>
	<u>\$ 58,401</u>	<u>\$ 1,668</u>	<u>\$ 60,069</u>

On February 25, 2022, the Sheriff entered into a financed purchase agreement for financing the purchase of four 2022 Chevrolet Tahoe Police Pursuit vehicles for the deputies. The financed purchase requires monthly payment of principal and interest of \$4,588 for thirty-six months with a final payment date of February 8, 2025. The lease agreement contains a non-appropriation exculpatory clause that allows cancellation if the Sheriff does not make an annual appropriation for the lease payments. At June 30, 2022, the book value, net of accumulated depreciation, was \$183,527 for the four vehicles.

The financed purchase obligation at June 30, 2022 was as follows:

	Original Obligation Amount	Interest Rate	Final Maturity Date	Balance at June 30, 2022
Financed purchase obligation of four 2022 Chevrolet Tahoes	\$ 155,361	4.25%	2/8/2025	\$ 138,568

ST. MARY PARISH SHERIFF
Franklin, Louisiana

Notes to the Financial Statements

NOTE 7 CHANGES IN GENERAL LONG-TERM LIABILITIES (CONTINUED)

The payments to maturity, including interest requirements, are as follows:

Year Ending June 30,	Principal	Interest	Total
2023	\$ 50,135	\$ 4,920	\$ 55,055
2024	52,308	2,747	55,055
2025	<u>36,125</u>	<u>578</u>	<u>36,703</u>
	<u>\$ 138,568</u>	<u>\$ 8,245</u>	<u>\$ 146,813</u>

NOTE 8 LEASE OBLIGATIONS

The Sheriff's current lease agreements are summarized as follows:

	Commencement Date	Payment Terms	Payment Amount	Interest Rate	Total Lease Liability	Balance at June 30, 2022
Office equipment	Various	Various	\$ 10,673	2.28%	<u>\$ 48,585</u>	<u>\$ 31,512</u>
Total lease agreements					<u>\$ 48,585</u>	<u>\$ 31,512</u>

A lease agreement with Pitney Bowes for a digital mailing system. The agreement began March 20, 2022 for a term of 5 years and is cancellable, by any party, at any time. The Sheriff will not acquire the equipment at the end of the term.

Lease agreements with Classic Business Products for six printers. The varying agreements began August 1, 2019 through January 13, 2022 for terms of 4-5 years and is cancellable, by any party, at any time. The Sheriff will not acquire the equipment at the end of the term.

Annual requirements to amortize long-term obligations and related interest are as follows:

Year Ending June 30,	Principal	Interest	Total
2023	\$ 9,954	\$ 718	\$ 10,672
2024	9,682	492	10,174
2025	6,249	271	6,520
2026	4,121	128	4,249
2027	<u>1,506</u>	<u>34</u>	<u>1,540</u>
	<u>\$ 31,512</u>	<u>\$ 1,643</u>	<u>\$ 33,155</u>

ST. MARY PARISH SHERIFF
Franklin, Louisiana

Notes to the Financial Statements

NOTE 9 DEDICATIONS OF PROCEEDS AND FLOW OF FUNDS – SALES AND USE TAXES

On October 18, 1997, the citizens of St. Mary Parish passed a ½% sales and use tax. Fifty percent of the proceeds are remitted to the Sheriff for law enforcement purposes in St. Mary Parish, including employment of deputies, training, salaries, benefits, and the purchase of equipment and automobiles. The Sheriff accounts for the proceeds in the General Fund. The other fifty percent of the proceeds are remitted to the Parish and the municipalities of the Parish on a per capita basis for any lawful law enforcement purpose described in the proposition.

NOTE 10 FUND BALANCES

The Sheriff applies GASB Statement No. 54, which redefines how balances of governmental funds are presented in the financial statements. Fund balances are classified as follows:

Nonspendable Fund Balance – amounts that are not in spendable form or are required to be maintained intact.

Restricted Fund Balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

Committed Fund Balance – amounts constrained to specific purposes by the Sheriff, using the highest level of decision-making authority. To be reported as committed, amounts cannot be used for any other purpose unless the Sheriff takes the same highest level action to remove or change the constraint.

Assigned Fund Balance – amounts the Sheriff intends to use for a specific purpose. Intent can be expressed by the Sheriff or by an official or body to which the Sheriff delegates authority.

Unassigned Fund Balance – amounts that are available for any purpose.

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

ST. MARY PARISH SHERIFF
Franklin, Louisiana

Notes to the Financial Statements

NOTE 11 CHANGES IN CUSTODIAL FUND BALANCES

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

	Balance at July 1, 2021	Additions	Reductions	Balance at June 30, 2022
Sheriff's Fund	\$ 24,279	\$ 725,745	\$ 648,805	\$ 101,219
Bond Fund	509,014	1,386,611	1,355,111	540,514
Inmate Deposit Fund	60,529	477,746	480,316	57,959
Work Release Fund	-	62,868	18,831	44,037
Tax Collector Fund	998,960	56,081,020	55,831,565	1,248,415
Total	<u>\$ 1,592,782</u>	<u>\$ 58,733,990</u>	<u>\$ 58,334,628</u>	<u>\$ 1,992,144</u>

NOTE 12 RESTRICTED NET POSITION

In 2019, legislation was passed providing to renew a 15.00 mills tax on all property subject to taxation in Sub-District No. 1 of the Parish of St. Mary, beginning with the year 2021 and ending with the year 2025. The tax is in addition to the tax levied by the Law Enforcement District and collections are dedicated to providing increased patrols within Sub-District No. 1. At June 30, 2022, the government-wide statement of net position reports the following restricted net position:

Restricted enabling legislation for:

Sub-District No. 1	\$ <u>779,580</u>
Total restricted net position	\$ <u>779,580</u>

NOTE 13 RISK MANAGEMENT

The Sheriff is exposed to various risks of loss related to auto liability; professional law enforcement liability; theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. The Sheriff has elected to purchase insurance coverage through the commercial insurance market to cover its exposure to loss. The Sheriff is insured up to policy limits for each of the above risks. There were no significant changes in coverage, retentions, or limits during the year ended June 30, 2022. Settled claims have not exceeded the commercial coverage in any of the previous three fiscal years.

NOTE 14 TAXES PAID UNDER PROTEST

The unsettled balances due to taxing bodies and others in the custodial funds at June 30, 2022, include \$722,945 of taxes paid under protest plus interest earned to date on the investment of these funds, penalties paid on the protest taxes, and overpayments. These funds are held pending resolution of the protest and are accounted for in the Tax Collector Custodial Fund.

ST. MARY PARISH SHERIFF
Franklin, Louisiana

Notes to the Financial Statements

NOTE 15 EX-OFFICIO TAX COLLECTOR

The amount of cash on hand at June 30, 2022 was \$1,248,415. The amount of ad valorem taxes assessed, collected and uncollected by taxing authority was as follows:

	Taxes Assessed	Taxes Collected	Amount Uncollected
Taxing Authority:			
LA Tax Commission	\$ 33,425	\$ 33,425	\$ -
St. Mary Parish:			
Levee District	2,681,944	2,628,050	53,894
Council	3,313,509	3,237,230	76,279
Library	2,522,815	2,462,801	60,014
School Board	21,667,291	21,191,973	475,318
Gravity Drainage	4,859,498	4,777,913	81,585
Water and Sewer	3,590,088	3,487,472	102,616
Hospital Districts	2,339,348	2,260,434	78,914
Recreation Districts	1,843,436	1,769,296	74,140
Fire Protection	1,461,371	1,436,332	25,039
Harbor and Terminal Districts	2,000,784	1,959,297	41,487
Sheriff	6,209,908	6,066,421	143,487
Assessment District	1,635,971	1,603,096	32,875
Total	\$ 54,159,388	\$ 52,913,740	\$ 1,245,648

The majority of the uncollected taxes are for immoveable property.

NOTE 16 TAXES COLLECTED AND DISTRIBUTED ON BEHALF OF ANOTHER TAXING AUTHORITY

	Total Collections	Collection Costs	Final Distribution
St. Mary Parish Government			
Occupational License Tax	\$ 476,137	\$ 71,421	\$ 404,716
Insurance Premium Tax	273,740	41,061	232,679
Bank Interest	17	3	14
Totals	\$ 749,894	\$ 112,485	\$ 637,409

The St. Mary Parish Sheriff does not collect sales tax, occupancy tax, tax incremental finance district, public utility, gaming admissions, or any other taxes other than ad valorem tax, occupational licenses, and insurance premiums for taxing authorities.

ST. MARY PARISH SHERIFF
Franklin, Louisiana

Notes to the Financial Statements

NOTE 17 INTERFUND RECEIVABLES AND PAYABLES

	Interfund Receivables	Interfund Payables
General Fund:		
Special Revenue Fund	\$ 13,582	\$ -
Special Revenue Fund:		
General Fund	-	13,582
Total interfund receivables/payables	\$ 13,582	\$ 13,582

Due to/from general fund represents costs paid from the general fund bank account on behalf of individual funds. These receivables and payables reverse in the normal course of operations. All remaining balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between the funds are made.

NOTE 18 LITIGATION AND CLAIMS

At June 30, 2022, the Sheriff was involved in several lawsuits claiming damages. In the opinion of the Sheriff's legal counsel, the only exposure to the Sheriff would be any costs in defense of the lawsuits with no liability to the Sheriff in excess of insurance coverage. It is the opinion of the Sheriff, after conferring with legal counsel, that the liabilities, if any, which might arise from these lawsuits would not have a material adverse effect on the Sheriff's financial position.

NOTE 19 EXPENDITURES OF THE SHERIFF'S OFFICE PAID BY THE PARISH COUNCIL

The Sheriff's office is located in a building owned by the Parish Council. Expenditures for operation and maintenance of the parish jail and building, as required by state statute, are paid by the St. Mary Parish Council and are not included in the accompanying financial statements.

NOTE 20 OTHER POSTEMPLOYMENT BENEFITS

Plan Description

The Sheriff provides subsidized medical coverage to eligible retirees. The Sheriff's OPEB Plan (the OPEB Plan) is a single-employer defined benefit OPEB plan administered by LSA Group Benefits. No assets are accumulated in a trust that meets the criteria in Governmental Accounting Standards Board (GASB) Codification Section *P52 Postemployment Benefits Other Than Pensions- Reporting for Benefits Not Provided Through Trusts That Meet Specified Criteria-Defined Benefit*.

ST. MARY PARISH SHERIFF
Franklin, Louisiana

Notes to the Financial Statements

NOTE 20 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Benefits Provided

Employees do not contribute to their postemployment benefits cost until they become retirees and begin receiving those benefits. Employees hired prior to January 1, 2012 are covered by a retirement system whose retirement eligibility provisions are as follows: age 55 and 12 years of service, 30 years of service regardless of age, or age 60 and 10 years of service if active and contributing. Employees hired on or after January 1, 2012 are covered by a retirement system whose retirement eligibility provisions are as follows: age 62 and 12 years of service, age 60 and 20 years of service, or age 55 and 30 years of service. The employer pays a portion of the medical coverage for the retiree and dependents, depending on length of service at retirement. The Sheriff recognizes the cost as expenditure when paid during the year. The benefits are financed on a pay-as-you-go-basis. Effective November 1, 2018, the retiree must have at least 30 years of service and be receiving monthly benefits from the Sheriff's Pension and Relief Fund to continue medical coverage and the Sheriff will pay 100% of the premium costs. The retiree will pay 100% of the premium costs for any elected dependent coverage. For retirees with twenty-five and twenty years of service, the Sheriff will pay 80% and 75% respectively of premium costs for the retiree.

Medical coverage is provided through a comprehensive health insurance plan. Benefits continue for life with the plan becoming secondary if the retiree is age 65 or older. Dental, vision, and life insurance coverage is available with the retiree paying the full contribution.

Plan Membership

The following table summarizes active and retiree demographic information:

<u>Status</u>	<u>Single</u>	<u>Employee + Dependent Coverage</u>
Active (=117)	86	31
Retired (=30)	17	13
Surviving spouse (=2)	<u>2</u>	<u>-</u>
Total (=149)	105	44

ST. MARY PARISH SHERIFF
Franklin, Louisiana

Notes to the Financial Statements

NOTE 20 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

This table reflects eligible active employees and retirees as of June 30, 2022. Excluded are plan participants hired after that date.

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

At June 30, 2022, the Sheriff reported a liability of \$7,763,010. The OPEB liability was measured as of June 30, 2022.

For the year ended June 30, 2022, the Sheriff recognized OPEB expense of \$923,073. As of June 30, 2022, the Sheriff reported deferred inflows of resources related to OPEB and deferred outflows of resources related to OPEB as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 5,030,545
Changes in assumptions	3,447,482	2,319,485
Total	\$ 3,447,482	\$ 7,350,030

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

Years ending June 30:

2023	\$ (316,904)
2024	(316,904)
2025	(316,904)
2026	(316,904)
2027	(316,904)
Thereafter	(2,318,028)
Total	\$(3,902,548)

ST. MARY PARISH SHERIFF
Franklin, Louisiana

Notes to the Financial Statements

NOTE 20 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Actuarial Assumptions

The total OPEB liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Actuarial cost method	Individual Entry Age Normal Cost Method - Level Percentage of Projected Salary
Salary scale	3.50%
Healthcare cost trend	Level 4.50%
Mortality rates	RPH-2014 Total Table with Projection MP-2021

No experience studies were completed for this plan. For the withdrawal and retirement assumptions, the experience and assumption for the Louisiana Sheriff's Pension and Relief Fund was used in the valuation.

Discount Rate

The GASB statement requires that the discount rate used to determine the plan liabilities for retiree healthcare benefits is based on the earnings rate of the plan assets if the projected assets are sufficient to cover the projected benefit payments. If the projected assets are not sufficient, then a municipal bond index rate must be used for discounting benefits not covered by the projected assets. Since there are no plan assets held in trust, the Bond Buyer GO Bond 20 Index is used for determining the discount rate of 3.54%.

The trend assumption is used to project the growth of the expected claims over the lifetime of the health recipients. The GASB statement does not require a particular source for information to determine healthcare trends, but it does recommend selecting a source that is "publicly available, objective and unbiased".

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ST. MARY PARISH SHERIFF
Franklin, Louisiana

Notes to the Financial Statements

NOTE 20 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Changes in the Net OPEB Liability			
	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance as of July 1, 2021	\$ 14,330,347	\$ -	\$ 14,330,347
Service cost	913,026	-	913,026
Interest Cost	326,951	-	326,951
Differences between expected and actual experience	(5,270,557)	-	(5,270,557)
Changes in assumptions	(2,323,221)	-	(2,323,221)
Benefit payments	<u>(213,536)</u>	<u>-</u>	<u>(213,536)</u>
Net changes	<u>(6,567,337)</u>	<u>-</u>	<u>(6,567,337)</u>
Balance as of June 30, 2022	<u>\$ 7,763,010</u>	<u>\$ -</u>	<u>\$ 7,763,010</u>

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the Sheriff, as well as what the Sheriff's net OPEB liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current discount rate:

	1% Decrease	Current Discount Rate	1% Increase
	<u>2.54%</u>	<u>3.54%</u>	<u>4.54%</u>
Net OPEB Liability	<u>\$ 9,394,421</u>	<u>\$ 7,763,010</u>	<u>\$ 6,482,956</u>

ST. MARY PARISH SHERIFF
Franklin, Louisiana

Notes to the Financial Statements

NOTE 20 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate

The following presents the net OPEB liability of the Sheriff, as well as what the Sheriff's net OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1% lower or 1% higher than the current healthcare cost trend rate:

	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
	3.50%	4.50%	5.50%
Net OPEB Liability	<u>\$ 6,278,340</u>	<u>\$ 7,763,010</u>	<u>\$ 9,781,824</u>

NOTE 21 PENSION PLAN

Plan Description

The Sheriffs' Pension and Relief Fund (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 sheriffs' offices throughout the State of Louisiana, employees of the Louisiana Sheriffs' Association and the Sheriff's Pension and Relief Fund's office. The Sheriffs' Pension and Relief Fund, State of Louisiana, is the administrator of the Fund and is governed by a board of trustees.

Benefits Provided

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

ST. MARY PARISH SHERIFF
Franklin, Louisiana

Notes to the Financial Statements

NOTE 21 PENSION PLAN (CONTINUED)

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

For members whose first employment making them eligible for membership in the system began after June 30, 2006 and before July 1, 2013, final average compensation is based on the average monthly earnings during the highest sixty consecutive months or joined months if service was interrupted. The earnings to be considered for each twelve-month period within the sixty month period shall not exceed 125% of the preceding twelve-month period.

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

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

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ST. MARY PARISH SHERIFF
Franklin, Louisiana

Notes to the Financial Statements

NOTE 21 PENSION PLAN (CONTINUED)

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.

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.

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 deferred retirement option plan (Back-DROP). 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. MARY PARISH SHERIFF
Franklin, Louisiana

Notes to the Financial Statements

NOTE 21 PENSION PLAN (CONTINUED)

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.

Contributions

Contribution requirements for all employers are actuarially determined each year in accordance with state statute. For the year ended June 30, 2021, the actual employer contribution rate was 12.25% with an additional 0% allocated from the Funding Deposit Account. The Sheriff's statutorily required composite contribution rate for the year ended June 30, 2021 was 12.25% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Employee contributions are based on the employee's annual covered salary and are established by the board of trustees. For the year ended June 30, 2021, the employee contribution rate was 10.25%. Contributions to the pension plan from the Sheriff were \$685,367 for the year ended June 30, 2022.

In accordance with state statute, the Fund receives ad valorem taxes, insurance premium taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities, but are not considered special funding situations. Non-employer contributions are recognized as revenue and excluded from pension expense for the year ended June 30, 2022.

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

At June 30, 2022, the Sheriff reported an asset of \$393,427 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, 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 entities, actuarially determined. At June 30, 2021, the Sheriff's proportion was 0.793920%, which was an increase of 0.030877% from its proportion measured as of June 30, 2020.

ST. MARY PARISH SHERIFF
Franklin, Louisiana

Notes to the Financial Statements

NOTE 21 PENSION PLAN (CONTINUED)

For the year ended June 30, 2022, the Sheriff recognized a pension benefit of \$29,162. The Sheriff recognized revenue of \$366,725 as its proportionate share of non-employer contributions for the year ended June 30, 2022.

At June 30, 2022, the Sheriff reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Increase (Decrease)	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 547,814
Net difference between projected and actual investment earnings on pension plan investments	-	3,552,814
Changes of assumptions	1,210,676	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	107,209	357,001
Employer contributions subsequent to the measurement date	<u>685,367</u>	<u>-</u>
Total	<u>\$ 2,003,252</u>	<u>\$ 4,457,629</u>

Sheriff contributions subsequent to the measurement date in the amount of \$685,367 reported as deferred outflows of resources related to pensions will be recognized as a reduction of the net pension liability in the year ending June 30, 2022.

ST. MARY PARISH SHERIFF
Franklin, Louisiana

Notes to the Financial Statements

NOTE 21 PENSION PLAN (CONTINUED)

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

Year ending June 30,	
2022	\$ (723,255)
2023	(629,730)
2024	(700,475)
2025	<u>(1,086,284)</u>
Total	<u>\$ (3,139,744)</u>

Actuarial Assumptions

The total pension liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation date	June 30, 2021
Actuarial cost method	Individual Entry Age Normal Method
Actuarial assumptions:	
Investment rate of return	6.90%, net of pension plan investment expense
Projected salary increases	5.00% (2.50% inflation, 2.50% merit)
Mortality rates	Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Employees multiplied by 120% for males and 115% for females for active members, each with full generational projection using the appropriate MP2019 scale.
	Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Healthy Retirees multiplied by 120% for males and 115% for females for annuit and beneficiaries, each with full generational project using the appropriate MP2019 scale.
	Pub-2010 Public Retirement Plans Mortality Table for Safety Disabled Retirees multiplied by 120% for males and 115% for females for disabled annuitants each with full generational projection using the appropriate MP2019 scale.

ST. MARY PARISH SHERIFF
Franklin, Louisiana

Notes to the Financial Statements

NOTE 21 PENSION PLAN (CONTINUED)

Expected remaining

service lives 5 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, 2014 through June 30, 2019. The data was then assigned credibility weighting and combined with a standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent to the estimated duration of the Fund’s liabilities. Annuity values calculated based on this mortality were compared to those produced by using a setback of standard tables. The result of the procedure indicated that these tables would produce liability values approximating the appropriate generational mortality tables used.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Estimates of arithmetic real rates of return for each major asset class based on the Fund’s target asset allocation as of June 30, 2021 are 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%	7.08%	4.39%
Fixed Income	25%	1.44%	0.36%
Alternative Investments	<u>13%</u>	4.38%	<u>0.57%</u>
Total	<u>100%</u>		5.32%
Inflation			<u>2.55%</u>
Expected Arithmetic Nominal Return			<u>7.87%</u>

ST. MARY PARISH SHERIFF
Franklin, Louisiana

Notes to the Financial Statements

NOTE 21 PENSION PLAN (CONTINUED)

Discount Rate

The discount rate used to measure the total pension liability was 6.90%, which was a decrease of 0.10% from the discount rate used to measure the total pension liability at June 30, 2020. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially required rates approved by Public Employees' Retirement Systems' Actuarial Committee 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 Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the Sheriff calculated using the discount rate of 6.90%, as well as what the Sheriff's net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	<u>Discount rate</u>	<u>Net pension liability (asset)</u>
1% decrease	5.90%	\$ 4,319,790
Current discount rate	6.90%	\$ (393,427)
1% increase	7.90%	\$ (4,322,747)

Plan Fiduciary Net Position

The Sheriff's Pension and Relief Fund has issued a stand-alone financial report for the year ended June 30, 2021. Access to the report can be found on the Louisiana Legislative Auditor's website, www.la.gov.

ST. MARY PARISH SHERIFF
Franklin, Louisiana

Notes to the Financial Statements

NOTE 22 INTERGOVERNMENTAL EXPENSES

On July 1, 2021, a Memorandum of Understanding was entered into between the Sheriff and the Parish of St. Mary relative the financial responsibility of the 2021 Restroom Modifications and Associated Improvements at the St. Mary Parish Law Enforcement Center project. The Parish of St. Mary has issued bonds in the amount of \$1,000,000 in relation to this project. The Sheriff will reimburse the Parish of St. Mary in an amount equal to thirty-three and one-third percent based on annual payments from the Parish of St. Mary's bond amortization schedule. Any party may terminate this agreement upon written notice to the other party at least sixty days in advance of the date upon which the termination is to occur. For the year ended June 30, 2022, the Sheriff paid the St. Mary Parish \$16,469, which is included in Operating Services.

REQUIRED SUPPLEMENTARY INFORMATION

ST. MARY PARISH SHERIFF
Franklin, Louisiana

Budgetary Comparison Schedule – General Fund
Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable (Unfavorable)
Revenues:				
Ad valorem taxes	\$ 6,200,000	\$ 5,960,000	\$ 6,073,232	\$ 113,232
Sales taxes	2,200,000	2,480,000	2,704,775	224,775
Intergovernmental revenues -				
Federal grants	50,000	104,000	128,142	24,142
State grants	23,300	25,300	44,552	19,252
Parish grants	30,000	30,000	31,202	1,202
State revenue sharing	184,200	184,200	184,264	64
State supplemental pay	574,600	549,000	536,353	(12,647)
Salary supplemental pay	150,000	292,000	332,442	40,442
Video poker	127,000	188,000	256,204	68,204
Indian gaming	55,000	55,000	55,000	-
Fees, charges, and commissions for service -				
Civil and criminal fees	324,600	288,900	373,653	84,753
Court attendance	15,000	15,000	16,388	1,388
Feeding, transporting, and keeping of prisoners	927,000	904,500	1,022,219	117,719
Fines and forfeitures	132,800	254,000	217,177	(36,823)
Commissary sales	60,000	72,500	76,757	4,257
Other	168,800	80,000	198,988	118,988
Interest income	26,000	2,000	2,220	220
Miscellaneous	28,500	127,600	166,448	38,848
Total revenues	<u>11,276,800</u>	<u>11,612,000</u>	<u>12,420,016</u>	<u>808,016</u>
Expenditures:				
Current -				
Public safety:				
Personnel and related benefits	8,780,460	8,245,000	8,360,342	(115,342)
Operating services	974,750	990,000	916,719	73,281
Materials and supplies	1,536,600	1,586,000	1,537,661	48,339
Debt service -				
Workmen's compensation judgment	3,230	3,230	2,963	267
Lease - principal	36,000	87,770	61,334	26,436
Interest and fiscal charges	-	-	5,073	(5,073)
Capital outlay	167,760	710,000	467,863	242,137
Total expenditures	<u>11,498,800</u>	<u>11,622,000</u>	<u>11,351,955</u>	<u>270,045</u>
Excess (deficiency) of revenues over expenditures	(222,000)	(10,000)	1,068,061	1,078,061

ST. MARY PARISH SHERIFF
Franklin, Louisiana

Budgetary Comparison Schedule – General Fund (Continued)
Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Final Budget Favorable (Unfavorable)
Other financing sources:				
Proceeds from financed purchase obligation	-	155,000	155,361	361
Net change in fund balances	(222,000)	145,000	1,223,422	1,078,422
Fund balance, beginning of year	<u>7,426,218</u>	<u>7,426,218</u>	<u>7,426,218</u>	<u>-</u>
Fund balance, end of year	<u>\$ 7,204,218</u>	<u>\$ 7,571,218</u>	<u>\$ 8,649,640</u>	<u>\$ -</u>

See independent auditor's report and accompanying notes to the required supplementary information.

ST. MARY PARISH SHERIFF
Franklin, Louisiana

Budgetary Comparison Schedule – Special Revenue Fund
Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable (Unfavorable)
Revenues:				
Ad valorem taxes	\$ 116,000	\$ 117,500	\$ 133,822	\$ 16,322
Interest income	2,000	600	657	57
Miscellaneous	<u>42,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	<u>160,000</u>	<u>118,100</u>	<u>134,479</u>	<u>16,379</u>
Expenditures:				
Current -				
Public safety:				
Personnel and related benefits	115,760	117,900	119,797	(1,897)
Operating services	6,240	6,200	5,669	531
Materials and supplies	13,200	13,700	13,465	235
Capital Outlay	<u>105,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>240,200</u>	<u>137,800</u>	<u>138,931</u>	<u>(1,131)</u>
Net change in fund balance	(80,200)	(19,700)	(4,452)	15,248
Fund balance, beginning of year	<u>784,032</u>	<u>784,032</u>	<u>784,032</u>	<u>-</u>
Fund balance, end of year	<u><u>\$ 703,832</u></u>	<u><u>\$ 764,332</u></u>	<u><u>\$ 779,580</u></u>	<u><u>\$ -</u></u>

See independent auditor's report and accompanying notes to the required supplementary information.

ST. MARY PARISH SHERIFF
Franklin, Louisiana

Schedule of Changes in the Total OPEB Liability and Related Ratios
Year Ended June 30, 2022

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Beginning balance	\$ 14,330,347	\$ 13,780,683	\$ 8,602,282	\$ 8,175,639	\$ 7,568,435
Service cost	913,026	913,026	536,867	536,867	516,815
Interest cost	326,951	322,414	349,702	309,080	309,458
Differences between expected and actual experience	(5,270,557)	(246,406)	-	-	-
Changes in assumptions	(2,323,221)	(229,676)	4,544,243	-	-
Benefit payments	<u>(213,536)</u>	<u>(209,694)</u>	<u>(252,411)</u>	<u>(419,304)</u>	<u>(219,069)</u>
Net changes	<u>(6,567,337)</u>	<u>549,664</u>	<u>5,178,401</u>	<u>426,643</u>	<u>607,204</u>
Ending balance	<u>\$ 7,763,010</u>	<u>\$ 14,330,347</u>	<u>\$ 13,780,683</u>	<u>\$ 8,602,282</u>	<u>\$ 8,175,639</u>
Covered-employee payroll	\$ 4,161,047	\$ 5,231,903	\$ 5,231,903	\$ 5,109,306	\$ 5,109,306
Total OPEB liability as a percentage of covered-employee payroll	186.56%	273.90%	263.40%	168.36%	160.01%

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

See independent auditor's report and accompanying notes to the required supplementary information.

ST. MARY PARISH SHERIFF
Franklin, Louisiana

Schedule of Proportionate Share of Net Pension Liability
Year Ended June 30, 2022

Year Ended	Employer proportion of the net pension liability	Employer proportionate share of the net pension liability (asset)	Employer's covered employee payroll	Employer's share of the net pension liability as a percentage of its covered employee payroll	Plan fiduciary net position as a percentage of the total pension liability
June 30, 2015	0.990803%	\$ 3,923,585	\$ 6,907,458	56.80%	87.34%
June 30, 2016	0.994735%	\$ 4,434,049	\$ 6,433,748	68.92%	86.61%
June 30, 2017	0.936235%	\$ 5,942,185	\$ 6,394,030	92.93%	82.10%
June 30, 2018	0.887201%	\$ 3,841,823	\$ 6,145,188	62.52%	88.49%
June 30, 2019	0.832758%	\$ 3,193,334	\$ 5,731,637	55.71%	90.41%
June 30, 2020	0.800109%	\$ 3,784,699	\$ 5,593,866	67.66%	88.91%
June 30, 2021	0.763043%	\$ 5,281,137	\$ 5,634,820	93.72%	84.73%
June 30, 2022	0.793920%	\$ (393,427)	\$ 5,784,084	-6.80%	101.04%

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

See independent auditor's report and accompanying notes to the required supplementary information.

ST. MARY PARISH SHERIFF
Franklin, Louisiana

Schedule of Contributions
Year Ended June 30, 2022

Year Ended	Statutorily required contribution	Contributions relative to statutorily required contribution	Contribution deficiency (excess)	Employer's covered employee payroll	Contributions as a percentage of covered employee payroll
June 30, 2015	\$ 941,784	\$ 941,784	\$ -	\$ 6,433,748	14.64%
June 30, 2016	\$ 881,844	\$ 881,844	\$ -	\$ 6,394,030	13.79%
June 30, 2017	\$ 814,419	\$ 814,419	\$ -	\$ 6,145,188	13.25%
June 30, 2018	\$ 728,121	\$ 728,121	\$ -	\$ 5,731,637	12.70%
June 30, 2019	\$ 689,192	\$ 689,192	\$ -	\$ 5,593,866	12.32%
June 30, 2020	\$ 688,934	\$ 688,934	\$ -	\$ 5,634,820	12.23%
June 30, 2021	\$ 710,172	\$ 710,172	\$ -	\$ 5,784,084	12.28%
June 30, 2022	\$ 685,367	\$ 685,367	\$ -	\$ 5,809,559	11.80%

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

See independent auditor's report and accompanying notes to the required supplementary information.

ST. MARY PARISH SHERIFF
Franklin, Louisiana

Notes to the Required Supplementary Information

NOTE 1 BASIS OF ACCOUNTING

The budgetary basis is in accordance with generally accepted accounting principles (GAAP).

NOTE 2 BUDGETARY PRACTICES

Budgetary Information

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

1. The chief civil deputy 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 budgeted and as finally amended by the Sheriff. Such amendments were not material in relation to the original appropriations.

ST. MARY PARISH SHERIFF
Franklin, Louisiana

Notes to the Required Supplementary Information

NOTE 3 OTHER POSTEMPLOYEMENT BENEFITS

Changes of Benefit Terms - There were no changes of benefit terms for the OPEB Plan during the year presented.

Changes of Assumptions - The discount rate as of June 30, 2021 was 2.16% and changed to 3.54% as of June 30, 2022.

NOTE 4 PENSION PLAN

Changes of Benefit Terms - There were no changes of benefit terms for the Pension Plan during the year presented.

Changes of Assumptions - The discount rate changed from 7.00% to 6.90% and the investment rate of return changed from 7.00% to 6.90% during the June 30, 2021 valuation.

SUPPLEMENTARY INFORMATION

SCHEDULES OF INDIVIDUAL FUNDS

ST. MARY PARISH SHERIFF
Franklin, Louisiana

FIDUCIARY FUND TYPE - CUSTODIAL FUNDS

- Sheriff's Fund - The Sheriff's Fund accounts 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.
- Bond Fund - The Bond Fund accounts for collections of bonds, fines, and costs and payment of these collections to the recipients in accordance with applicable laws.
- Inmate Deposit Fund - The Inmate Deposit Fund accounts for the receipts and disbursements made from the individual prison inmate accounts.
- Work Release Fund - The Work Release Fund accounts for the receipts and disbursements made from the individual prison work release savings accounts.
- Tax Collector Fund - Article V, Section 27 of the Louisiana Constitution of 1974, provides that the Sheriff will serve as the collector of state and parish taxes and fees. The Tax Collector Fund accounts for the collection and distribution of these taxes and fees to the appropriate taxing bodies.

See independent auditor's report.

ST. MARY PARISH SHERIFF
Franklin, Louisiana
Fiduciary Fund Type – Custodial Funds

Combining Statement of Fiduciary Net Position
June 30, 2022

	Sheriff's Fund	Bond Fund	Inmate Deposit Fund	Work Release Fund	Tax Collector Fund	Total
ASSETS						
Cash and cash equivalents	<u>\$ 101,219</u>	<u>\$ 540,514</u>	<u>\$ 57,959</u>	<u>\$ 44,037</u>	<u>\$ 1,248,415</u>	<u>\$ 1,992,144</u>
Total assets	<u>\$ 101,219</u>	<u>\$ 540,514</u>	<u>\$ 57,959</u>	<u>\$ 44,037</u>	<u>\$ 1,248,415</u>	<u>\$ 1,992,144</u>
LIABILITIES						
Due to taxing bodies, prisoners and others	<u>\$ 101,219</u>	<u>\$ 540,514</u>	<u>\$ 57,959</u>	<u>\$ 44,037</u>	<u>\$ 1,248,415</u>	<u>\$ 1,992,144</u>
Total liabilities	<u>\$ 101,219</u>	<u>\$ 540,514</u>	<u>\$ 57,959</u>	<u>\$ 44,037</u>	<u>\$ 1,248,415</u>	<u>\$ 1,992,144</u>

See independent auditor's report.

ST. MARY PARISH SHERIFF
Franklin, Louisiana
Fiduciary Fund Type – Custodial Funds

Combining Statement of Changes in Assets and Liabilities
Year Ended June 30, 2022

	Sheriff's Fund	Bond Fund	Inmate Deposit Fund	Work Release Fund	Tax Collector Fund	Total
Balances, beginning of year	\$ 24,279	\$ 509,014	\$ 60,529	\$ -	\$ 998,960	\$ 1,592,782
Additions:						
Deposits -						
Sheriff's sales	674,189	-	-	-	-	674,189
Bonds	-	1,386,611	-	-	-	1,386,611
Garnishments	51,556	-	-	-	-	51,556
Inmate deposits	-	-	477,746	62,868	-	540,614
Taxes, fees, etc., paid to						
Tax Collector	-	-	-	-	56,003,363	56,003,363
Interest	-	-	-	-	77,657	77,657
Total additions	<u>725,745</u>	<u>1,386,611</u>	<u>477,746</u>	<u>62,868</u>	<u>56,081,020</u>	<u>58,733,990</u>
Total	750,024	1,895,625	538,275	62,868	57,079,980	60,326,772
Reductions:						
Taxes, fees, etc., distributed to taxing bodies and others	-	-	-	-	55,831,565	55,831,565
Deposits settled to -						
Sheriff's General Fund	113,798	169,826	378,754	17,119	-	679,497
St. Mary Parish Council	-	147,031	-	-	-	147,031
District Attorney	-	416,471	-	-	-	416,471
St. Mary Parish Clerk	36,755	45,319	-	-	-	82,074
St. Mary Parish Coroner	-	10,695	-	-	-	10,695
Indigent Defender Board	-	170,308	-	-	-	170,308
Acadiana Crime Lab	-	81,656	-	-	-	81,656
Injury Trust Fund	-	7,021	-	-	-	7,021
Municipal Police	-	30,573	-	-	-	30,573
Litigants	465,631	125,660	-	-	-	591,291
Other settlements	32,621	150,551	1,400	483	-	185,055
Inmates	-	-	100,162	1,229	-	101,391
Total reductions	<u>648,805</u>	<u>1,355,111</u>	<u>480,316</u>	<u>18,831</u>	<u>55,831,565</u>	<u>58,334,628</u>
Balances, end of year	<u>\$ 101,219</u>	<u>\$ 540,514</u>	<u>\$ 57,959</u>	<u>\$ 44,037</u>	<u>\$ 1,248,415</u>	<u>\$ 1,992,144</u>

See independent auditor's report.

STATE OF LOUISIANA, PARISH OF ST. MARY

AFFIDAVIT

Blaise Smith, Sheriff of St. Mary Parish

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

The following information is true and correct:

\$1,248,415.22 is the amount of cash on hand in the tax collector account on June 30, 2022;

He further deposed and said:

All itemized statements of the amount of taxes collected for tax year 2021, 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.

Blaise W. Smith
Signature
Sheriff of St. Mary Parish
(Parish)

SWORN to and subscribed before me, Notary, this 16 day of November 2022, in my office in the City of Franklin Louisiana.
(City/Town)

Michele L. Chauvin (Signature)

Michele L. Chauvin (Print), # 137955
Notary Public

ex-officio Notary, expires (Commission)
June 30, 2024

See independent auditor's report.

ST. MARY PARISH SHERIFF
Franklin, Louisiana

Schedule of Compensation, Benefits and Other Payments to Agency Head
Year Ended June 30, 2022

Agency Head Name: Blaise W. Smith, Sheriff

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 182,219
Benefits - insurance (health)	14,949
Benefits - insurance (life)	2,573
Benefits - retirement	23,382
Registration fees	50
Conference travel	<u>175</u>
Total	<u>\$ 223,348</u>

See independent auditor's report.

ST. MARY PARISH SHERIFF
Franklin, Louisiana

Schedule of Justice System Funding – Collecting and Disbursing
As Required by Act 87 of the 2020 Regular Session
Cash Basis Presentation
Year Ended June 30, 2022

	First Six Month Period Ended <u>12/31/2021</u>	Second Six Month Period Ended <u>6/30/2022</u>
Beginning Balance of Amounts Collected	\$ 533,293	\$ 607,046
Add: Collections		
Civil Fees (garnishments)	118,080	81,279
Civil Fees (advance deposits)	18,200	24,833
Criminal Fines	588,340	613,956
Bond Fees	126,480	57,834
Asset Forfeiture/ Sale	<u>25,267</u>	<u>458,087</u>
Subtotal Collections	876,367	1,235,989
Less: Disbursements to Governments & Nonprofits		
16th Judicial District Attorney, Criminal Fines	35,536	33,839
16th Judicial District Attorney, Cost	14,334	13,726
16th Judicial District Attorney, Bond Fees	36,020	43,858
Indigent Defender Board, Cost	48,793	47,877
Indigent Defender Board, Bond Fees	32,933	40,705
Acadiana Crime Lab, Cost	39,525	39,371
Acadiana Crime Lab, Bond Fees	1,387	1,373
Criminal Court Fund, Fines	77,841	71,499
Criminal Court Fund, Cost	44,531	45,285
St. Mary Parish Government, Cost	79,362	78,365
St. Mary Parish Clerk of Court, Bond Fees	1,387	1,373
St. Mary Parish Clerk of Court, Civil Fees	6,207	30,548
Louisiana Commission on Law Enforcement, Cost	8,600	7,855
CMIS, Cost	3,253	3,159
Injury Trust Fund, Cost	3,461	3,560
Clerk of Court, Cost	21,452	21,107
Judicial Expense Fund, Cost	27,258	26,241
Judicial Expense Fund, Bond Fees	31,546	39,332
Louisiana Department of Public Safety, Cost	755	1,390
Louisiana Department of Public Safety, Civil Cost	88	56
State of Louisiana: Division of Administration, Civil Cost	540	-
Louisiana Supreme Court, Cost	537	520
Louisiana Wildlife and Fisheries, Cost	43	62
Chitimacha Police Department, Cost	-	50
Franklin Police Department, Cost	112	-
Franklin Police Department, Bond Fees	2,364	581
Morgan City Police Department, Cost	106	100

ST. MARY PARISH SHERIFF
Franklin, Louisiana

Schedule of Justice System Funding – Collecting and Disbursing
As Required by Act 87 of the 2020 Regular Session
Cash Basis Presentation (Continued)
Year Ended June 30, 2022

	First Six Month Period Ended <u>12/31/2021</u>	Second Six Month Period Ended <u>6/30/2022</u>
Morgan City Police Department, Bond Fees	6,965	3,577
Berwick Police Department, Cost	1,467	5,417
Berwick Police Department, Bond Fees	1,229	1,140
Patterson Police Department, Cost	1,103	1,740
Patterson Police Department, Bond Fees	1,331	3,292
Assumption Parish Sheriff Office, Civil Cost	-	36
Iberia Parish Sheriff Office, Civil Cost	315	-
Jefferson Parish Sheriff Office, Civil Cost	90	125
Lafayette Parish Sheriff Office, Civil Cost	158	33
East Baton Rouge Sheriff Office, Civil Cost	30	351
Lafourche Parish Sheriff, Civil Cost	-	100
Moorehouse Parish Sheriff Office, Civil Cost	-	60
Ouchita Parish Sheriff Office, Civil Cost	-	72
St. Martin Parish Sheriff Office, Civil Cost	29	71
Less: Amounts Retained by Collecting Agency		
St. Mary Parish Sheriff: Collection Fee for Collecting/ Disbursing/ to Others Based on Percentage of Collection	24,979	88,819
St. Mary Parish Sheriff, Criminal Fines Commission	12,291	11,289
St. Mary Parish Sheriff, Credit Card Fees	4,924	4,842
St. Mary Parish Sheriff, Cost	24,434	25,703
St. Mary Parish Sheriff, Bond Fees	38,873	47,470
Less: Disbursements to Individuals/ 3rd Party Collection or Processing Agencies		
Garnishment Refunds	1,535	1,237
Civil Fee Refunds	2,426	276,048
Bond Fee Refunds	46,151	79,509
Payments to 3rd Party Collection/ Processing Agencies/ Attorneys	<u>116,313</u>	<u>98,539</u>
Subtotal Disbursements/ Retainage	<u>802,614</u>	<u>1,201,302</u>
Total: Ending Balance of Amounts Collected but not Disbursed/ Retained (i.e. cash on hand)	<u>\$ 607,046</u>	<u>\$ 641,733</u>

See independent auditor's report.

**INTERNAL CONTROL, COMPLIANCE,
AND
OTHER INFORMATION**



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

The Honorable Blaise Smith
St. Mary Parish Sheriff
Franklin, 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. Mary Parish Sheriff (Sheriff), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Sheriff's basic financial statements and have issued our report thereon dated November 16, 2022.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Sheriff's internal control over financial reporting (internal control) as a basis for designing 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 Sheriff's internal control. Accordingly, we do not express an opinion on the effectiveness of the Sheriff's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and responses as item 2022-001, that we consider to be a material weakness.

Report on Compliance and Other Matters

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

St. Mary Parish Sheriff's Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on The Sheriff's response to the finding identified in our audit and described in the accompanying management's corrective action plan for current year findings. The 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 the response.

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. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document; therefore, its distribution is not limited.

Darnall, Sikes & Frederick

(A Corporation of Certified Public Accountants)

Morgan City, Louisiana
November 16, 2022

ST. MARY PARISH SHERIFF
Franklin, Louisiana

Summary Schedule of Prior Year Findings
Year Ended June 30, 2022

2021-001 Finding: Inadequate Segregation of Accounting Functions

Status: This finding is unresolved. See current year finding 2022-001.

ST. MARY PARISH SHERIFF
Franklin, Louisiana

Schedule of Findings and Responses
Year Ended June 30, 2022

Part 1: Summary of Auditor's Results

FINANCIAL STATEMENTS

Auditor's Report

An unmodified opinion has been issued on the Sheriff's financial statements as of and for the year ended June 30, 2022.

Internal Control Deficiencies – Financial Reporting

One deficiency in internal control over financial reporting was disclosed during the audit of the financial statements and is shown as item 2022-001 in Part 2. We consider this to be a material weakness.

Material Noncompliance – Financial Reporting

There were no material instances of noncompliance noted during the audit of the financial statements.

FEDERAL AWARDS

This section is not applicable for the year ended June 30, 2022.

MANAGEMENT LETTER

This section is not applicable for the year ended June 30, 2022.

Part 2: Findings Relating to an Audit in Accordance with *Government Auditing Standards*

The results of our tests disclosed one finding related to the audit of the June 30, 2021 financial statements.

2022-001 Inadequate segregation of accounting functions

Criteria: A strong internal control system requires the segregation of responsibilities between different individuals responsible for separate major areas of the accounting system.

Condition: Due to the small number of accounting personnel, the Sheriff did not have adequate segregation of functions within the accounting system.

Cause: The failure to design and implement policies and procedures necessary to achieve adequate internal control led to this condition.

ST. MARY PARISH SHERIFF
Franklin, Louisiana

Schedule of Findings and Responses (Continued)
Year Ended June 30, 2022

Part 2: Findings Relating to an Audit in Accordance with *Government Auditing Standards* (Continued)

2022-001 Inadequate segregation of accounting functions (Continued)

Effect: The likelihood that a material misstatement will not be prevented or detected and corrected on a timely basis is increased. The perpetration of fraudulent activity is easier to achieve under this condition.

Recommendation: An analysis of the benefits that would be obtained by adequately segregating functions within the accounting system and the costs to employ additional individuals to achieve adequate segregation should be performed.

Views of Responsible Officials and Planned Corrective Actions: This information is reported in a separate schedule titled "Management's Corrective Action Plan for Current Year Findings".

Part 3: Findings and Questioned Costs Relating to Federal Programs

At June 30, 2022, the Sheriff did not meet the requirements to have a single audit in accordance with *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; therefore, this section is not applicable.

ST. MARY PARISH SHERIFF
Franklin, Louisiana

Management's Corrective Action Plan for Current Year Findings
Year Ended June 30, 2022

Response to Finding 2022-001:

The St. Mary Parish Sheriff is aware of the condition and has determined that based upon the size of the operation and the cost-benefit consideration of additional personnel, it is not feasible to achieve complete segregation of duties.

Name and Title of Contact Person: Blaise W. Smith, Sheriff



OTHER LOCATIONS:

Lafayette Eunice Abbeville

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the St. Mary Parish Sheriff and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2021 through June 30, 2022. The St. Mary Parish Sheriff (Entity's) management is responsible for those C/C areas identified in the SAUPs.

The Entity has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period July 1, 2021 to June 30, 2022. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations.
 - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget.
Written policies and procedures were obtained and address the functions noted above.
 - b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.
Written policies and procedures were obtained and address the functions noted above.
 - c) **Disbursements**, including processing, reviewing, and approving.
Written policies and procedures were obtained and address the functions noted above.
 - d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties,

reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

Written policies and procedures were obtained and address the functions noted above.

- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.

Written policies and procedures were obtained and address the functions noted above.

- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

Written policies and procedures were obtained and address the functions noted above.

- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).

Written policies and procedures were obtained and address the functions noted above.

- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

Written policies and procedures were obtained and address the functions noted above.

- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.

Written policies and procedures were obtained and address the functions noted above.

- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

Written policies and procedures were obtained and address the functions noted above.

- k) **Information Technology Disaster Recovery/ Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

Written policies and procedures were obtained and address all functions noted above.

- l) **Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Written policies and procedures were obtained and address all functions noted above.

Board or Finance Committee

- 2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:

- a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

The St. Mary Parish Sheriff is not required to maintain minutes each month; however, we did note that a meeting does take place each month.

- b) For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarter budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds

The St. Mary Parish Sheriff is not required to maintain minutes each month; however, we did note that a meeting does take place each month, and a budget-to-actual comparison takes place at this meeting.

- c) For governmental entities, obtain the prior year audit report and observe the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the general fund.

Not applicable.

Bank Reconciliations

3. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each account selected, and observe that:

Obtained listing of bank accounts from management and management's representation that the listing is complete.

- a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);

No exceptions noted.

- b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and

No exceptions noted.

- c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

No exceptions noted.

Collections (excluding electronic fund transfers)

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

Obtained listing of deposit sites and management's representation that the listing is complete.

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

Obtained listing of collection locations from management and management's representation that the listing is complete.

- a) Employees that are responsible for cash collections do not share cash drawers/registers.

No exceptions noted.

- b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.

No exceptions noted.

- c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.

No exceptions noted.

- d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.

No exceptions noted.

6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period.

No exceptions noted.

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

- a) Observe that receipts are sequentially pre-numbered.

No exceptions noted.

- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

No exceptions noted.

- c) Trace the deposit slip total to the actual deposit per the bank statement.

No exceptions noted.

- d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).

No exceptions noted.

- e) Trace the actual deposit per the bank statement to the general ledger.

No exceptions noted.

Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)

- 8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

Listing of locations that process payments and management's representation that the listing is complete was obtained.

- 9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

No exceptions noted.

- b) At least two employees are involved in processing and approving payments to vendors.

No exceptions noted.

- c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

No exceptions noted.

- d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

No exceptions noted.

- 10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:

- a) Observe that the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.

No exceptions noted.

- b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

No exceptions noted.

Credit Cards/Debit Cards/Fuel Cards/P-Cards

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

Listing of active credit cards, bank debit cards, fuel cards, and P-cards, including the card numbers and the names of the persons who maintained possession of the cards, and management's representation that the listing is complete was obtained.

12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:

- a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]]

No exceptions noted.

- b) Observe that finance charges and late fees were not assessed on the selected statements.

No exceptions noted.

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

No exceptions noted.

Travel and Travel-Related Expense Reimbursement

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

Listing of all travel and travel-related expense reimbursements, and management's representation that the listing is complete was obtained.

- a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).

No exceptions noted.

- b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

No exceptions noted.

- c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).

No exceptions noted.

- d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

No exceptions noted.

Contracts

- 15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

Listing of all contracts in effect and management's representation that the listing is complete was obtained.

- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.

Not applicable.

- b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).

No exceptions noted.

- c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, was approval documented.)

No exceptions noted.

- d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

No exceptions noted.

Payroll and Personnel

16. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

Listing of employees and management's representation that the listing is complete was obtained. Authorized salaries/pay rates traced to personnel files without exception.

17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:

- a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)

No exceptions noted.

- b) Observe that supervisors approved the attendance and leave of the selected employees/officials.

No exceptions noted.

- c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

No exceptions noted.

- d) Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

No exceptions noted.

18. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee or officials' cumulative leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy

No exceptions noted.

19. Obtain management's representation that employer and employee portions of third party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and associated forms have been filed, by required deadlines.

No exceptions noted.

Ethics

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above obtain ethics documentation from management, and:

- a) Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

No exceptions noted.

- b) Observe whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

Not applicable.

Debt Service

21. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued.

Not applicable.

22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Not applicable.

Fraud Notice

23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

No misappropriations of public funds and assets noted.

24. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

No exceptions noted.

Information Technology Disaster Recovery/Business Continuity

25. Perform the following procedures, **verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."**

- a) Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.

We performed the procedure and discussed the results with management.

- b) Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

We performed the procedure and discussed the results with management.

- c) Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

We performed the procedure and discussed the results with management.

Sexual Harassment

- 26. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.

No exceptions noted.

- 27. Observe the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

No exceptions noted.

- 28. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe it includes the applicable requirements of R.S. 42:344:

- a) Number and percentage of public servants in the agency who have completed the training requirements;

Observed 100% of public servants in the agency have completed training requirements without exception.

- b) Number of sexual harassment complaints received by the agency;

No sexual harassment complaints were received by the agency.

- c) Number of complaints which resulted in a finding that sexual harassment occurred;

Not applicable.

- d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and

Not applicable.

- e) Amount of time it took to resolve each complaint.

Not applicable.

We were engaged by the Entity to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Entity and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

Darnall, Sikes & Frederick
(A Corporation of Certified Public Accountants)

Morgan City, Louisiana

November 16, 2022