

---

**SABINE PARISH SHERIFF'S OFFICE**

**FINANCIAL REPORT**

**JUNE 30, 2020**

---

## TABLE OF CONTENTS

	<u>Page</u>
<u>INDEPENDENT AUDITORS' REPORT</u>	1 – 2
<u>REQUIRED SUPPLEMENTARY INFORMATION-PART I</u>	
Management's Discussion and Analysis	3 – 8
<u>BASIC FINANCIAL STATEMENTS</u>	
Statement of Net Position	9
Statement of Activities	10
Governmental Fund Balance Sheet	11
Reconciliation of Governmental Fund Balance Sheet to the Statement of Net Position	12
Statement of Revenues, Expenditures and Changes in Fund Balance – All Governmental Fund Types	13
Reconciliation of Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance to the Statement of Activities	14
Statement of Net Position – Proprietary Fund	15
Statement of Revenues, Expenses and Changes in Net Position – Proprietary Fund	16
Statement of Cash Flows – Proprietary Fund	17
Statement of Fiduciary Assets and Liabilities – Fiduciary Funds	18
Notes to the Financial Statements	19 – 39
<u>REQUIRED SUPPLEMENTARY INFORMATION—PART II</u>	
Budgetary Comparison Schedule – General Fund	40
Schedule of Changes in Total Other Post-Employment Benefits Liability and Related Ratios	41
Schedule of Proportionate Share of the Net Pension Liability – Sheriffs' Pension and Relief Fund	42
Schedule of the Employer Contributions to the Sheriffs' Pension and Relief Fund	43
Notes to the Required Supplementary Information	44

## TABLE OF CONTENTS

	<u>Page</u>
<u>OTHER SUPPLEMENTARY INFORMATION</u>	
Sheriff's Sworn Statement	45
Schedule of Compensation, Benefits and Other Payments to the Sabine Parish Sheriff	46
<u>OTHER REPORTS REQUIRED BY <i>GOVERNMENTAL AUDITING STANDARDS</i></u>	
Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	47 – 48
Schedule of Findings and Recommendations	49 – 51
Summary Schedule of Prior Audit Findings	52

## **INDEPENDENT AUDITORS' REPORT**

Honorable Aaron Mitchell, Sheriff  
Sabine Parish Sheriff's Office  
Many, Louisiana

### **Report on the Financial Statements**

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

### **Management's Responsibility for the Financial Statements**

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

### **Auditors' Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### **Opinions**

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



## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Budgetary Comparison Schedule – General Fund, the Schedule of Changes in Total Other Post-Employment Benefits Liability and Related Ratios, the Schedule of Proportionate Share of the Net Pension Liability – Sheriff's Pension and Relief Fund, the Schedule of Employer Contributions to the Sheriffs' Pension and Relief Fund, and the Notes to the Required Supplementary Information on pages 3 through 8, 40, 41, 42, 43, and 44, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Sheriff's basic financial statements. The Sheriff's Sworn Statement and the Schedule of Compensation, Benefits, and Other Payments to the Sabine Parish Sheriff are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

## **Other Reporting Requirements by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued a report dated December 21, 2020, on our consideration of Sabine Parish Sheriff's Office internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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 Sheriff's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads 'Postlethwaite &amp; Netterville'.

Baton Rouge, Louisiana  
December 21, 2020

**REQUIRED SUPPLEMENTARY INFORMATION – PART I**

**SABINE PARISH SHERIFF'S OFFICE  
MANY, LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2020**

This section of Sabine Parish Sheriff's Office (the Sheriff) annual financial report presents a discussion and analysis of the Sheriff's financial performance during the fiscal year that ended on June 30, 2020. This document focuses on the current year's activities, resulting changes, and currently known facts in comparison with the prior year's information (where available).

### **FINANCIAL HIGHLIGHTS**

- The Sheriff's total net position increased approximately \$1.5 million, or 49.1%, over the course of this year's operations.
- Expenses for the year were approximately \$8.4 million, an increase of approximately \$937,000, or 12.6% as compared to the prior year.
- Revenues for the year were approximately \$9.9 million, an increase of approximately \$1.6 million or 18.7% as compared to the prior year.
- After transfers out to cover operating costs of the Detention Center, the General Fund increased its fund balance by approximately \$1.8 million, or 21.5%. The General Fund ended the year with a \$9.9 million fund balance.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

This annual report consists of four parts—management's discussion and analysis (this section), the financial statements, required supplementary information, and other supplementary information. The financial statements include two kinds of statements that present different views of the Sheriff:

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the Sheriff's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the Sheriff's government, reporting the Sheriff's operations in more detail than the government-wide statements.
  - The governmental funds statements tell how general government services like public safety were financed in the short term as well as what remains for future spending.
  - The proprietary fund financial statements indicate the degree to which the full costs of operating the prison were covered through revenues received from the parish and other governmental entities.
  - Fiduciary fund statements provide information about the financial relationships in which the Sheriff acts solely as agent for the benefit of others, to whom the held resources belong.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information and other supplementary information that further explains and supports the information in the financial statements.

The remainder of this overview section of management's discussion and analysis explains the structure of contents of each of the statements.

#### **Government-wide Statements**

The government-wide statements report information about the Sheriff as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the Sheriff's assets, deferred outflows, liabilities and deferred inflows. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

**SABINE PARISH SHERIFF'S OFFICE  
MANY, LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2020**

The two government-wide statements report the Sheriff's net position and how they have changed. Net position—the difference between the Sheriff's assets plus deferred outflows and liabilities plus deferred inflows—is one way to measure the Sheriff's financial health or position.

- Over time, increases or decreases in the Sheriff's net position are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the Sheriff, you need to consider additional nonfinancial factors such as changes in the Sheriff's property tax base and growth of Sabine Parish.

The government-wide financial statements of the Sheriff include:

- Governmental activities—most of the Sheriff's basic services are included here, such as general administration and civil duties. Ad valorem taxes, state and federal grants, and fees, charges, and commissions for services finance most of these activities.
- Business-type activities—the operations of the Detention Center are included here, and the Sheriff charges fees to cover some of the cost of certain services provided. The Sheriff charges the Louisiana Department of Corrections, Sabine Parish Police Jury, and other governments to house prisoners.

### **Fund Financial Statements**

The fund financial statements provide more detailed information about the Sheriff's most significant funds—not the Sheriff as a whole. Funds are accounting devices that the Sheriff uses to keep track of specific sources of funding and spending for particular purposes.

The Sheriff has three types of funds:

- Governmental funds—Most of the Sheriff's basic services are included in the governmental fund, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Sheriff's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explains the relationship (or differences) between them. The Sheriff has one governmental fund – the General Fund.
- Proprietary funds—When the Sheriff charges other governments for services it provides, these services are generally reported in the proprietary funds. Proprietary funds are reported in the same way all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the Sheriff's enterprise fund is the same as the business-type activity reported in the government-wide statements but provide more detail and additional information such as cash flows. The Sheriff has one proprietary fund – the Detention Center Fund.
- Fiduciary funds—Funds which are used as depositories for civil suits, cash bonds, taxes, fees, et cetera. Disbursements from these funds are made to various parish agencies and litigants in suits, in the manner prescribed by law. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. We exclude these activities from the Sheriff's government-wide financial statements because the Sheriff cannot use these assets to finance its operations.



**SABINE PARISH SHERIFF'S OFFICE  
MANY, LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2020**

**FINANCIAL ANALYSIS OF THE SHERIFF AS A WHOLE**

**Net position.** The Sheriff's net position is comprised of the following:

**Table A-1  
Sheriff's Net Position**

	<u>Governmental Activities</u>		<u>Business – Type Activities</u>	
	2020	2019	2020	2019
Current and other assets	\$ 11,136,886	\$ 9,291,862	\$ 234,948	\$ 228,082
Capital assets, net	1,148,043	944,295	880,518	936,464
Total assets	<u>12,284,929</u>	<u>10,236,157</u>	<u>1,115,466</u>	<u>1,164,546</u>
Deferred outflows of resources – pension liability	861,927	765,733	369,397	241,811
Deferred outflows of resources – OPEB liability	930,619	522,573	243,854	135,434
Total deferred outflows of resources	<u>1,792,546</u>	<u>1,288,306</u>	<u>613,251</u>	<u>377,245</u>
Accounts payable and accrued liabilities	272,832	293,067	166,479	72,106
Interfund balances	943,744	833,757	(943,744)	(833,757)
Compensated absences	29,348	26,129	-	-
Long-term debt	318,942	205,877	-	-
Net pension liability	1,565,295	1,398,125	670,840	441,513
Total other post-employment benefits liability	5,735,565	5,240,247	1,774,512	1,642,906
Total liabilities	<u>8,865,726</u>	<u>7,997,202</u>	<u>1,668,087</u>	<u>1,322,768</u>
Deferred inflows of resources – pension liability	341,523	529,959	146,367	167,356
Deferred inflows of resources – OPEB liability	188,260	-	50,021	-
Total deferred inflows of resources	<u>529,783</u>	<u>529,959</u>	<u>196,388</u>	<u>167,356</u>
Net position				
Net investment in capital assets	829,101	738,418	880,518	936,464
Restricted	5,571	39,620	32,680	32,509
Unrestricted	3,847,294	2,219,264	(1,048,956)	(917,306)
Total net position	<u>\$ 4,681,966</u>	<u>\$ 2,997,302</u>	<u>\$ (135,758)</u>	<u>\$ 51,667</u>

Net position of the Sheriff's governmental activities increased by approximately \$1.7 million, or 56.2%, while net position of the Sheriff's business-type activities decreased by approximately \$187,000, or 362.8%. Governmental activities current and other assets increased by approximately \$1.9 million, or 20.3%. The increase is primarily related to an increase in receivables due to CARES Act funding recognized in the current year and an increase in cash and cash equivalents and corresponding decrease in investments as a result of the Sheriff's strategy to invest in more liquid securities during the COVID-19 pandemic. Net pension liability and other post-employment benefits liability as well deferred outflows of resources and deferred inflows of resources fluctuated during the year as a result of changes in actuarial assumptions in the current year.

**SABINE PARISH SHERIFF'S OFFICE  
MANY, LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2020**

**Changes in net position.** The total change in net position increased approximately \$1.5 million, or 49.1% in the current year.

**Table A-2  
Changes in Sheriff's Net Position**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
General revenues	\$ 7,172,788	\$ 6,468,063	\$ 60,231	\$ 47,163
Fees, charges and commissions for service	740,567	631,229	902,507	863,477
Operating grants	946,250	258,190	44,000	44,714
Total revenues	<u>8,859,605</u>	<u>7,357,482</u>	<u>1,006,738</u>	<u>955,354</u>
Expenses	(5,816,532)	(5,397,220)	(2,552,572)	(2,035,337)
Transfers	(1,358,409)	(1,072,023)	1,358,409	1,072,023
Change in net position	<u>\$ 1,684,664</u>	<u>\$ 888,239</u>	<u>\$ (187,425)</u>	<u>\$ (7,960)</u>

Total revenues increased approximately \$1.6 million, or 18.7%. The Sheriff's total governmental activities revenues increased by approximately \$1.5 million, or 20.4% due to an increase in sales and ad valorem tax collections as well as intergovernmental revenues (CARES Act funding). (See Table A-2.) Approximately 27.5% of the Sheriff's revenue comes from ad valorem tax collections in Sabine Parish and approximately 41.2% comes from sales tax revenue. The remainder comes from prison fees and miscellaneous fees, commissions, and other intergovernmental revenues. The Sheriff's total business-type activities revenues increased approximately \$51,000, or 5.4%. (See Table A-2) The increase is due to higher inmate rates being charged on DOC prisoners in the current year.

The Sheriff's total cost of all programs and services increased by approximately \$937,000 or 12.6%. The Sheriff's total governmental activities expenses increased approximately \$419,000, or 7.8% primarily due to increases in personnel services and benefits and materials and supplies. The Sheriff's business-type activities expenses increased approximately \$517,000, or 25.4% primarily due to personnel services and benefits associated with net pension and other post-employment benefits liabilities as well as inmate related COVID-19 medical expenses.

**Governmental funds**

As discussed, governmental funds are reported in the fund statements with a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. The Governmental fund, general fund, reported ending fund balances of approximately \$9.9 million and \$8.2 million at June 30, 2020 and 2019, respectively. The fund balance as of June 30, 2020 represents approximately 167.5% of annual expenditures. This level of fund balance allows the Sheriff to sustain operations during periods of decreased revenues without having to obtain significant short or long-term borrowings to fund operations. The Sheriff's management team is monitoring the fund balance level, as well as the Detention Center net position, to ensure it is maintained at an adequate level.

The general fund revenues increased approximately \$1.5 million, or 20.7% in comparison to prior year. The increase is primarily due to increases sales and ad valorem tax collections as well as intergovernmental revenues related to CARES Act funding. General fund expenditures increased approximately \$605,000, or 11.4% in comparison to prior year. The increase is primarily related to increases in personnel services and benefits, materials and supplies, and capital outlay.

**SABINE PARISH SHERIFF'S OFFICE  
MANY, LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2020**

**CAPITAL ASSETS**

At the end of 2020, the Sheriff had invested \$2,028,561 in capital assets, net of accumulated depreciation; \$1,148,043 in Governmental Activities and \$880,518 in Business-Type Activities. This amount represents a net increase of \$147,802, including depreciation. The increase is primarily due to the acquisition of law enforcement vehicles during the year, offset by depreciation. (See Table A-3.)

**Table A-3  
Sheriff's Capital Assets  
(net of accumulated depreciation)**

	Governmental Activities		Business-Type Activities	
	2020	2019	2020	2019
Land	\$ -	\$ -	\$ 111,165	\$ 111,165
Building & building improvements	268,483	281,415	729,344	777,803
Automobiles	655,753	425,949	-	-
Equipment, furniture & fixtures	223,807	236,931	40,009	47,496
<b>Total capital assets</b>	<b>\$ 1,148,043</b>	<b>\$ 944,295</b>	<b>\$ 880,518</b>	<b>\$ 936,464</b>

**LONG-TERM DEBT**

The Sheriff's long-term liabilities consist of its long-term debt (notes payable), net pension liability and total other post-employment benefit liability (OPEB). The long-term debt increased approximately \$113,000, or 54.9%. The increase is a result of regularly scheduled principal payments offset by new debt used to acquire law enforcement vehicles. The net pension liability increased by approximately \$396,000, or 21.6%, primarily due to a change in actuarial assumptions and an increase in the pension liability at the pension system level. The total OPEB liability increased by approximately \$627,000, or 9.1%, primarily due to a decrease in the discount rate used by the actuary to calculate the OPEB liability. (See Table A-4.)

**Table A-4  
Long-Term Debt at June 30,**

	2020	2019
Long-term debt (notes payable)	\$ 318,942	\$ 205,877
Net pension liability	2,236,135	1,839,638
Other post-employment benefits liability	7,510,077	6,883,153
<b>Total long-term debt</b>	<b>\$ 10,065,154</b>	<b>\$ 8,928,668</b>

**VARIATIONS BETWEEN ORIGINAL AND FINAL BUDGETS**

Actual revenues and other financing sources were approximately \$964,000 more than budgeted amounts primarily due to higher than expected intergovernmental revenue due to CARES Act funds received following the COVID-19 pandemic in the current year. Actual expenditures and other financing uses were approximately \$172,000 more than budgeted amounts predominately due to higher than expected operating services and capital outlay.

**SABINE PARISH SHERIFF'S OFFICE  
MANY, LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2020**

**VARIATIONS BETWEEN ORIGINAL AND FINAL BUDGETS (continued)**

The budget was amended in anticipation of the Sheriff's Office experiencing higher sales and ad valorem tax collections. The budget was amended through an approximate \$1.25 million increase in revenues and other financing sources and an approximate \$459,000 increase in expenditures and other financing uses.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The Sheriff is dependent on ad valorem and sales taxes for approximately 68.6% of its revenues to fund both the general fund operations as well as the Detention Center operations. The economy is not expected to continue to generate any significant growth and these tax revenues are not expected to significantly increase. Budgeted expenditures for 2021 are expected to be consistent with 2020.

**CONTACTING THE SHERIFF'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the Sheriff's finances and to demonstrate the Sheriff's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Sabine Parish Sheriff's Office, PO Box 1440, Many, LA 71449.

## **BASIC FINANCIAL STATEMENTS**

**SABINE PARISH SHERIFF'S OFFICE**  
**MANY, LOUISIANA**

**STATEMENT OF NET POSITION**  
**JUNE 30, 2020**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b><u>ASSETS</u></b>			
<b><u>CURRENT ASSETS</u></b>			
Cash and cash equivalents	\$ 7,450,113	\$ 108,589	\$ 7,558,702
Receivables	1,181,986	88,064	1,270,050
Investments	2,482,431	-	2,482,431
Prepaid expenses	16,785	5,615	22,400
Total current assets	<u>11,131,315</u>	<u>202,268</u>	<u>11,333,583</u>
<b><u>NONCURRENT ASSETS</u></b>			
Restricted cash	5,571	32,680	38,251
Capital assets not being depreciated:			
Land	-	111,165	111,165
Capital assets, net of depreciation	1,148,043	769,353	1,917,396
Total assets	<u>12,284,929</u>	<u>1,115,466</u>	<u>13,400,395</u>
<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>			
Deferred outflow amounts related to net pension liability	861,927	369,397	1,231,324
Deferred outflow amounts related to other post-employment liability	930,619	243,854	1,174,473
	<u>1,792,546</u>	<u>613,251</u>	<u>2,405,797</u>
<b><u>LIABILITIES</u></b>			
<b><u>CURRENT LIABILITIES</u></b>			
Accounts payable and accrued liabilities	272,832	166,479	439,311
Interfund balances	943,744	(943,744)	-
Compensated absences	29,348	-	29,348
Current portion of long-term debt	164,504	-	164,504
Current portion of other post-employment benefits liability	127,000	34,000	161,000
Total current liabilities	<u>1,537,428</u>	<u>(743,265)</u>	<u>794,163</u>
<b><u>NONCURRENT LIABILITIES</u></b>			
Long-term debt, net of current portion	154,438	-	154,438
Net pension liability	1,565,295	670,840	2,236,135
Other post-employment benefits liability, net of current portion	5,608,565	1,740,512	7,349,077
Total noncurrent liabilities	<u>7,328,298</u>	<u>2,411,352</u>	<u>9,739,650</u>
Total liabilities	<u>8,865,726</u>	<u>1,668,087</u>	<u>10,533,813</u>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>			
Deferred inflow amounts related to net pension liability	341,523	146,367	487,890
Deferred inflow amounts related to other post-employment liability	188,260	50,021	238,281
	<u>529,783</u>	<u>196,388</u>	<u>726,171</u>
<b><u>NET POSITION</u></b>			
Net investment in capital assets	829,101	880,518	1,709,619
Restricted for inmate trust accounts	5,571	32,680	38,251
Unrestricted (deficit)	3,847,294	(1,048,956)	2,798,338
Total net position (deficit)	<u>\$ 4,681,966</u>	<u>\$ (135,758)</u>	<u>\$ 4,546,208</u>

The accompanying notes are an integral part of this statement.

**SABINE PARISH SHERIFF'S OFFICE**  
**MANY, LOUISIANA**

**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	Program Revenues					
Governmental Activities	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Public Safety	\$ 5,816,532	\$ 740,567	\$ 946,250	\$ (4,129,715)	\$ -	\$ (4,129,715)
Business-Type Activities						
Detention Center	2,552,572	902,507	44,000	-	(1,606,065)	(1,606,065)
Total Government	\$ 8,369,104	\$ 1,643,074	\$ 990,250	(4,129,715)	(1,606,065)	(5,735,780)
General revenues:						
Taxes				6,772,794	-	6,772,794
State revenue sharing				66,594	-	66,594
Interest and investment earnings				174,891	155	175,046
Unrestricted grants and contributions				140,176	60,076	200,252
Miscellaneous				18,333	-	18,333
Transfers				(1,358,409)	1,358,409	-
Total general revenues and transfers				5,814,379	1,418,640	7,233,019
Change in net position				1,684,664	(187,425)	1,497,239
Net position, beginning of year				2,997,302	51,667	3,048,969
Net position (deficit), end of year				\$ 4,681,966	\$ (135,758)	\$ 4,546,208

The accompanying notes are an integral part of this statement.

**SABINE PARISH SHERIFF'S OFFICE**  
**MANY, LOUISIANA**

**GOVERNMENTAL FUND BALANCE SHEET**  
**JUNE 30, 2020**

	<u>General Fund</u>
<b><u>ASSETS</u></b>	
Cash and cash equivalents	\$ 7,450,113
Cash restricted	5,571
Receivables	1,181,986
Investments	2,482,431
Prepaid expenditures	<u>16,785</u>
TOTAL ASSETS	<u>\$ 11,136,886</u>
<b><u>LIABILITIES</u></b>	
Accounts payable	\$ 43,087
Accrued liabilities	229,745
Due to other funds	<u>943,744</u>
TOTAL LIABILITIES	<u>1,216,576</u>
<b><u>FUND BALANCE</u></b>	
Nonspendable	16,785
Restricted for inmate trust accounts	5,571
Unassigned	<u>9,897,954</u>
TOTAL FUND BALANCE	<u>9,920,310</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 11,136,886</u>

The accompanying notes are an integral part of this statement.



**SABINE PARISH SHERIFF'S OFFICE**  
**MANY, LOUISIANA**

**RECONCILIATION OF GOVERNMENTAL FUND BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION**  
**JUNE 30, 2020**

Total fund balance - Governmental Fund		\$ 9,920,310
Cost of capital assets at June 30, 2020	\$ 3,463,920	
Less: accumulated depreciation as of June 30, 2020:	<u>(2,315,877)</u>	1,148,043
Long-term debt (notes payable)		(318,942)
Compensated absences payable		(29,348)
Other post-employment benefits (OPEB) liability and deferrals recorded in accordance with GASB 75		
Deferred outflow of resources - related to OPEB	930,619	
Other post-employment benefits liability	(5,735,565)	
Deferred inflow of resources - related to OPEB	<u>(188,260)</u>	(4,993,206)
Net pension liability and deferrals recorded in accordance with GASB 68		
Deferred outflow of resources - related to net pension liability	861,927	
Net pension liability	(1,565,295)	
Deferred inflow of resources - related to net pension liability	<u>(341,523)</u>	<u>(1,044,891)</u>
Total net position - Governmental Activities		<u>\$ 4,681,966</u>

The accompanying notes are an integral part of this statement.

**SABINE PARISH SHERIFF'S OFFICE**  
**MANY, LOUISIANA**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - ALL GOVERNMENTAL FUND TYPES**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	<u>General Fund</u>
<b><u>REVENUES</u></b>	
Taxes	\$ 6,772,794
State revenue sharing	66,594
Intergovernmental revenues	946,250
Fees, charges and commissions for services	740,567
Interest and investment earnings	174,891
Other	18,333
Total Revenues	<u>8,719,429</u>
<b><u>EXPENSES</u></b>	
Public safety	
Personnel services and related benefits	3,998,948
Operating services	591,247
Materials and supplies	552,506
Travel and other charges	36,799
Professional services	45,561
Capital outlay	477,553
Debt service	
Principle payments on long-term debt	202,599
Interest on long-term debt	16,199
Total Expenses	<u>5,921,412</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	2,798,017
<b><u>OTHER FINANCING SOURCES (USES)</u></b>	
Transfers out	(1,358,409)
Long-term debt proceeds	315,664
Total other financing sources (uses)	<u>(1,042,745)</u>
NET CHANGE IN FUND BALANCE	1,755,272
FUND BALANCE AT BEGINNING OF YEAR	<u>8,165,038</u>
FUND BALANCE AT END OF YEAR	<u>\$ 9,920,310</u>

The accompanying notes are an integral part of this statement.

**SABINE PARISH SHERIFF'S OFFICE**  
**MANY, LOUISIANA**

**RECONCILIATION OF GOVERNMENTAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2020**

Total net change in fund balance - Governmental Fund		\$ 1,755,272
Capital Assets:		
Capital outlay included in expenditures	489,735	
Depreciation expense for the year	<u>(285,987)</u>	203,748
Long-term debt (notes payable)		
Long-term debt proceeds	(315,664)	
Principal payments on long-term debt	<u>202,599</u>	(113,065)
Change in compensated absences payable		(3,219)
Change in other post-employment benefits liability and deferred inflows and outflows in accordance with GASB 75		(275,532)
Change in net pension liability and deferred inflows and outflows in accordance with GASB 68		<u>117,460</u>
Total change in net position - Governmental Activities		<u>\$ 1,684,664</u>

The accompanying notes are an integral part of this statement.

**SABINE PARISH SHERIFF'S OFFICE**  
**MANY, LOUISIANA**

**STATEMENT OF NET POSITION**  
**PROPRIETARY FUND**  
**JUNE 30, 2020**

	Detention Center Fund
<b><u>ASSETS</u></b>	
<b>CURRENT ASSETS</b>	
Cash and cash equivalents	\$ 108,589
Receivables	88,064
Due from other funds	943,744
Prepaid expenses	5,615
Total current assets	1,146,012
<b>NONCURRENT ASSETS</b>	
Cash restricted	32,680
Capital assets not being depreciated:	
Land	111,165
Capital assets, net of depreciation	769,353
Total assets	2,059,210
<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>	
Deferred outflow amounts related to net pension liability	369,397
Deferred outflow amounts related to other post-employment benefits liability	243,854
	613,251
<b><u>LIABILITIES</u></b>	
<b>CURRENT LIABILITIES</b>	
Accounts payable	166,479
Current portion of other post-employment benefits liability	34,000
Total current liabilities	200,479
<b>NONCURRENT LIABILITIES</b>	
Other post-employment benefits liability, net of current portion	1,740,512
Net pension liability	670,840
Total liabilities	2,611,831
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>	
Deferred inflow amounts related to pension liability	146,367
Deferred inflow amounts related to total other post-employment benefits liability	50,021
	196,388
<b><u>NET POSITION</u></b>	
Net investment in capital assets	880,518
Restricted for inmate trust accounts	32,680
Unrestricted	(1,048,956)
Total net position	\$ (135,758)

The accompanying notes are an integral part of this statement.

**SABINE PARISH SHERIFF'S OFFICE**  
**MANY, LOUISIANA**

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**PROPRIETARY FUND**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	Detention Center Fund
<b><u>REVENUES</u></b>	
Charges for services	\$ 796,943
Commissary	42,795
Other	62,769
Total operating revenues	902,507
<b><u>EXPENSES</u></b>	
Salaries	1,064,835
Retirement	339,993
Payroll taxes	33,098
Employee benefits	178,584
Food	203,858
Insurance	78,457
Medical expense	169,484
Miscellaneous	11,795
Professional services	26,807
Repairs and maintenance	68,890
Supplies	182,158
Training	1,450
Telephone	23,678
Utilities	100,447
Depreciation	69,038
Total operating expenses	2,552,572
Operating income (loss)	(1,650,065)
Nonoperating revenues (expenses)	
Intergovernmental revenue	104,076
Interest revenue	155
Total nonoperating revenues (expenses)	104,231
Income (loss) before transfers	(1,545,834)
Transfers in	1,358,409
Change in net position	(187,425)
NET POSITION AT BEGINNING OF YEAR	51,667
NET POSITION (DEFICIT) AT END OF YEAR	\$ (135,758)

The accompanying notes are an integral part of this statement.

**SABINE PARISH SHERIFF'S OFFICE**  
**MANY, LOUISIANA**

**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUND**  
**FOR THE YEAR ENDED JUNE 30, 2020**

Cash flows from operating activities:	
Receipts from customers	\$ 889,508
Payments to suppliers and service providers	(1,168,160)
Payments to employees for salaries and benefits	(1,064,835)
Net cash used in operating activities	<u>(1,343,487)</u>
Cash flows from non-capital financing activities:	
Intergovernmental revenues	104,076
Transfers	1,248,422
Net cash provided by non-capital financing activities	<u>1,352,498</u>
Cash flows from capital and related financing activities	
Acquisition of capital assets	<u>(13,092)</u>
Cash flows from investing activities	
Interest income	<u>155</u>
Net change in cash and cash equivalents	(3,926)
Cash and cash equivalents, beginning of year	<u>145,195</u>
Cash and cash equivalents, end of year	<u>\$ 141,269</u>
Classified as:	
Current	\$ 108,589
Restricted	32,680
Total	<u>\$ 141,269</u>
Reconciliation of operating income to net cash used in operating activities:	
Operating loss	\$ (1,650,065)
Adjustments to reconcile operating loss to net cash from operating activities	
Depreciation expense	69,038
Increase in accounts receivable	(12,999)
Decrease in prepaid expenses	2,207
Increase in deferred outflows related to net pension liability	(127,586)
Increase in deferred outflows related to other post-employment benefits liability	(108,420)
Increase in accounts payable and accruals	94,373
Increase in other post-employment benefits liability	131,606
Increase in net pension liability	229,327
Decrease in deferred inflows related to net pension liability	(20,989)
Decrease in deferred inflows related to other post-employment benefits liability	50,021
Net cash used in operating activities	<u>\$ (1,343,487)</u>

The accompanying notes are an integral part of this statement.

**SABINE PARISH SHERIFF'S OFFICE**  
**MANY, LOUISIANA**

**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**  
**FIDUCIARY FUNDS**  
**JUNE 30, 2020**

	<u>Sheriff's Fund</u>	<u>Tax Collector</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 195,682	\$ 877,362	\$ 1,073,044
Total Assets	<u>\$ 195,682</u>	<u>\$ 877,362</u>	<u>\$ 1,073,044</u>
<b>LIABILITIES</b>			
Due to taxing bodies and others	\$ 195,682	\$ 877,362	\$ 1,073,044
Total Liabilities	<u>\$ 195,682</u>	<u>\$ 877,362</u>	<u>\$ 1,073,044</u>

The accompanying notes are an integral part of this statement.

**SABINE PARISH SHERIFF'S OFFICE  
MANY, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2020**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

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

**A. BASIS OF PRESENTATION, BASIS OF ACCOUNTING**

**BASIS OF PRESENTATION**

The accompanying financial statements of the Sabine Parish Sheriff's Office have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

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

The statement of net position and the statement of activities display information about the primary government (the Sheriff). These statements include the financial activities of the overall government, except for fiduciary activities, displayed for governmental type activities and business-type activities.

- *Governmental Activities* represent programs which normally are supported by taxes and intergovernmental revenues.
- *Business-Type Activities* are financed in whole or in part by fees charged to external parties for goods and services.

Information contained in these statements reflects the economic resources measurement focus and the accrual basis of accounting.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the Sheriff's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities.



SABINE PARISH SHERIFF'S OFFICE  
MANY, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

A. BASIS OF PRESENTATION, BASIS OF ACCOUNTING (continued)

FUND FINANCIAL STATEMENTS (FFS):

The fund financial statements provide information about the Sheriff's funds, including its fiduciary funds. Separate statements for each fund category – governmental, proprietary and fiduciary – are presented. The emphasis of fund financial statements is on major governmental funds.

The Sheriff reports the following major governmental fund:

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 source of revenue is an ad valorem tax levied by the law enforcement district. Other sources of revenue include sales tax, commissions on state revenue sharing, state supplemental pay for deputies, civil and criminal fees, fees for court attendance, and maintenance of prisoners, et cetera. General operating expenditures are paid from this fund.

The Sheriff reports the following proprietary fund type:

The Detention Center Fund (an Enterprise Fund)

The Enterprise Fund is used to account for operations that are financed and operated in a manner similar to private business enterprises. The intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the governing body has decided the periodic determination of revenue earned, expenses incurred, or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. All revenue and expenses not meeting this definition are reported as non-operating revenues and expenses.

The Sheriff reports the following fiduciary types:

Agency Funds

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

B. REPORTING ENTITY

For financial reporting purposes, the Sheriff's basic financial statements include all funds that are controlled by the Sheriff as an independently elected parish official. As an independently elected official, the Sheriff is solely responsible for the operations of his office. Other than certain operating expenditures of the Sheriff that are paid or provided by the Sabine Parish Police Jury (the Police Jury) as required by Louisiana Law, the Sheriff is financially independent. Accordingly, the Sheriff is a primary government for reporting purposes.

**SABINE PARISH SHERIFF'S OFFICE  
MANY, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2020**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**B. REPORTING ENTITY (continued)**

The criteria for including organizations as component units within the Sheriff's reporting entity, as set forth in Section 2100 of GASB's Codification of Governmental Accounting and Financial Reporting Standards, include items such as whether the organization is legally separate, whether the Sheriff appoints a voting majority of the organization's board, whether the Sheriff is able to impose his will on the organization, etcetera. The Sheriff reports no component units.

**C. BASIS OF ACCOUNTING/MEASUREMENT FOCUS**

The GWFS, proprietary fund financial statements and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the Sheriff gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The Sheriff considers tax revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Property taxes, sales taxes, franchise taxes, and interest are considered to be susceptible to accrual. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source. Other revenues susceptible to accrual are intergovernmental revenues and grants. Fines and charges for services are not susceptible to accrual because generally they are not measurable until received in cash. Expenditures are recorded when the related fund liability is incurred, except for claims and judgments and compensated absences, which are recognized when the obligations are expected to be liquidated with expendable, available financial resources. General capital asset acquisitions are reported as expenditures in governmental funds.

**D. BUDGET PRACTICES**

The proposed budget for the year ended June 30, 2020, was made available for public inspection and comments from taxpayers at the Sheriff's Office during June 2019. The proposed budget, prepared on the modified accrual basis of accounting, was published in the official journal 10 days prior to the public hearing, which was held at the Sheriff's Office, for comments from taxpayers. The budget is legally adopted and amended, as necessary, by the Sheriff.

All expenditure appropriations lapse at year end. Unexpended appropriations and any excess of revenues over expenditures are carried forward to the subsequent year as beginning fund balance.

Formal budget integration (within the accounting records) is employed as a management control device. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments.

**SABINE PARISH SHERIFF'S OFFICE  
MANY, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2020**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**E. INTERFUND ACTIVITY**

Interfund activities between governmental funds and fiduciary funds remain as due to/due from on the government wide financial statements.

Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. Interfund transactions are reported as transfers.

**F. CASH AND CASH EQUIVALENTS**

Cash includes amounts in demand deposit accounts, interest-bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits and other investments with original maturities of 90 days or less. Under state law, the Sheriff may deposit funds in demand deposit accounts, interest-bearing demand deposit accounts, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. Tax collections must be deposited in a bank domiciled in the parish where the funds are collected.

**G. RECEIVABLES AND ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS**

All receivables are reported at their gross value and, where applicable, are reduced by the estimated portion that is expected to be uncollectible.

Uncollectible accounts receivable is recognized as bad debts through the establishment of an allowance account at the time information becomes available, which would indicate the uncertainty associated with collectability of the particular receivable. At June 30, 2020, none of the Governmental Activities receivables or Business-Type Activities receivables were considered to be uncollectible.

**H. INVESTMENTS**

Investments are limited by Louisiana Revised Statute and the Sheriff's investment policy which allows for investment in obligations of the U. S. Treasury and U. S. Agencies, certificates of deposit, investment grade commercial paper of domestic United States corporations, and other allowable investments. Investments are carried at fair market value as of the balance sheet date.

**I. CAPITAL ASSETS**

Capital assets are carried at historical cost. Depreciation of all exhaustible capital assets used by the Sheriff is charged as an expense against operations in the Statement of Activities. Capital assets, net of accumulated depreciation, are reported on the Statement of Net Position. Depreciation is computed using the straight line method over the estimated useful life of the assets, generally 10 to 40 years for buildings and other improvements and 5 to 10 years for movable property. Expenditures for maintenance, repairs and minor renewals are charged to earnings as incurred. Major expenditures for renewals and betterments are capitalized. The Sheriff maintains a threshold level of \$1,000 or more for capitalizing assets.

SABINE PARISH SHERIFF'S OFFICE  
MANY, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

J. COMPENSATED ABSENCES

Employees of the Sheriff that have been employed one year or more earn two weeks of vacation leave per year. Vacation leave is prorated for employees having less than a year of service. The maximum amount of sick leave that may be accumulated and carried forward is 360 hours. Sick leave is not paid out upon termination, retirement or death. The maximum amount of vacation leave that may be accumulated and carried forward is 40 and 42 hours, based on the number of hours worked per week. Upon termination, an employee is compensated for up to 40 to 42 hours of the unused, previously accrued vacation leave. Compensation is provided at the employee's hourly rate of pay at the time of termination, retirement or death. As such, a liability for compensated absences has been recorded in the accompanying financial statements.

K. RISK MANAGEMENT

The Sheriff is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; error and omissions. To handle such risk of loss, the Sheriff maintains commercial insurance policies, workers' compensation insurance, and surety bond coverage. There were no significant reductions in insurance coverage during the year ended June 30, 2020.

L. ESTIMATES

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

M. RESTRICTED NET POSITION

For the government-wide statement of net position, net position is reported as restricted when constraints placed on net position use either:

Externally imposed by creditors (such as debt covenants), grants, contributors, laws, or regulations of other governments; or

Imposed by law through constitutional provisions or enabling legislation.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

N. FUND EQUITY OF FUND FINANCIAL STATEMENTS

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

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

SABINE PARISH SHERIFF'S OFFICE  
MANY, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

N. FUND EQUITY OF FUND FINANCIAL STATEMENTS (continued)

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

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

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

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

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

O. SALES TAXES

The Sheriff collects a one-half percent parish-wide sales and use tax with the net proceeds, after deducting costs of collection and administration, dedicated and used for salaries and benefits of deputies and acquiring, maintaining and operating of Sheriff's vehicles and equipment. The tax, approved by voters on July 17, 2004, was effective from and after October 1, 2004.

The Sheriff collects a one-quarter percent parish-wide sales and use tax with the net proceeds, after deducting costs of collection and administration, dedicated and used for the purpose of providing additional funding for the Sheriff's Office. The tax, approved by voters on January 18, 2003, was effective August 1, 2003 and is for a period of 10 years ending July 31, 2014. The tax was approved and renewed effective August 1, 2014 and for a period of 10 years ending July 31, 2024.

P. PENSION PLAN

The Sabine Parish Sheriff's Office is a participating employer in the Louisiana Sheriffs' Pension and Relief Fund (Fund) as described in Note 9. 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 Fund and additions to/deductions from the Fund's fiduciary net position have been determined on the same basis as they are reported by the Fund. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments have been reported at fair value within the Plan.

**SABINE PARISH SHERIFF'S OFFICE  
MANY, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2020**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Q. DEFERRED OUTFLOWS/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, represents a consumption of net position that applies to a future period(s) and as such, will not be recognized as an outflow of resources (expense/expenditure) until then. See Note 9 for additional information on deferred outflows of resources related to defined benefit pension plans and Note 10 for additional information on deferred outflows of resources related to other post-employment benefits.

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, represents an acquisition of net position that applies to a future period(s) and as such, will not be recognized as an inflow of resources (revenues) until that time. See Note 9 for additional information on deferred inflows of resources related to defined benefit pension plans and Note 10 for additional information on deferred inflows of resources related to other post-employment benefits.

**R. CURRENT ACCOUNTING STANDARDS SCHEDULED TO BE IMPLEMENTED**

Following is a summary of accounting standards adopted by the Governmental Accounting Standards Board that are scheduled to be implemented in the future that may affect the Sheriff's financial report:

GASB Statement 84, *Fiduciary Activities*. This standard defines and establishes criteria for identifying and reporting fiduciary activities. The focus of the criteria is on (1) whether the Sheriff controls the assets in a fiduciary activity and (2) there are separate identifiable beneficiaries with whom a fiduciary relationship exists. The standard is effective for annual reporting periods beginning after December 15, 2019. The Sheriff will include the requirements of this standard, as applicable, in its June 30, 2021 financial statements. The effect of this standard or its applicability to the Sheriff are unknown at this time.

GASB Statement 87, *Leases*. This standard will require all leases to be reported on the statement of net position under a single accounting model for both lessors and lessees. The statement will require the recognition of lease assets or liabilities for leases previously reported as operating leases. Both operating and capital leases will be reported under this single accounting method and reported by lessees as an intangible right to use asset and by lessors as a receivable with both reporting a deferred inflow of resources. The standard is effective for annual reporting periods beginning after June 15, 2021. The Sheriff will include the requirements of this standard, as applicable, in its June 30, 2022 financial statements. All of the Sheriff's lease agreements will need to be evaluated to determine the impact of implementing this standard; however, the effect of this standard or its applicability to the Sheriff are unknown at this time.

**SABINE PARISH SHERIFF'S OFFICE  
MANY, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2020**

**2. LEVIED TAXES**

The Sabine Parish Sheriff's Office levies taxes on real and business personal property located within its boundaries. Ad valorem taxes are assessed on a calendar year basis, levied and become due on November 15 of each year and become an enforceable lien on property as of December 31 of each year. The following is a summary of authorized and levied ad valorem taxes as of June 30, 2020:

	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
Law Enforcement District	11.03	13.57	Statutory

**3. DEPOSITS WITH FINANCIAL INSTITUTIONS**

	<u>Governmental Funds</u>	<u>Proprietary Funds</u>	<u>Fiduciary Funds</u>
Cash and cash equivalents			
Petty cash	\$ 500	\$ -	\$ -
Demand deposits	2,695,377	108,589	328,770
Time and savings deposits	4,754,236	-	-
	<u>7,450,113</u>	<u>108,589</u>	<u>328,770</u>
Restricted cash			
Demand deposits (inmates)	2,609	32,680	-
Demand deposits (probation)	2,703	-	-
Demand deposits (narcotics)	259	-	-
Demand deposits (protested taxes)	-	-	744,274
	<u>5,571</u>	<u>32,680</u>	<u>744,274</u>
Total deposits	<u>\$ 7,455,684</u>	<u>\$ 141,269</u>	<u>\$ 1,073,044</u>

The Sheriff's Office has restricted assets relating to inmate trust accounts, probation accounts and narcotics funds.

The inmate trust accounts consist of money that is deposited by inmates for purchase of commissary items. The Sheriff's Office is not entitled to spend these funds. Probation and narcotics money consists of funds collected by the Sheriff related to criminal cases. The Sheriff's Office is not entitled to spend these funds until the related case has been settled. Once cases are settled the funds will either be returned to the defendant or distributed among local Parish entities.

Deposits in financial institutions can be exposed to custodial credit risk. Custodial credit risk is the risk that in the event of a bank failure, the Sheriff's deposits may not be returned to them. The Sheriff does not have a deposit policy for custodial credit risk; however, state law is designed to limit this risk. State law requires deposits to be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent's financial institution. At June 30, 2020, the Sheriff's bank balance of demand deposit accounts was \$4,615,721. Of this balance, approximately \$285,000 was not fully collateralized or FDIC insured and therefore, exposed to custodial credit risk. Time and savings deposits (money market account) of \$4,754,236 are held with an investment management company and covered by Security Investor Protection Corporation (SIPC) insurance of \$500,000. Holdings with investment companies are not required to be collateralized.

**SABINE PARISH SHERIFF'S OFFICE  
MANY, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2020**

**4. RECEIVABLES**

	Governmental Activities	Business-Type Activities	Total
Taxes	\$ 317,674	\$ -	\$ 317,674
Fees, charges and commissions for service	134,720	88,064	222,784
Intergovernmental revenues	711,746	-	711,746
Accrued interest on investments	17,171	-	17,171
Other	675	-	675
<b>Total</b>	<b>\$ 1,181,986</b>	<b>\$ 88,064</b>	<b>\$ 1,270,050</b>

Intergovernmental revenues includes \$711,746 of CARES Act funding. See Note 17 for additional discussion.

**5. INVESTMENTS**

The Sheriff maintains investment accounts as authorized by the Louisiana Revised Statutes. Under state law, the Sheriff may invest in Louisiana Asset Management Pool (LAMP), U.S. Treasury notes and bonds, U.S. agency securities and other governmental debt obligations with limited exceptions as noted in Louisiana R.S. 33:2955. Investments in time certificates of deposit can be placed with state banks, national banks or federal credit unions as permitted in state statute.

As of June 30, 2020, the Sheriff had its assets in U.S. agency securities, equity trusts and certificates of deposit. The below schedule identified the investments by type:

Type of Investment	Carrying Value	Remaining Maturity				Credit Rating (Moody's)
		Less than one year	1 - 5	6 - 10	11 - 30	
<b>Investments at fair value</b>						
U.S. agency securities	\$ 2,368,838	\$ -	\$ 61,678	\$ 307,132	\$ 2,000,028	AAA
<b>Investments measured at net asset value (NAV)</b>						
Equity trusts	88,580	88,580	-	-	-	
Total investments measured at fair value	2,457,418	88,580	61,678	307,132	2,000,028	
<b>Investments reported at cost</b>						
Certificates of deposit	25,013	-	-	-	25,013	
<b>Total Investments</b>	<b>\$ 2,482,431</b>	<b>\$ 88,580</b>	<b>\$ 61,678</b>	<b>\$ 307,132</b>	<b>\$ 2,025,041</b>	

Accrued interest of \$17,171 is included in the Governmental Activities receivables balance per the Statement of Net Position.

The Sheriff categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.



**SABINE PARISH SHERIFF'S OFFICE  
MANY, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2020**

**5. INVESTMENTS (continued)**

The Sheriff has the following recurring fair value measurements as of June 30, 2020:

*Level 2 inputs* – U.S. agency securities are valued using a market based approach comprised of a combination of directly observable quoted prices and a matrix pricing technique that relies on the securities' relationship to other benchmark quoted securities.

**Interest Rate Risk** – Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The table above shows the maturities of the Sheriff's investments. The Sheriff's investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

**Credit Risk** – Under Louisiana R.S. 33:2955, as amended, the Sheriff may invest in Louisiana Asset Management Pool (LAMP), U.S. Treasury notes and bonds, U.S. agency securities and other governmental debt obligations with limited exceptions. The Sheriff's investment policy does not further limit its investment choices.

**Concentration of Credit Risk** – The Sheriff's investment portfolio had concentration of credit risk on June 30, 2020 due to the holding of securities issued by the following U.S. Agencies that are both permitted by statute and Sheriff's investment policy. The Sheriff's investment portfolio consisted of 46% of securities issued by the Federal Home Loan Bank, 33% of securities issued by the Federal Farm Credit Bank and 14% of securities issued by the Government National Mortgage Association (GNMA). The Sheriff's investment policy does not limit the amount it may invest in any one issuer.

**Custodial credit risk-investments** – For an investment, this is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Sheriff does not have an investment policy for custodial credit risk; however, state law described in a preceding paragraph is designed to limit this risk. The Sheriff has custodial credit risk exposure for the investment balance because the related securities are uninsured, unregistered, and held by the government's brokerage firm, which is also the counterparty for these particular securities. Investments are held with an investment management company which is insured by SIPC for up to \$500,000.

The \$88,580 in equity trusts is invested in GNMA re-investment trust securities, valued using net asset value (NAV). This security is a pooled investment vehicle that seeks monthly distributions of interest through long-term investments in a portfolio of Ginnie Maes. Interest in these securities may be liquidated on a daily basis at the daily redemption rate which is NAV.

**SABINE PARISH SHERIFF'S OFFICE  
MANY, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2020**

**6. CAPITAL ASSETS**

The following is a summary of the Governmental Activities capital assets for the Sabine Parish Sheriff's Office as of June 30, 2020:

Governmental Activities	Balance as of June 30, 2019	Additions	Retirements	Balance as of June 30, 2020
Cost of capital assets				
Building	\$ 386,211	\$ -	\$ -	\$ 386,211
Autos & Equipment	2,587,974	489,735	-	3,077,709
Total cost of capital assets	<u>2,974,185</u>	<u>489,735</u>	<u>-</u>	<u>3,463,920</u>
Accumulated depreciation				
Building	104,796	12,932	-	117,728
Autos & Equipment	1,925,094	273,055	-	2,198,149
Total accumulated depreciation	<u>2,029,890</u>	<u>285,987</u>	<u>-</u>	<u>2,315,877</u>
Total Governmental Activities capital assets, net of accumulated depreciation	<u>\$ 944,295</u>	<u>\$ 203,748</u>	<u>\$ -</u>	<u>\$ 1,148,043</u>

For the year ended June 30, 2020, depreciation expense for governmental activities totaled \$285,987 and was charged to the public safety functional expense category.

The following is a summary of the Business-Type Activities capital assets for the Sabine Parish Sheriff's Office as of June 30, 2020:

Business-Type Activities	Balance as of June 30, 2019	Additions	Retirements	Balance as of June 30, 2020
Cost of capital assets				
Land	\$ 111,165	\$ -	\$ -	\$ 111,165
Building	2,104,888	4,500	-	2,109,388
Autos & Equipment	281,556	8,592	-	290,148
Total cost of capital assets	<u>2,497,609</u>	<u>13,092</u>	<u>-</u>	<u>2,510,701</u>
Accumulated depreciation				
Land	-	-	-	-
Building	1,327,085	52,959	-	1,380,044
Autos & Equipment	234,060	16,079	-	250,139
Total accumulated depreciation	<u>1,561,145</u>	<u>69,038</u>	<u>-</u>	<u>1,630,183</u>
Total Business-Type Activities capital assets, net of accumulated depreciation	<u>\$ 936,464</u>	<u>\$ (55,946)</u>	<u>\$ -</u>	<u>\$ 880,518</u>

For the year ended June 30, 2020, depreciation expense for business-type activities totaled \$69,038 and was charged to the detention center functional expense category.

**SABINE PARISH SHERIFF'S OFFICE  
MANY, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2020**

**7. DUE TO/FROM OTHER FUNDS**

Individual balances due to/from other funds at June 30, 2020 are as follows:

	<u>Due to Other Funds</u>	<u>Due from Other Funds</u>
Major funds:		
General Fund - Governmental	\$ 943,744	\$ -
Detention Center - Proprietary	<u>-</u>	<u>943,744</u>
	<u>\$ 943,744</u>	<u>\$ 943,744</u>

**8. LONG-TERM DEBT**

In order to finance the purchase of automobiles, the Sheriff has entered into direct borrowing financed purchase agreements. The total amount financed was approximately \$783,000 due in monthly installments of \$806 to \$9,426 over a period of 36 months maturing between November 2019 and October 2022 including interest ranging from 3.75% to 4.75%. The automobiles are pledged as collateral for the direct borrowing. In the event of default or termination, the lender may declare all amounts due and payable and request that the automobiles be returned to the lender.

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

Governmental-type Activities:

	<u>Notes from Direct Borrowings</u>
Balance at July 1, 2019	\$ 205,877
Increases	315,664
Pay downs and other decreases	<u>(202,599)</u>
Balance at June 30, 2020	<u>\$ 318,942</u>

Debt service requirements on long-term debt from direct borrowings at June 30, 2020, are as follows:

<u>Year Ending June 30,</u>	<u>Principal payments</u>	<u>Interest payments</u>	<u>Total</u>
2021	\$ 164,504	\$ 11,106	\$ 175,610
2022	126,420	4,432	130,852
2023	<u>28,018</u>	<u>213</u>	<u>28,231</u>
Total	<u>\$ 318,942</u>	<u>\$ 15,751</u>	<u>\$ 334,693</u>

**SABINE PARISH SHERIFF'S OFFICE  
MANY, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2020**

**9. DEFINED BENEFIT PENSION PLAN**

The Sheriff is a participating employer in the Sheriffs' Pension and Relief Fund which is a cost-sharing defined benefit pension plan. The Fund is a public corporation created in accordance with the provision 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 Louisiana Sheriffs' Association (LSA) and Sheriffs' Pension and Relief Fund's Office. The Fund is governed by a Board of Trustees composed of 14 elected members and two legislators who serve as ex-officio members, all of whom are voting members.

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

**Plan Description**

Sheriffs' Pension and Relief Fund is the administrator of a cost-sharing defined benefit pension plan. The plan provides retirement, disability, and survivor benefits to employees of sheriff's offices throughout the state of Louisiana, employees of the Louisiana Sheriff's Association and the Sheriff's Pension and Relief Fund's Office as defined in LRS 11:2171. Eligibility for retirement benefits and the computation of retirement benefits are provided for in LRS 11:2178.

**Cost of Living Adjustments:**

Cost of living provisions for the Fund allows the board of trustees to provide an annual cost of living increase of 2.5% of the eligible retiree's original benefit if certain funding criteria are met. Members are eligible to receive a cost of living adjustment once they have attained the age of sixty and have been retired at least one year. Funding criteria for granting cost of living adjustments is dependent on the funded ratio.

**Funding Policy**

According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ending June 30, 2020, the actual employer contribution rate was 12.25%. Also, employer contributions for the year ended June 30, 2020, were \$424,968. 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. Non-employer contributions recognized for the year ended June 30, 2020, were \$200,252.

Plan members are required by state statute to contribute 10.25 % of their annual covered salary.

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

At June 30, 2020, the Sheriff reported a liability of \$2,236,135 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Sheriff's proportion of the net pension liability was based on the Sheriff's share of contributions to the pension plan relative to the contributions of all participating employers, during the measurement period. At June 30, 2019, the Sheriff's proportion was 0.4727%, which was a decrease of 0.0070% from its proportion measured as of June 30, 2018.

**SABINE PARISH SHERIFF'S OFFICE  
MANY, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2020**

**9. DEFINED BENEFIT PENSION PLAN (continued)**

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

For the year ended June 30, 2020, the Sheriff recognized pension expense of \$588,512 including employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ (428,398)
Changes of assumptions	683,394	-
Net difference between projected and actual earnings on pension plan investments	80,468	-
Changes in proportionate and differences between employer contributions and proportionate share of contributions	42,191	(57,828)
Contributions in excess/deficiency of required amount	303	(1,664)
Employer contributions subsequent to the measurement date	424,968	-
	\$ 1,231,324	\$ (487,890)
Total deferred outflows and deferred inflows		

The Sheriff reported a total of \$424,968 as deferred outflow of resources related to pension contributions made subsequent to the measurement period of June 30, 2019, which will be recognized as a reduction in net pension liability in the year ended June 30, 2021.

At June 30, 2020, the net pension liability, deferred outflows and deferred inflows are reflected on the Statement of Net Position as follows:

Net Pension	Deferred Liability	Deferred Outflows	Inflows
Governmental Activities	\$ 1,565,295	\$ 861,927	\$ (341,523)
Business-Type Activities	670,840	369,397	(146,367)
Total	\$ 2,236,135	\$ 1,231,324	\$ (487,890)

**SABINE PARISH SHERIFF'S OFFICE  
MANY, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2020**

**9. DEFINED BENEFIT 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,	Total
2021	\$ 126,123
2022	(67,844)
2023	101,328
2024	120,737
2025	38,122
	\$ 318,466

**Actuarial Methods and Assumptions**

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

<b>Valuation Date</b>	June 30, 2019
<b>Actuarial Cost Method</b>	Entry Age Normal
<b>Actuarial Assumptions:</b>	
<b>Expected Remaining Service Lives</b>	6 years
<b>Investment Rate of Return</b>	7.10%, net of investment expense
<b>Projected salary increases</b>	5.5% (2.50% inflation, 3.00% merit)
<b>Mortality</b>	RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Table for active members, healthy annuitants and beneficiaries RP-2000 Disabled Lives Mortality Table for disabled annuitants
<b>Cost of Living Adjustments</b>	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.
<b>Changes in Valuation Methods and Assumptions</b>	The valuation interest rate lowered from 7.25% to 7.10% for the year ended June 30, 2019.

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. The target allocation and best estimates of geometric real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2019 are summarized in the following table:

**SABINE PARISH SHERIFF'S OFFICE  
MANY, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2020**

**9. DEFINED BENEFIT PENSION PLAN (continued)**

**Actuarial Methods and Assumptions (continued)**

Asset Class	Long-Term Expected Rate of Return	
	Target Asset Allocation	Long-Term Expected Portfolio Real Rate of Return
Equity securities	62%	4.40%
Fixed Income	23%	0.70%
Alternative investments	15%	0.60%
Total	100%	5.70%
Inflation		2.40%
Expected arithmetic nominal return		8.10%

**Discount Rate**

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

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

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

	1.0% Decrease	Current Discount Rate	1.0% Increase
Rates	6.10%	7.10%	8.10%
Sheriff's Share of NPL	\$ 4,676,101	\$ 2,236,135	\$ 182,682

**Payables to the Pension Plan**

The Sheriff recorded accrued liabilities to the Fund for the year ended June 30, 2020 mainly due to the accrual for payroll at the end of the fiscal year. The amounts due are included in liabilities under the amounts reported as accounts, salaries and other payables. The balance due to the retirement system at June 30, 2020 is \$28,467.

**SABINE PARISH SHERIFF'S OFFICE  
MANY, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2020**

**10. OTHER POST-EMPLOYMENT BENEFITS (OPEB)**

**General Information about the OPEB Plan**

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

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

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

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

Inactive employees or beneficiaries currently receiving benefit payments	23
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	77
	100

**Total OPEB Liability**

The Sheriff's total OPEB liability of \$7,510,077 was measured as of June 30, 2020 and was determined by an actuarial valuation as of that date.

*Actuarial Assumptions and other inputs* – The total OPEB liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.5%	
Salary increases	3.0%, including inflation	
Prior Discount rate		3.50%, annually
Discount rate		2.21%, annually
Healthcare cost trend rates	5.5%, annually until year 2030, then 4.5%	
Mortality	SOA RP-2014 Combined Mortality Table	



**SABINE PARISH SHERIFF'S OFFICE  
MANY, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2020**

**10. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (continued)**

**Total OPEB Liability (continued)**

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

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

**Changes in the Total OPEB Liability**

Balance at June 30, 2019	\$ 6,883,153
Changes for the year:	
Service cost	178,229
Interest	244,029
Differences between expected and actual experience	(268,066)
Changes in assumptions	624,568
Benefit payments and net transfers	<u>(151,836)</u>
Net changes	<u>626,924</u>
Balance at June 30, 2020	<u>\$ 7,510,077</u>

The amount of total OPEB liability estimated to be due and payable within one year is \$161,000.

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

	<b>1.0% Decrease (1.21%)</b>	<b>Current Discount Rate (2.21%)</b>	<b>1.0% Increase (3.21%)</b>
<b>Total OPEB liability</b>	<b>\$ 8,855,775</b>	<b>\$ 7,510,077</b>	<b>\$ 6,445,323</b>

*Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates* – The following presents the total OPEB liability of the Sheriff, as well as what the Sheriff's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (4.5%) or 1-percentage-point higher (6.5%) than the current healthcare trend rates:

	<b>1.0% Decrease (4.5%)</b>	<b>Healthcare Cost Trend Rate (5.5%)</b>	<b>1.0% Increase (6.5%)</b>
<b>Total OPEB liability</b>	<b>\$ 6,693,780</b>	<b>\$ 7,510,077</b>	<b>\$ 8,528,381</b>

**SABINE PARISH SHERIFF'S OFFICE  
MANY, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2020**

**10. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (continued)**

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

For the year ended June 30, 2020, the Sheriff recognized OPEB expense of \$500,576. At June 30, 2020, the Sheriff reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 526,598	\$ (238,281)
Changes in assumptions	647,875	-
<b>Total</b>	<b>\$ 1,174,473</b>	<b>\$ (238,281)</b>

At June 30, 2020, the total OPEB liability, deferred outflows of resources and deferred inflows of resources are reflected on the Statement of Net Position as follows:

Total OPEB	<u>Deferred Liability</u>	<u>Deferred Outflows</u>	<u>Inflows</u>
Governmental Activities	\$ 5,735,565	\$ 930,619	\$ (188,260)
Business-Type Activities	<u>1,774,512</u>	<u>243,854</u>	<u>(50,021)</u>
<b>Total</b>	<b>\$ 7,510,077</b>	<b>\$ 1,174,473</b>	<b>\$ (238,281)</b>

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

<u>Years ending June 30:</u>	
2021	\$ 78,317
2022	78,317
2023	78,317
2024	78,317
2025	78,317
Thereafter	<u>544,607</u>
	<b>\$ 936,192</b>

**11. LITIGATION AND CLAIMS**

The Sabine Parish Sheriff is a defendant in various litigation as of the close of business on June 30, 2020. Although the outcome of these lawsuits is not presently determinable, in the opinion of the Sheriff and legal counsel, resolution of these matters would not create a liability in excess of insurance coverage that would have a material adverse effect on the financial condition of the Sheriff.

**SABINE PARISH SHERIFF'S OFFICE  
MANY, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2020**

**12. EXPENDITURES OF THE SHERIFF'S OFFICE PAID BY THE PARISH COUNCIL**

The Sheriff's Office is located in the parish courthouse. Expenditures for maintenance and operation of the parish courthouse, as required by state statute, are paid by the Sabine Parish Police Jury and are not included in the accompanying financial statements.

**13. CHANGES IN FIDUCIARY AMOUNTS**

A summary of changes for the year ended June 30, 2020, in fiduciary amount due to taxing bodies and others follows:

	Balance at Beginning of Year	Additions	Reductions	Balance at End of Year
Agency funds:				
Sheriff's Fund	\$ 132,672	\$ 760,662	\$ 697,652	\$ 195,682
Tax Collector	17,398	19,248,372	18,388,408	877,362
<b>Total</b>	<b>\$ 150,070</b>	<b>\$ 20,009,034</b>	<b>\$ 19,086,060</b>	<b>\$ 1,073,044</b>

**14. EX-OFFICIO TAX COLLECTOR**

The amount of cash on hand and available for settlements as of June 30, 2020 was \$877,362. Of that cash on hand, \$744,274 is related to taxes paid under protest.

As of June 30, 2020, \$96,960 of the taxes assessed in Sabine Parish from the 2019 tax roll was not collected. The uncollected taxes pertaining to immovable property are pending resolution from the Louisiana Tax Commission. The uncollected taxes pertaining to movable properties are for businesses, oil and gas or pipelines. These will have tax liens placed on them. As of June 30, 2020, \$47,749 of the taxes assessed were refunded.

The amount of taxes assessed and uncollected for the current year by taxing authority is as follows:

	Taxes Assessed (Adjusted Roll)	Taxes Collected (Net Collected)	Uncollected (To be Collected)
Sabine Parish Assessor	\$ 1,193,754	\$ 1,187,758	\$ 5,996
Louisiana Agriculture & Forestry Commission	34,410	34,407	3
Louisiana Tax Commission	9,958	9,958	-
North Sabine Fire District	1,309,265	1,301,991	7,274
Sabine Parish Sheriff	2,831,969	2,817,745	14,224
Sabine Humane Society, Inc.	348,520	346,769	1,751
Sabine Parish Fire District 1	981,376	977,361	4,015
Sabine Parish Library	1,095,624	1,090,121	5,503
Sabine Parish Police Jury	4,041,225	4,020,514	20,711
Sabine Parish School Board	6,682,697	6,645,214	37,483
<b>Total</b>	<b>\$ 18,528,798</b>	<b>\$ 18,431,838</b>	<b>\$ 96,960</b>

**SABINE PARISH SHERIFF'S OFFICE  
MANY, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2020**

**15. TAXES PAID UNDER PROTEST**

Louisiana Revised Statute 47:1576 provides that taxpayers, at the time of payment of all taxes due, may give notice to the tax collector of their intention to file suit for recovery of all or a portion of the total taxes paid. Upon receipt of a notice, the amount paid shall be segregated and held by the tax collector for a period of thirty days. If a suit is filed within thirty days, the segregated funds shall be held pending outcome of the suit. If the taxpayer prevails, the tax collector shall refund the amount due with interest from the date the funds were received by the tax collector. As of June 30, 2020, there was \$744,274 paid under protest and escrowed.

**16. TAX ABATEMENT**

The Louisiana Industrial Ad Valorem Tax Exemption program (Louisiana Administrative Code, Title 13, Chapter 5) is a state incentive program which abates, up to ten years, local ad valorem taxes on a manufacturer's new investment and annual capitalized additions related to the manufacturing site. Applications to exempt qualified property for five years are approved by the Louisiana Economic Development's Board of Commerce and Industry. The exemption may be renewed for an additional five years. For the fiscal year ending June 30, 2020, approximately \$56,000 in Sabine Parish Sheriff ad valorem tax revenues were abated by the state of Louisiana through the Louisiana Industrial Ad Valorem Tax Exemption program.

**17. SUBSEQUENT EVENTS**

The Sheriff has evaluated subsequent events through December 21, 2020, the date the financial statements were available to be issued, and determined that the following item required additional disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

In March 2020, the World Health Organization declared the coronavirus (COVID-19) a global pandemic. The spread of the virus has adversely affected global business activities and has resulted in significant uncertainty in the global economy. The impact of the COVID-19 continues to evolve and has been marked by rapid changes and developments. The impact of the outbreak may be short-term or may last for an extended period of time. The extent to which the COVID-19 pandemic may directly or indirectly impact the Sheriff's financial condition or results of operations cannot be reasonably estimated at this time.

In response to COVID-19 pandemic, the Federal Government passed the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act"). As part of the CARES Act, states and localities were to receive direct payments totaling \$150 billion. Louisiana's share totaled \$1.8 billion. The State allocated a portion of these funds to parishes and municipalities who have or will incur expenditures due to the public health emergency between the dates of March 1, 2020 and December 31, 2020. Through the date subsequent events were evaluated, the Sheriff's Office has collected \$1,496,888 in CARES Act funding, of which \$711,746 was recognized as revenue as of June 30, 2020. All reimbursement requests have been submitted to date.

**REQUIRED SUPPLEMENTARY INFORMATION – PART II**

**SABINE PARISH SHERIFF'S OFFICE**  
**MANY, LOUISIANA**

**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**YEAR ENDED JUNE 30, 2020**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
<b><u>REVENUES</u></b>			
Taxes	\$ 5,410,000	\$ 6,689,294	\$ 6,772,794
State revenue sharing	66,577	66,594	66,594
Intergovernmental revenues	253,550	223,244	946,250
Fees, charges and commissions for services	604,170	610,246	740,567
Interest and investment earnings	110,640	144,902	174,891
Other	54,000	20,748	18,333
Total Revenues	<u>6,498,937</u>	<u>7,755,028</u>	<u>8,719,429</u>
<b><u>EXPENDITURES</u></b>			
Public Safety			
Personnel services and related benefits	3,921,087	4,060,273	3,998,948
Operating services	440,010	511,496	591,247
Material and supplies	509,900	580,481	552,506
Travel and other charges	36,000	20,895	36,799
Professional services	44,203	44,863	45,561
Capital outlay	89,400	62,396	161,889
Debt Service			
Principle payments on long-term debt	162,000	202,477	202,599
Interest on long-term debt	9,850	16,273	16,199
Total Expenditures	<u>5,212,450</u>	<u>5,499,154</u>	<u>5,605,748</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,286,487	2,255,874	3,113,681
<b><u>OTHER FINANCING SOURCES (USES)</u></b>			
Transfers out	(1,119,981)	(1,292,594)	(1,358,409)
Total Other Financing Sources (Uses)	<u>(1,119,981)</u>	<u>(1,292,594)</u>	<u>(1,358,409)</u>
NET CHANGE IN FUND BALANCE	166,506	963,280	1,755,272
FUND BALANCE AT BEGINNING OF YEAR	<u>7,964,455</u>	<u>7,416,017</u>	<u>8,165,038</u>
FUND BALANCE AT END OF YEAR	<u>\$ 8,130,961</u>	<u>\$ 8,379,297</u>	<u>\$ 9,920,310</u>

**Notes to Schedule:**

Budget to Actual Reconciliation - Budgets are prepared on a budgetary basis which does not recognize the non-cash affects of other financing sources and capital outlay associated with debt used to purchase or lease assets. A reconciliation of the budgetary basis capital outlay and other financing sources is presented below:

	<u>Capital outlay</u>	<u>Other financing sources</u>
GAAP basis capital outlay and other financing sources	\$ 477,553	\$ 315,664
Back out: Assets acquired through financed purchase	(315,664)	(315,664)
Budgetary basis capital outlay and other financing sources	<u>\$ 161,889</u>	<u>\$ -</u>

**SABINE PARISH SHERIFF'S OFFICE**  
**MANY, LOUISIANA**

**SCHEDULE OF CHANGES IN**  
**TOTAL OTHER POST-EMPLOYMENT BENEFITS LIABILITY AND RELATED RATIOS**

Financial statement reporting date	Measurement date	Service cost	Interest	Differences between expected and actual experience	Changes of assumptions	Benefit payments	Net change in total OPEB liability	Total OPEB liability - beginning	Total OPEB liability - ending	Covered payroll	Total OPEB liability as a percentage of covered payroll
6/30/2020	6/30/2020	\$ 178,229	\$ 244,029	\$ (268,066)	\$ 624,568	\$ (151,836)	\$ 626,924	\$ 6,883,153	\$ 7,510,077	\$ 2,848,796	263.62%
6/30/2019	6/30/2019	\$ 162,389	\$ 223,695	\$ 400,537	\$ 104,291	\$ (105,997)	\$ 784,915	\$ 6,098,238	\$ 6,883,153	\$ 3,272,032	210.36%
6/30/2018	6/30/2018	\$ 160,142	\$ 210,503	\$ 202,545	\$ -	\$ (129,810)	\$ 443,380	\$ 5,654,858	\$ 6,098,238	\$ 3,176,730	191.97%

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

*There are no assets accumulated in a trust that meets the criteria of Paragraph 4 of GASB 75 for this OPEB plan.*

See the accompanying notes to the Required Supplementary Information.

**SABINE PARISH SHERIFF'S OFFICE**  
**MANY, LOUISIANA**

**SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**SHERIFFS' PENSION AND RELIEF FUND**  
**FOR THE YEAR ENDED JUNE 30, 2020 (\*)**

<u>Year</u>	<u>Employer's Proportion of the Net Pension Liability (Asset)</u>	<u>Employer's Proportionate Share of the Net Pension Liability (Asset)</u>	<u>Employer's Covered Payroll</u>	<u>Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
2020	0.47%	\$ 2,236,135	\$ 3,304,418	67.67%	88.91%
2019	0.48%	1,839,638	3,301,934	55.71%	90.41%
2018	0.48%	2,060,686	3,288,052	62.67%	88.49%
2017	0.49%	3,080,199	3,314,415	92.93%	82.10%
2016	0.47%	2,102,210	3,126,852	67.23%	86.61%
2015	0.48%	1,899,694	3,173,301	59.86%	87.34%

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

(\*) The amounts presented have a measurement date of June 30th of the previous year-end.

See the accompanying notes to the Required Supplementary Information.



**SABINE PARISH SHERIFF'S OFFICE**  
**MANY, LOUISIANA**

**SCHEDULE OF THE EMPLOYER CONTRIBUTIONS TO**  
**THE SHERIFFS' PENSION AND RELIEF FUND**

Year	Contractually Required Contribution <sup>1</sup>	Contributions in Relation to Contractually Required Contribution <sup>2</sup>	Contribution Deficiency (Excess)	Employer's Covered Payroll <sup>3</sup>	Contributions as a % of Covered Payroll
2020	\$ 424,968	\$ 424,968	-	\$ 3,469,119	12.25%
2019	405,419	405,419	-	3,304,418	12.27%
2018	420,996	420,996	-	3,301,934	12.75%
2017	435,928	435,928	-	3,288,052	13.26%
2016	455,733	455,733	-	3,314,415	13.75%
2015	445,576	445,576	-	3,126,852	14.25%

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

***For reference only:***

<sup>1</sup> *Employer contribution rate multiplied by employer's covered payroll*

<sup>2</sup> *Actual employer contributions remitted to Fund*

<sup>3</sup> *Employer's covered payroll amount for the fiscal year ended June 30*

See the accompanying notes to the Required Supplementary Information.

**SABINE PARISH SHERIFF'S OFFICE**  
**MANY, LOUISIANA**

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**FOR THE YEAR ENDED JUNE 30, 2020**

***CHANGES IN BENEFIT TERMS AND ASSUMPTIONS RELATED TO OTHER POST-EMPLOYMENT BENEFIT PLAN***

Changes in benefit terms -

There were no changes of benefit terms for the years presented.

Changes in assumptions -

The fluctuations in the changes in assumptions balance was a result of changes in the discount rate. The following are the discount rates used in each measurement of total other post-employment obligation.

Measurement			
Year end	Date	Rate	Change
6/30/2020	6/30/2020	2.210%	-1.290%
6/30/2019	6/30/2019	3.500%	-0.120%
6/30/2018	6/30/2018	3.620%	0.040%
6/30/2017	6/30/2017	3.580%	

***CHANGES IN BENEFIT TERMS AND ASSUMPTIONS RELATED TO LOUISIANA SHERIFFS' PENSION AND RELIEF FUND***

Changes in benefit terms -

There were no changes of benefit terms for the years presented.

Changes in assumptions -

The following changes in actuarial assumptions for each year are as follows:

<b>Discount Rate:</b>			<b>Merit:</b>		
Year End (*)	Rate	Change	Year End (*)	Rate	Change
6/30/2020	7.100%	-0.150%	6/30/2020	3.000%	0.100%
6/30/2019	7.250%	-0.150%	6/30/2019	2.900%	0.175%
6/30/2018	7.400%	-0.100%	6/30/2018	2.725%	0.100%
6/30/2017	7.500%	-0.100%	6/30/2017	2.625%	0.000%
6/30/2016	7.600%	-0.100%	6/30/2016	2.625%	-0.375%
6/30/2015	7.700%		6/30/2015	3.000%	

  

<b>Inflation Rate:</b>			<b>Investment rate of return:</b>		
Year End (*)	Rate	Change	Year End (*)	Rate	Change
6/30/2020	2.500%	-0.100%	6/30/2020	7.100%	-0.150%
6/30/2019	2.600%	-0.175%	6/30/2019	7.250%	-0.250%
6/30/2018	2.775%	-0.100%	6/30/2018	7.500%	-0.100%
6/30/2017	2.875%	0.000%	6/30/2017	7.600%	-0.100%
6/30/2016	2.875%	-0.125%	6/30/2016	7.700%	0.000%
6/30/2015	3.000%		6/30/2015	7.700%	

  

<b>Salary Increases:</b>		
Year End (*)	Rate	Change
6/30/2020	5.500%	0.000%
6/30/2019	5.500%	0.000%
6/30/2018	5.500%	0.000%
6/30/2017	5.500%	0.000%
6/30/2016	5.500%	-0.500%
6/30/2015	6.000%	

(\*) The amounts presented have a measurement date of the previous fiscal year-end.

**OTHER SUPPLEMENTARY INFORMATION**

STATE OF LOUISIANA, PARISH OF SABINE

AFFIDAVIT

AARON MITCHELL, SHERIFF OF SABINE PARISH

---

BEFORE ME, the undersigned authority, personally came and appeared, Aaron Mitchell, the Sheriff of Sabine Parish, State of Louisiana, who after being sworn, deposed and said:

The following information is true and correct:

\$877,362 is the amount of cash on hand in the tax collector account on June 30, 2020.

He further deposed and said:

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

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



Aaron Mitchell,  
Sheriff of Sabine Parish

Sworn to and subscribed before me, this 23 day of December 2020, in my Office in Many, Louisiana.



Notary Public, # 142923  
Sabine Parish, Louisiana

**SABINE PARISH SHERIFF'S OFFICE**  
**MANY, LOUISIANA**

**SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS**  
**TO THE SABINE PARISH SHERIFF**  
**FOR THE YEAR ENDED JUNE 30, 2020**

Sabine Parish Sheriff, Ronny Richardson (through June 30, 2020)

Purpose	Amount
Salary	\$ 150,791
Benefits - insurance	10,322
Benefits - retirement	18,472
Expense allowance	<u>15,079</u>
	<u>\$ 194,664</u>

**OTHER REPORTS REQUIRED BY *GOVERNMENTAL AUDITING STANDARDS***

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

Honorable Aaron Mitchell, Sheriff  
Sabine Parish Sheriff's Office  
Many, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Sabine Parish Sheriff's Office (Sheriff), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Sheriff's basic financial statements, and have issued our report thereon dated December 21, 2020.

**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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a deficiency in internal control, described in the accompanying schedule of findings and recommendations that we consider to be a significant deficiency, identified as 2020-001.

**Compliance and Other Matters**

As a part of obtaining reasonable assurance about whether the Sabine Parish Sheriff's Office 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 two instances of noncompliance or other matter that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and recommendations as items 2020-002 and 2020-003.



**Sabine Parish Sheriff’s Office Response to Findings**

The Sheriff’s response to the finding identified in our audit is described in the accompanying schedule of findings and recommendations. 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 it.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads 'Postlethwaite &amp; Netterville' in a cursive script.

Baton Rouge, Louisiana  
December 21, 2020



**SABINE PARISH SHERIFF'S OFFICE**  
**MANY, LOUISIANA**  
**SCHEDULE OF FINDINGS AND RECOMMENDATIONS**  
**JUNE 30, 2020**

**SECTION #1**

**SUMMARY OF AUDITORS' RESULTS**

**FINANCIAL STATEMENTS**

- |  |            |
|--|------------|
| 1. Type of auditors' report issued.  | Unmodified |
| 2. Internal control over financial reporting:  |            |
| a. Material weakness(es) identified?   | No         |
| b. Significant deficiency(ies) identified that are not considered to be material weaknesses? | Yes        |
| 3. Noncompliance material to financial statements noted?                                     | Yes        |

**SECTION #2**

**FINANCIAL STATEMENT FINDINGS**

**2020-001**                      **Agency Fund Reconciliation (Repeat)**

Criteria:                      The Sheriff's Fund bank account is used as a depository for court fines, traffic tickets payments, commercial and cash bonds, and undistributed Sheriff's sales. Control procedures should be in place that reconciles the case or docket balances to the depository balance.

Condition:                      These depository cash balances are reconciled to the balances recorded in the subsidiary listing of cases, dockets, receipts, tickets or undistributed Sheriff's sales upon request. However, the cash balances are not reconciled to subsidiary listings regularly.

Effect:                              Unauthorized transactions may occur and not be detected timely.

Cause:                              Limited staff makes it difficult to initiate the process and develop the correct reports from the case management software.

Recommendation:                      We recommend that the Sheriff initiate/improve the process of reconciling subsidiary balances to the respective depository balances.

**Management's Response and Planned Corrective Action:**

*The Sheriff will continue to work internally to improve the process of reconciling the agency fund balances including implementation of the above controls. This resolution will be implemented by June 30, 2021.*

**2020-002**                      **Public Bid Law**

Criteria:                      According to Louisiana Revised Statute 38:2212.1, all purchases of any materials or supplies exceeding the sum of thirty thousand dollars to be paid out of public funds shall be advertised and let by contract to the lowest responsible bidder who has bid according to the specifications as advertised. Purchases of ten thousand dollars or more, but less than thirty thousand dollars, shall be made by obtaining not less than three telephone or facsimile quotations.

**SABINE PARISH SHERIFF'S OFFICE**  
**MANY, LOUISIANA**  
**SCHEDULE OF FINDINGS AND RECOMMENDATIONS**  
**JUNE 30, 2020**

**2020-002**

**Public Bid Law (continued)**

**Condition:**

We observed the following conditions:

- The Sheriff contracted with a vendor for the purchase of radios and radio equipment. The total amount paid to the vendor for the purchase was approximately \$56,000. The purchase was not advertised and bids were not obtained.
- The Sheriff contracted with a vendor for the purchase of a new truck. The total amount paid to the vendor for the purchase was approximately \$44,000. The purchase was appropriately advertised; however, we were unable to determine compliance with the bid process as the Sheriff's Office did not maintain appropriate documentation (sealed bid / opened envelope). In addition, the Sheriff's Office was specific in the particular brand name and model number advertised in the bid, but did not clearly state that products of similar quality and character would be acceptable per AG Op. No. 09-0095.

**Effect:**

The Sheriff is in violation of the Louisiana statute.

**Cause:**

The Sheriff was not in compliance with Louisiana Revised Statute 38:2212.1.

**Recommendation:**

The Sheriff should consider the applicability of the public bid law prior to purchase.

Additionally, the auditors noted the purchased vehicle was included on the Louisiana Fleet - Cooperative Purchasing website at a significantly lower price. As the Sheriff only received one bid on the truck, the Sheriff's Office could have reviewed the website and leveraged an existing state and/or other political subdivision's contract price to gain more fair and equitable pricing for the Sheriff's Office.

**Management's Response and Planned Corrective Action:**

*While not necessarily sole-source, the vendor referred to has proven to provide the most reliable equipment of the nature purchased and is closer than other sources. We are not going to purchase equipment considered inferior or less reliable, and considerations are given to time and expense of travel, which would likely offset any slightly lower price available many miles away. There is little sense in calling other vendors and doing so could easily lead, eventually, to their refusal to even entertain our requests.*

*We do not believe the vehicle purchased was available with all desired options through the Louisiana Fleet – Cooperative Purchasing website. We advertised the vehicle in the local paper of record, received only one bid, and purchased the vehicle from the local vendor who submitted it. The purchase price was twenty percent below MSRP.*

*There is only one new vehicle dealer in our parish. We do not believe any other vendor even saw the advertisement; although we specified the make and model of the vehicle, we would have welcomed bids for other models if any vendor(s) had asked.*

**SABINE PARISH SHERIFF'S OFFICE**  
**MANY, LOUISIANA**  
**SCHEDULE OF FINDINGS AND RECOMMENDATIONS**  
**JUNE 30, 2020**

**2020-002**                      **Public Bid Law (continued)**

*Management's Response and Planned Corrective Action:* (continued)

*It should be noted that the administration of the department changed on July 1, 2020, the day after the audit date. The new sheriff and chief deputy have been very diligent in efforts to comply with the provisions of La. R.S. 38:2212.1.*

**2020-003**                      **Collateral on Deposits**

Criteria:                      Louisiana law requires deposits over \$250,000, the FDIC insured limit, to be secured by collateral (R.S. 39:1218 through R.S. 39:1221). The fiscal agent bank is required to deposit and maintain with an unaffiliated bank that security.

Condition:                      Collateral and FDIC insurance were deficient by approximately \$285,000 for accounts with two banks at June 30, 2020

- Sabine State Bank - \$35,000
- Bank of Montgomery - \$250,000

Effect:                              The Sheriff is in violation of the Louisiana statute.

Cause:                              The Sheriff was not in compliance with Louisiana Revised Statute 39:1218 through 39:1221.

Recommendation:              We recommend that the Sheriff implement a procedure whereby collateral coverage is reviewed quarterly.

*Management's Response and Planned Corrective Action:*

*Management concurs with this finding. Management will implement a procedure where collateral is reviewed quarterly. This will be implemented by January 31, 2021 We consider the \$35,000 unsecured overage at Sabine State Bank to be nearly immaterial. If banks do not check pledging on a daily basis and if the depositing agency checks only quarterly – as recommended – an undetected under-pledged situation can easily result.*

*The department entered into new deposit agreements with the Bank of Montgomery and did not begin using the new accounts until July 1; except for the one deposit cited as an exception, which was deposited on June 30 (the audit date). If the bank didn't know a deposit was coming, it would have been impossible for them to arrange necessary pledging on the same business day.*

**SABINE PARISH SHERIFF'S OFFICE**  
**MANY, LOUISIANA**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**JUNE 30, 2020**

FINDINGS – FINANCIAL STATEMENT AUDIT

**2019-001**                      **Agency Fund Reconciliation (Repeat)**

Criteria:                      The Sheriff's Fund bank account is used as a depository for court fines, traffic tickets payments, commercial and cash bonds, and undistributed Sheriff's sales. Control procedures should be in place that reconciles the case or docket balances to the depository balance.

Condition:                      These depository cash balances are reconciled to the balances recorded in the subsidiary listing of cases, dockets, receipts, tickets or undistributed sheriff's sales upon request. However, the cash balances are not reconciled to subsidiary listings regularly.

Current Status:                      *Repeat Finding 2020-001.*

December 21, 2020

Honorable Aaron Mitchell  
Sabine Parish Sheriff  
Many, Louisiana

We have audited the financial statements of the Sabine Parish Sheriff's Office (Sheriff) for the year ended June 30, 2020, and have issued our report thereon. As part of our audit, we evaluated the internal accounting control to the extent we considered necessary to evaluate the system as required by auditing standards generally accepted in the United States of America. Under these standards, the purposes of such evaluation are to establish a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Sheriff's internal control.

The objective of internal control is to provide reasonable, but not absolute, assurance as to the safeguarding of assets against loss from unauthorized use or disposition, and the reliability of the financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of a system of internal accounting control should not exceed the benefits derived and also recognizes that the evaluation of these factors necessarily requires estimates and judgments by management.

No matter how good a system, there are inherent limitations that should be recognized in considering the potential effectiveness of internal accounting controls. In the performance of most control procedures, errors can result from misunderstanding of instructions, mistakes of judgment, carelessness, or other personal factors. Control procedures whose effectiveness depends upon segregation of duties can be circumvented by collusion. Similarly, control procedures can be circumvented intentionally by management either with respect to the execution and recording of transactions or with respect to the estimates and judgments required in the preparation of financial statements. Further, projection of any evaluation of internal accounting control to future periods is subject to the risk that the degree of compliance with the procedures may deteriorate. We say this simply to suggest that any system needs to be constantly reviewed and improved where necessary.

During the course of our audit, we became aware of matters that are opportunities for strengthening internal controls or operating efficiency. Our comments and suggestions regarding those matters are set forth below. The Sheriff's response to the matters identified below were not subjected to auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it. This letter does not affect our reports dated December 21, 2020, on the financial statements, compliance and internal controls of the Sheriff.

### **Current Year**

#### **MLC-2020-001 Segregation of Duties and Internal Controls (repeat)**

##### **Criteria:**

Internal controls should be established to ensure that transactions are authorized, and errors and unauthorized transactions are prevented or detected and corrected timely. Generally, effective internal controls segregate the incompatible duties of authorizing the transaction, accounting and reconciliation duties and having access to the assets. If mitigating controls exist, then those control procedures should be clear and documented.

**Condition:**

We observed the following conditions:

- The Chief Civil Deputy has the authority to issue purchase orders/requisitions, approve invoices for payment, and sign checks as well as prepare and review bank reconciliations. The Sheriff has implemented controls mitigating the lack of segregation of duties. Non-routine purchases initiated by the Chief Civil Deputy are scrutinized by the Accounts Payable Clerk. Further, material non-routine purchases initiated by the Chief Civil Deputy must be approved by the Sheriff. Further, policies and procedures were adopted, which broadly describe these mitigating controls. However, policies and procedures do not specifically address the method, frequency, or documentation evidencing these reviews and approvals.
- The Chief Civil Deputy has the authority to approve timesheets, change pay rates and approve payroll. In addition, the Payroll Clerk processes payroll as well as updates/changes pay rates (approved by Sheriff, Chief Deputy and/or Chief Civil Deputy) in the payroll system. As a mitigating process, the payroll is also reviewed for reasonableness by the Sheriff. However, policies and procedures do not specifically address the method, frequency, or documentation evidencing these reviews and approvals.

**Recommendation:**

The Sheriff should update policies and procedures to fully describe the methods, frequencies and documentation evidencing the review and/or approval of transactions initiated by the Chief Civil Deputy and payroll. The process of reviewing and/or approving should be evidenced by initials or signatures on the documents being reviewed and/or approved.

*Management's Response and Corrective Action:*

*Policies will be revised as suggested.*

**MLC-2020-002 Cybersecurity Risks**

**Criteria:**

Cybersecurity risks exists with respect to information technology. Training and education with regard to cybersecurity risks (i.e. phishing emails, data security, encryption, etc.) should be completed by all personnel.

**Condition:**

Personnel are not formally educated and trained with regard to the threats of cybersecurity risks.

**Recommendation:**

We recommend that the Sheriff implement annual training and education with regard to cybersecurity risks for all personnel.

Management's Response and Corrective Action:

*Management concurs with this finding. Management will conduct cybersecurity training and education for all personnel. Management anticipates implementing a solution by June 30, 2021.*

**Prior Year**

**MLC-2019-001 Segregation of Duties and Internal Controls (repeat)**

**Criteria:**

Internal controls should be established to ensure that transactions are authorized, and errors and unauthorized transactions are prevented or detected and corrected timely. Generally, effective internal controls segregate the incompatible duties of authorizing the transaction, accounting and reconciliation duties and having access to the assets. If mitigating controls exist, then those control procedures should be clear and documented.

**Condition:**

We observed the following conditions:

- The Chief Civil Deputy has the authority to issue purchase orders/requisitions, approve invoices for payment, and sign checks as well as prepare and review bank reconciliations. The Sheriff has implemented controls mitigating the lack of segregation of duties. Non-routine purchases initiated by the Chief Civil Deputy are scrutinized by the Accounts Payable Clerk. Further, material non-routine purchases initiated by the Chief Civil Deputy must be approved by the Sheriff. Further, policies and procedures were adopted, which broadly describe these mitigating controls. However, policies and procedures do not specifically address the method, frequency, or documentation evidencing these reviews and approvals.
- The Chief Civil Deputy has the authority to approve timesheets, change pay rates and approve payroll. In addition, the Payroll Clerk processes payroll as well as updates/changes pay rates (approved by Sheriff, Chief Deputy and/or Chief Civil Deputy) in the payroll system. As a mitigating process, the payroll is also reviewed for reasonableness by the Sheriff. However, policies and procedures do not specifically address the method, frequency, or documentation evidencing these reviews and approvals.

**Status:**

Progress but pending, See MLC 2020-001.

**MLC-2019-002 Collateral on Deposits**

**Criteria:**

Louisiana law requires deposits over \$250,000, the FDIC insured limit, to be secured by collateral (R.S. 39:1218 through R.S. 39:1221). The fiscal agent bank is required to deposit and maintain with an unaffiliated bank that security.



**Condition:**

Collateral and FDIC insurance were deficient by approximately \$57,000 for accounts with a bank at June 30, 2019.

**Status:**

Material compliance finding in fiscal year 2020. See Schedule of Findings and Recommendation (see 2020-003).

**MLC-2019-003 Louisiana Bid Law**

**Criteria:**

According to Louisiana Revised Statute 38:2212(P), public emergencies have to be certified to by the public entity and notice of such public emergency shall, within ten days thereof, be published in the official journal of the public entity proposing or declaring such public emergency.

**Condition:**

An emergency fixed asset purchase for the Detention Center (hot water heater) was made in October 2018 for a total of approximately \$16,500. The Sheriff considered it imperative to repair or replace the hot water heater immediately, for hygiene and sanitation purposes. However, the Sheriff did not follow bid law procedures for emergency purchases which include certifying to the emergency and public notice within the specified time frame.

**Status:**

Material compliance finding in fiscal year 2020. See Schedule of Findings and Recommendations (see 2020-002).

We have already discussed many of these comments and suggestions with management, and we will be pleased to discuss them in further detail at your convenience to perform any additional study of these matters, or to assist you in implementing the recommendations. We would also like to thank the Sheriff's staff for their patience and cooperation with us during the performance of the audit.

This report is intended solely for the information and use of the Sabine Parish Sheriff's Office and its management and is not intended to be and should not be used by anyone other than these specified parties.

*Postlethwaite & Netterville*

Baton Rouge, Louisiana  
December 21, 2020