

Financial Report

Terrebonne Parish Sheriff

Houma, Louisiana

June 30, 2020



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FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

To the Honorable Timothy Soignet,
Terrebonne Parish Sheriff,
Houma, Louisiana.

We have audited the accompanying financial statements of the governmental activities, the General Fund and the Fiduciary Fund of the Terrebonne Parish Sheriff (the "Sheriff"), State of Louisiana, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Sheriff's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Sheriff'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 Sheriff'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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, General Fund, and Fiduciary Fund of the Sheriff as of June 30, 2020, and the respective changes in financial position of the governmental activities and General Fund 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 (on pages 4 through 11), Budgetary Comparison Schedule, the Schedule of Changes in the Sheriff's Total OPEB Liability and Related Ratios, the Schedule of the Sheriff's Proportionate Share of the Net Pension Liability and the Schedule of Sheriff Contributions (Exhibits I through M on pages 49 through 53) 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 supplementary information is presented for purposes of additional analysis and is not a required part of the financial statements.

The supplementary information section, Schedules 1 through 3 on pages 54 through 57, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional

procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional audit procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, Schedules 1 through 3 are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The supplementary information in Schedule 4 on page 58, Affidavit of Cash on Hand and of Taxes Collected and Assessed and Uncollected, has not been subjected to the auditing procedures applied in the audit of the basic financial statements and accordingly, we express no opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2020 on our consideration of the Sheriff's internal control over financial reporting and 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 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.

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

Houma, Louisiana,
December 18, 2020.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Terrebonne Parish Sheriff

June 30, 2020

The Management's Discussion and Analysis of the Terrebonne Parish Sheriff (the "Sheriff") financial performance presents a narrative overview and analysis of the Sheriff's financial activities for the year ended June 30, 2020. This document focuses on the current year's activities, resulting changes, and currently known facts. Please read this document in conjunction with the financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

As of June 30, 2020, the Sheriff had a deficit net position of \$57,473,167, which represents a 3.02% decrease from last fiscal year.

The Sheriff's revenues increased \$1,473,667, or 5.41% mainly because of increases in contract services, sales tax, feeding, keeping, and transporting prisoners.

The Sheriff's expenses increased \$426,981, or 1.42% due to increase in expenses related to OPEB Liability and Net Pension Liability.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Sheriff's financial statements. The Sheriff's annual report consists of five parts: (1) management's discussion and analysis (this section), (2) basic financial statements, (3) required supplementary information, (4) supplementary information, and (5) various governmental compliance reports and schedules by certified public accountants and management.

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

The basic financial statements include two kinds of statements that present different views of the Sheriff:

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Sheriff's finances, in a manner similar to a private sector business. The Statement of Net Position presents information on all of the Sheriff's assets, deferred outflow of resources, liabilities and deferred inflow of resources, with the difference reported as net position (deficit). Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Sheriff is improving or deteriorating. The Statement of Activities presents information showing how the Sheriff's net position changed during each fiscal year. All changes are reported regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods. The governmental activity of the Sheriff is public safety. The government-wide financial statements are presented on pages 12 and 13 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Sheriff uses funds to ensure and demonstrate compliance with finance-related laws and regulations and maintains two types of funds, governmental and fiduciary fund types.

Governmental Fund

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. Both the Governmental Fund Balance Sheet and the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Sheriff maintains one individual governmental fund. Information is presented in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balance for the General Fund. The governmental fund financial statements can be found in pages 14 through 18 of this report.

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

Fund Financial Statements (Continued)

Fiduciary Fund

Fiduciary funds are used to account for resources held for the benefit of parties outside the Sheriff. These funds report taxes collected for other taxing bodies, deposits held pending a court action and the individual prison inmate accounts. While these funds represent a trust responsibility, these assets are restricted in purpose and do not represent assets of the Sheriff. Therefore, these assets are not presented as part of the government-wide financial statements. The Statement of Fiduciary Fund can be found on page 19 of this report.

Notes to the Financial Statements

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin on page 20 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Sheriff's budget presentations, schedule of changes in the Sheriff's Total OPEB Liability and Related Ratios, a Schedule of the Proportionate Share of Net Pension Liability and a Schedule of Sheriff Contributions. A budgetary comparison statement is included as "required supplementary information" for the General Fund. This statement demonstrates compliance with the Sheriff's adopted and final revised budget. Required supplementary information can be found on pages 49 through 53 of this report.

Immediately following the required supplementary information section is the supplementary information section consisting of a Combining Statement of Changes in Agency Fund Assets and a Schedule of Ad valorem Taxes Collected and Assessed and Uncollected, which presents detail changes in the Sheriff's agency funds and ad valorem tax information for the year ended June 30, 2020. A Schedule of Compensation, Benefits, and Other Payments to Agency Head of Chief Executive Officer is also presented in the supplementary information section.

An affidavit of cash on hand and of taxes collected and assessed and uncollected, as required by the State of Louisiana, is presented in supplementary information on page 58.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of the Sheriff's financial position. As of June 30, 2020, net position is a deficit of \$57,473,167. A portion of the Sheriff's net position, \$3,234,288, reflects its net investment in capital assets (e.g., land, furniture and fixtures, boats and vehicles, weapons and equipment, and buildings). Consequently, these assets are not available for future spending.

Condensed Statements of Net Position

	<u>June 30</u>		<u>Dollar</u>
	<u>2020</u>	<u>2019</u>	<u>Change</u>
Current and other assets	\$ 8,342,786	\$ 4,025,067	\$ 4,317,719
Capital assets	3,234,288	3,602,247	(367,959)
Total assets	<u>11,577,074</u>	<u>7,627,314</u>	3,949,760
Deferred outflows of resources	<u>11,705,078</u>	<u>9,109,495</u>	<u>2,595,583</u>
Total assets and deferred outflows of resources	<u>23,282,152</u>	<u>16,736,809</u>	<u>6,545,343</u>
Current liabilities	888,406	750,090	138,316
Long-term liabilities	<u>75,334,160</u>	<u>67,178,881</u>	<u>8,155,279</u>
Total liabilities	<u>76,222,566</u>	<u>67,928,971</u>	<u>8,293,595</u>
Deferred inflows of resources	<u>4,532,753</u>	<u>4,595,369</u>	<u>(62,616)</u>
Total liabilities and deferred inflows of resources	<u>80,755,319</u>	<u>72,524,340</u>	<u>8,230,979</u>
Net position (deficit):			
Net investment in capital asset	3,234,288	3,602,247	(367,959)
Restricted	421,747	397,517	24,230
Unrestricted (deficit)	<u>(61,129,202)</u>	<u>(59,787,295)</u>	<u>(1,341,907)</u>
Total net position	<u>\$ (57,473,167)</u>	<u>\$ (55,787,531)</u>	<u>\$ (1,685,636)</u>

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)**Governmental Activities**

Governmental activities decreased the Sheriff's net position by \$1,685,636. Key elements of this decrease are as follows:

Condensed Statements of Activities

	<u>For the year ended June 30,</u>		<u>Dollar Change</u>	<u>Total Percent Change</u>
	<u>2020</u>	<u>2019</u>		
Revenues:				
Program:				
Charges for services	\$ 7,842,663	\$ 6,783,075	\$ 1,059,588	15.62%
Operating grants and contributions	1,434,216	1,442,956	(8,740)	-0.61%
General:				
Ad valorem taxes	7,496,869	7,100,088	396,781	5.59%
Sales taxes	11,089,876	10,911,265	178,611	1.64%
Grants not restricted to specific program	849,457	1,003,473	(154,016)	-15.35%
Unrestricted investment earnings	1,561	118	1,443	1222.88%
Total revenues	<u>28,714,642</u>	<u>27,240,975</u>	<u>1,473,667</u>	<u>5.41%</u>
Program Expenses:				
Public safety	<u>30,400,278</u>	<u>29,973,297</u>	<u>426,981</u>	<u>1.42%</u>
Decrease in net position	(1,685,636)	(2,732,322)	1,046,686	-38.31%
Net Position (Deficit)				
Beginning of year	<u>(55,787,531)</u>	<u>(53,055,209)</u>	<u>(2,732,322)</u>	<u>-5.15%</u>
End of year	<u><u>\$(57,473,167)</u></u>	<u><u>\$(55,787,531)</u></u>	<u><u>\$(1,685,636)</u></u>	<u><u>-3.02%</u></u>

Revenues from charges for services increased due to an increase of approximately \$1,060,000 as a result of rate increases to Terrebonne Parish Consolidated Government for reimbursing salaries of officers who worked at the parish prison. Sales tax revenue increased by approximately \$396,000 due to an improved economy. Program expenditures increased due to an increase in personal services as a result of higher OPEB and pension expense.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the Sheriff uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the Sheriff's governmental fund is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Sheriff's financing requirements. The General Fund is the chief operating fund of the Sheriff. It is used to account for all financial resources except those that are required to be accounted for in another fund. The Sheriff's total General Fund balance increased by \$4,179,403 during the year ended June 30, 2020 and the unassigned fund balance component of the General Fund's fund balance was \$7,032,633 and is available for spending at the Sheriff's discretion. The remainder of the General Fund's fund balance of \$421,747 is restricted. During the year ended June 30, 2020 the General Fund issued \$500,000 and repaid \$1,000,000 certificates of indebtedness. This represented a decrease in debt balances of \$500,000 from the prior year.

Fiduciary Funds

These funds are used as depositories for civil suits, cash bonds, taxes, fees and other custodial funds. Disbursements from these funds are made to various parish agencies, litigants in suits, etc. in the manner prescribed by law. These funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. The activity from these funds are excluded from the Sheriff's government-wide financial statements because the Sheriff cannot use these assets to finance operations.

General Fund Budgetary Highlights

The budgetary comparison schedule for the General Fund displays original and final budgets and actual, with a variance column showing the favorable or (unfavorable) differences of actual with the final budget. The budget was amended once during the year. The major differences between the original General Fund budget and the final amended budget were as follows:

- Revenues
 - Sales and use tax increased \$356,964 to reflect an overall increase in the amount of sales and use tax received due to improvement in economic activity.
 - Contract services increased \$376,546 to reflect an increase in salary reimbursements from Terrebonne Parish Consolidated Government.
 - Feeding, keeping, and transporting prisoners increased \$388,383 to reflect an increase in the number of prisoners housed by the Sheriff.
 - State gaming revenue decreased \$200,231 to reflect a decrease in expected gaming revenue.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS (Continued)**General Fund Budgetary Highlights (Continued)**

- Other financing sources
 - Debt proceeds were budgeted at \$500,000 for the issuance of certificates of indebtedness.
- Expenditures
 - Personal services and related benefits decreased by \$585,089 due to decreases in salaries and employee totals for the current year.
 - Operation and maintenance increase by \$926,733 to reflect the increase in various maintenance, supply, and repair accounts.
 - Debt service principal expenditures were budget at \$1,000,000 to reflect the payment of certificates of indebtedness.

CAPITAL ASSETS**Capital Assets**

The Sheriff's investment in capital assets for its governmental activities as of June 30, 2020, amounts to \$3,234,288 (net of accumulated depreciation). This investment in capital assets includes land, furniture and fixtures, boats and vehicles, weapons and equipment, and buildings and improvements as follows:

	<u>2020</u>	<u>2019</u>
Land	\$ 338,500	\$ 338,500
Furniture and fixtures	208,323	245,021
Boats and vehicles	905,261	1,172,065
Weapons and equipment	424,853	418,685
Buildings	<u>1,357,351</u>	<u>1,427,976</u>
Totals	<u>\$ 3,234,288</u>	<u>\$ 3,602,247</u>

Capital asset additions for the year were \$339,219 and deletions were \$400,548. Depreciation expense for the year was \$711,665.

Major capital asset additions during the current fiscal year included the following:

- Addition of 16 new laptops.
- Addition of 65 new body cameras.
- Addition of 49 new guns.

CAPITAL ASSETS (Continued)

Capital Assets (Continued)

- Addition of seven vehicles.
- Addition of three new boat motors.

Additional information on the Sheriff's capital assets can be found in Note 6, Exhibit H of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Approximately 65% of the Sheriff's budgeted revenues are derived from ad valorem and sales and use taxes. Revenues and expenses for the year ended June 30, 2021 in total are expected to remain consistent with current year actual amounts, other than sales tax revenue. It is expected that sales tax revenue will decrease during the year ended June 30, 2021 due to the Coronavirus (COVID-19) pandemic. The operating budget will be amended to reflect this decrease.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Sheriff's finances for all those with an interest in the Sheriff's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to: Mr. Timothy Soignet, Terrebonne Parish Sheriff and Tax Collector, Post Office Box 1670, Houma, LA 70361-1670.

STATEMENT OF NET POSITION**Terrebonne Parish Sheriff**

June 30, 2020

	<u>Governmental Activities</u>
Assets	
Cash and interest-bearing deposits	\$ 6,521,763
Receivables:	
Due from other governmental units	1,688,749
Accounts	132,274
Capital assets:	
Non-depreciable	338,500
Depreciable, net of accumulated depreciation	<u>2,895,788</u>
Total assets	<u>11,577,074</u>
Deferred Outflows of Resources	
Pension	4,791,791
Other postemployment benefits	<u>6,913,287</u>
Total deferred outflow of resources	<u>11,705,078</u>
Total assets and deferred outflow of resources	<u>23,282,152</u>
Liabilities	
Accounts and other accrued payables	888,406
Long-term liabilities:	
Due within one year	414,640
Due after one year	<u>74,919,520</u>
Total liabilities	<u>76,222,566</u>
Deferred Inflows of Resources	
Pension	2,877,766
Other postemployment benefits	<u>1,654,987</u>
Total deferred inflow of resources	<u>4,532,753</u>
Total liabilities and deferred inflow of resources	<u>80,755,319</u>
Net Position (Deficit)	
Net investment in capital assets	3,234,288
Restricted for special programs	421,747
Unrestricted	<u>(61,129,202)</u>
Total net position (deficit)	<u><u>\$ (57,473,167)</u></u>

See notes to financial statements.

STATEMENT OF ACTIVITIES**Terrebonne Parish Sheriff**

For the year ended June 30, 2020

Functions/Programs	Expenses	Program Revenue		Net (Expenses) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
Governmental activities:				
General government - public safety	<u>\$ 30,400,278</u>	<u>\$ 7,842,663</u>	<u>\$ 1,434,216</u>	<u>\$ (21,123,399)</u>
General revenues:				
Property taxes				7,496,869
Sales tax				11,089,876
Grants not restricted to specific programs				849,457
Unrestricted investment earnings				<u>1,561</u>
Total general revenues				<u>19,437,763</u>
Change in net position				(1,685,636)
Net position (deficit)				
Beginning of year				<u>(55,787,531)</u>
Ending				<u>\$ (57,473,167)</u>

See notes to financial statements.

GOVERNMENTAL FUND BALANCE SHEET**Terrebonne Parish Sheriff**

June 30, 2020

	<u>General Fund</u>
Assets	
Cash and interest-bearing deposits	\$ 6,521,763
Receivables:	
Due from other governmental units	1,688,749
Accounts	<u>132,274</u>
Total assets	<u>\$ 8,342,786</u>
Liabilities	
Accounts payable	\$ 330,286
Salaries payable	<u>558,120</u>
Total liabilities	<u>888,406</u>
Fund balances:	
Restricted - narcotics	421,747
Unassigned	<u>7,032,633</u>
Total fund balances	<u>7,454,380</u>
Total liabilities and fund balances	<u>\$ 8,342,786</u>

See notes to financial statements.

**RECONCILIATION OF THE GOVERNMENTAL FUND
BALANCE SHEET TO THE STATEMENT OF NET POSITION**

Terrebonne Parish Sheriff

June 30, 2020

Fund Balances - Governmental Fund		\$ 7,454,380
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds:		
Governmental capital assets	\$ 15,221,322	
Less accumulated depreciation	<u>(11,987,034)</u>	3,234,288
Deferred outflows of resources used in governmental activities are not financial resources and, therefore, are not reported in governmental funds.		
Pension	4,791,791	
Other postemployment benefit obligation	<u>6,913,287</u>	11,705,078
Non-current liabilities are not due and payable in the current period and therefore are not reported in the governmental funds:		
Compensated absences	(414,640)	
Net pension liability	(9,049,268)	
Other postemployment benefit obligations	<u>(65,870,252)</u>	(75,334,160)
Deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in governmental funds.		
Pension	(2,877,766)	
Other postemployment benefit obligation	<u>(1,654,987)</u>	<u>(4,532,753)</u>
Net Position of Governmental Activities		<u>\$ (57,473,167)</u>

See notes to financial statements.

**STATEMENT OF GOVERNMENTAL FUND REVENUES
EXPENDITURES, AND CHANGES IN FUND BALANCE**

Terrebonne Parish Sheriff

For the year ended June 30, 2020

	<u>General Fund</u>
Revenues	
Ad valorem taxes	\$ 7,496,869
Sales taxes	11,089,876
Intergovernmental revenues:	
Federal grants	257,583
State revenue sharing, net	217,138
State supplemental pay	1,176,633
State gaming revenue	632,319
Fees, charges, and commissions for services:	
Contract services	3,484,791
Civil and criminal fees and commissions	1,161,059
Feeding, keeping, and transporting prisoners	2,840,967
Other	355,846
Interest	1,561
	<hr/>
Total revenues	28,714,642
Expenditures	
Current:	
Public safety:	
Personal services and related benefits	17,714,402
Operating services	831,037
Operation and maintenance	5,101,822
Travel and other charges	29,344
Debt service:	
Principal	1,000,000
Interest	19,415
Capital outlay	339,219
	<hr/>
Total expenditures	25,035,239

**Exhibit E
(Continued)**

	<u>General Fund</u>
Increase of Revenues Over Expenditures	3,679,403
Other Sources and Uses	
Issuance of certificates of indebtedness	<u>500,000</u>
Net Change in Fund Balance	4,179,403
Fund Balance	
Beginning of year	<u>3,274,977</u>
End of year	<u><u>\$ 7,454,380</u></u>

See notes to financial statements.

**RECONCILIATION OF THE STATEMENT OF GOVERNMENTAL
FUND REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE TO THE STATEMENT OF ACTIVITIES**

Terrebonne Parish Sheriff

For the year ended June 30, 2020

Net Change in Fund Balance - Governmental Fund		\$ 4,179,403
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures.		
However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period:		
Capital outlay	\$ 339,219	
Depreciation expense	<u>(711,665)</u>	(372,446)
The net effect of various miscellaneous transactions involving capital assets, such as sales, trade-ins and donations, is to increase net position.		
Disposition of capital assets	(13,713)	
Trade-ins of capital assets	<u>18,200</u>	4,487
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction however has an effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.		
Issuance of certificates of indebtedness	(500,000)	
Principal payments of certificates of indebtedness	<u>1,000,000</u>	500,000
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Increase in compensated absences	(59,835)	
Increase in other postemployment benefits	(5,787,455)	
Increase in pension expense	<u>(149,790)</u>	<u>(5,997,080)</u>
Change in Net Position of Governmental Activities		<u>\$ (1,685,636)</u>

See notes to financial statements.

STATEMENT OF FIDUCIARY FUND

Terrebonne Parish Sheriff

June 30, 2020

	<u>Agency Funds</u>
Assets	
Cash and interest-bearing deposits	<u>\$ 1,042,251</u>
Liabilities	
Due to taxing authorities	\$ 47,521
Due to other governments and others	<u>994,730</u>
Total liabilities	<u>\$ 1,042,251</u>

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS**Terrebonne Parish Sheriff**

June 30, 2020

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Terrebonne 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 Terrebonne Parish (the "Parish") as provided by Article V, Section 27 of the Louisiana Constitution of 1974. 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, etc. 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, sporting licenses, fines, costs, and bond forfeitures imposed by the district court.

The accounts of the tax collector are established to reflect the collections imposed by law, distributions pursuant to such law, and unsettled balances due various taxing authorities and others.

The accounting policies of the Sheriff conform to 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. The following is a summary of significant accounting policies:

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

a. Reporting Entity

For financial reporting purposes, the Sheriff includes all funds and activities controlled by the Sheriff as an independently elected parish official. As an independently elected parish official, the Sheriff is solely responsible for the operations of his office, which include the hiring and retention of employees, authority over budgeting, responsibility for deficits, and the receipt and disbursement of funds. Other than certain operating expenditures of the Sheriff's office that are paid or provided by the Terrebonne Parish Consolidated Government as required by Louisiana law, the Sheriff is a separate governmental reporting entity.

GASB No. 14, "*The Financial Reporting Entity*", GASB No. 39, "*Determining Whether Certain Organizations Are Component Units-an amendment of GASB Statement No. 14*", and GASB No. 61, "*The Financial Reporting Entity: Omnibus and amendment of GASB Statements No. 14 and No. 34*" established the criterion for determining which component units should be considered part of the Sheriff for financial reporting purposes. The basic criteria are as follows:

1. Legal status of the potential component unit including the right to incur its own debt, levy its own taxes and charges, expropriate property in its own name, sue and be sued, and the right to buy, sell and lease property in its own name.
2. Whether the governing authority appoints a majority of the board members of the potential component unit.
3. Fiscal interdependency between the Sheriff and the potential component unit.
4. Imposition of will by the Sheriff on the potential component unit.
5. Financial benefit/burden relationship between the Sheriff and the potential component unit.

The Sheriff has reviewed all of its activities and determined that there are no potential component units which should be included in its financial statements.

b. Basis of Presentation

The Sheriff's financial statements consist of the government-wide statements on all of the non-fiduciary activities and the fund financial statements.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. Basis of Presentation (Continued)

Government-wide Financial Statements:

The government-wide financial statements include the Statement of Net Position and the Statement of Activities for all activities of the Sheriff. The government-wide presentation focuses primarily on the sustainability of the Sheriff as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. Governmental activities of the Sheriff generally are supported by taxes and intergovernmental revenues.

Fund Financial Statements:

The daily accounts and operations of the Sheriff are organized on the basis of a fund and accounts groups, each of which is considered a separate accounting entity. The operations of the fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, equity, revenues and expenditures. Government resources are allocated to and accounted for in the fund based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The various funds of the Sheriff are grouped, into generic fund types and two broad categories as follows:

Governmental activities presented as governmental funds in the fund financial statements:

General Fund - This fund is the primary operating fund of the Sheriff and accounts for and reports the operations of the Sheriff. The General Fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according to the Sheriff's policy. The General Fund is always a major fund.

Fiduciary Funds:

Agency Funds - These funds are used to account for and report assets that the Sheriff holds for others in an agency capacity. Since by definition these assets are being held for the benefit of others and cannot be used to address activities or obligations of the Sheriff, these funds are not incorporated into the government wide statements. The agency funds are as follows:

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

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. Basis of Presentation (Continued)

Fund Financial Statements: (Continued)

Tax Collector Fund - Article V, Section 27 of the Louisiana Constitution of 1974, provides that the Sheriff will serve as the collector of state and parish taxes and fees. The Tax Collector Fund is used to account for and report the collection and distribution of taxes and fees to the appropriate taxing authorities.

Bonds and Fines Fund - To account for and report the collection of bonds, fines, costs and payments of these collections to the Sheriff's General Fund and other recipients in accordance with applicable laws.

Inmate Deposit Fund - To account for and report funds belonging to individuals incarcerated in the parish prison. The funds are used by prisoners to purchase personal items while incarcerated, and any remaining balances are returned to prisoners upon their release.

c. Measurement Focus and Basis of Accounting

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

Government-wide Financial Statements:

The government-wide 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 a liability is incurred, regardless of the timing of the related cash flows.

Fund Financial Statements:

All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (revenues and other financing sources) and decreases (expenditures and other uses) in net current position. Governmental funds are maintained on the modified accrual basis of accounting.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c. Measurement Focus and Basis of Accounting (Continued)

Governmental fund revenues resulting from exchange transactions are recognized in the fiscal year in which the exchange takes place and meets the government's availability criteria (susceptible to accrual). Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For this purpose, the Sheriff considers revenues to be available if they are collected within 60 days of the end of the current fiscal year.

Non-exchange transactions, in which the Sheriff receives value without directly giving value in return, include sales and use tax, property tax, grants and entitlements. Ad valorem taxes are recorded in the year taxes are due and payable. Ad valorem taxes are assessed on a calendar year basis, become due on November 15 of each year, and become delinquent on December 31. Sales and use taxes are recognized in the period when the underlying transaction has occurred and the resources are available. Federal and state entitlements (which include state supplemental pay for deputies and state revenue sharing) are recorded as unrestricted grants when available and measurable. Federal and state grants are recorded when the allowable expenditures have been incurred.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is interest and principal payments on general long-term debt, which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available resources. Allocations of cost such as depreciation are not recognized in the governmental funds.

Agency Funds are unlike all other types of funds, reporting only assets and liabilities. Therefore agency funds cannot be said to have a measurement focus. They do, however, use the accrual basis of accounting to recognize receivables and payables.

d. Use of Estimates

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

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

e. Cash and Cash Equivalents

Cash and interest-bearing deposits include amounts in demand deposits, interest-bearing demand deposits, and time deposits. They are stated at cost, which approximates market. Under state law, the Sheriff may deposit with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States. Tax collections must be deposited in a bank domiciled in the parish where the funds are collected.

f. Accounts Receivable

The financial statements of the Sheriff contain no allowance for uncollectible accounts. Uncollectible amounts for receivables are recognized as reductions in revenue at the time information becomes available which would indicate the uncollectibility of the particular receivable. These amounts are not considered to be material in relation to the financial position or operation of the funds.

g. Capital Assets

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

Government-wide Financial Statements:

In the government-wide financial statements, fixed assets are accounted for as capital assets. Capital assets purchased or acquired with an original cost of \$500 or more are valued at historical cost or estimated historical cost if actual cost is unavailable, except for donated capital assets which are recorded at their estimated fair value at the date of donation. Automobiles awarded to the Sheriff's office by court award are recorded as capital assets at their estimated fair market value at the date of award. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

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

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

g. Capital Assets (Continued)

Furniture and fixtures	5 - 7 years
Boats and vehicles	2 - 10 years
Weapons and equipment	3 - 5 years
Buildings	30 years

Fund Financial Statements:

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

h. Non-Current Liabilities

The accounting treatment of non-current liabilities depends on whether they are reported in the government-wide or fund financial statements.

Government-wide Financial Statements:

All non-current liabilities to be repaid from governmental resources are reported as liabilities in the government-wide statements. Non-current liabilities consist of compensated absences accrued, obligations for other postemployment benefits (group healthcare and life insurance) and net pension liability.

Fund Financial Statements:

Non-current liabilities for governmental funds are not reported as liabilities in the fund financial statements.

i. Compensated Absences

The following vacation hours are earned during a fiscal year:

Years of Service	Total Annual Leave Earned for Fiscal Year
1 - 15 years	120 hours
16 - 24 years	160 hours
25 and above years	200 hours

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i. Compensated Absences (Continued)

Vacation time must be taken on a calendar year basis and is not available for carryover.

Beginning October 1, 2013, employees are paid for worked overtime each pay period. Prior to October 1, 2013, unpaid overtime was allowed to accumulate as comp-time. Comp-time may be used for paid time off from work. As of June 30, 2020, the Sheriff had \$12,312 of comp-time remaining to be paid and included comp-time in compensated absences.

j. Interfund Transactions

In the financial statements, interfund activity is reported as either loans or transfers. Loans between funds are reported as interfund receivables (due from) and payables (due to) as appropriate. Transfers represent a permanent relocation of resources between funds. In other words, they are not expected to be paid. Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances". At and for the year ended June 30, 2020, the Sheriff did not have any residual balances from interfund loans/borrowing arrangements or transfers.

k. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Financial Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expenses/expenditures) until then. As of June 30, 2020, deferred outflows of resources related to pensions and other postemployment benefits.

In addition to liabilities, the Statement of Financial Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until then. As of June 30, 2020, deferred inflows of resources in the government-wide statements related to pensions and other postemployment benefits.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

l. Pensions

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

m. Fund Equity

Government-wide Statements:

Equity is classified as net position and may be displayed in three components:

- a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets. As of June 30, 2020, the Sheriff did not report any borrowings.
- b. Restricted net position - Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributions or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - All other net position that does not meet the definition of "restricted" or "net investment in capital assets."

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

Fund Financial Statements:

Governmental fund equity is classified as fund balance. Fund balance is further classified as follows:

- a. Non-spendable - Amounts that cannot be spent either because they are in a non-spendable form or because they are legally or contractually required to be maintained intact.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

m. Fund Equity (Continued)

Fund Financial Statements: (Continued)

- b. Restricted - Amounts for which constraints have been placed on the use by externally imposed donors, grantors, creditors, or government laws and regulations, or imposed by law through constitutional provisions or enabling legislation.
- c. Committed - Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Sheriff.
- d. Assigned - Amounts that are constrained by the Sheriff's intent to be used for a specific purpose but do not meet the criteria for restricted or committed.
- e. Unassigned - All other spendable amounts.

For the classification of governmental fund balances, the Sheriff considers an expenditure to be made from the most restrictive fund balance first when more than one classification is available.

n. New GASB Statements

During the year ending June 30, 2020, the Sheriff implemented the following GASB Statements:

Statement No. 95, "*Postponement for the Effective Dates of Certain Authoritative Guidance*" provides temporary relief to governments and other stockholders in light of the Coronavirus (COVID-19) pandemic. That objective is accomplished by postponing the effective dates of certain Statements and Implementation Guides to those dates reported below.

The GASB has issued the following Statements which will become effective in future years as shown below:

Statement No. 84, "*Fiduciary Activities*" improves guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2)

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

n. New GASB Statements (Continued)

the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. This Statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Management has not yet determined the effect of this Statement on the financial statements.

Statement No. 87, "*Leases*" increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. Earlier application is encouraged. Management has not yet determined the effect of this Statement on the financial statements.

Statement No. 89, "*Accounting for Interest Cost Incurred before the End of a Construction Period*" establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5-22 of Statement No. 62, "*Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*", which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. Management has not yet determined the effect of this Statement on the financial statements.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

n. New GASB Statements (Continued)

Statement No. 90, "*Majority Equity Interest*" improves the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and improves the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method. This Statement establishes that ownership of a majority equity interest in a legally separate organization results in the government being financially accountable for the legally separate organization and therefore, the government should report that organization as a component unit. The requirements of this Statement are effective for the reporting periods beginning after December 15, 2019. Management has not yet determined the effect of this Statement on the financial statements.

Statement No. 91, "*Conduit Debt Obligations*" provides a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021. Management has not yet determined the effect of this Statement on the financial statements.

Statement No. 92, "*Omnibus 2020*" establishes accounting and financial reporting requirements for specific issues related to leases, intra-entity transfers of assets, postemployment benefits, government acquisitions, risk financing and insurance related activities of public entity risk pools, fair value measurements, and derivative instruments. The requirements of this Statement apply to all financial statements of all state and local governments at dates varying from upon issuance to fiscal periods beginning after June 15, 2021. Management has not yet determined the effect of this Statement on the financial statements.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

n. New GASB Statements (Continued)

Statement No. 93, "*Replacement of Interbank Offered Rates*" some governments have entered into agreements in which variable payments made or received depend on an interbank offered rate (IBOR) most notably, the London Interbank Offered Rate (LIBOR). As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates. This Statement will preserve the consistency and comparability of reporting hedging derivative instruments and leases after governments amend or replace agreements to replace an IBOR. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. Management has not yet determined the effect of this Statement on the financial statements.

Statement No. 94, "*Public-Private and Public-Public Partnerships and Availability Payment Arrangements*" improves financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. The requirements of this Statement are effective for the years beginning after June 15, 2022. Management has yet to determine the effect of this Statement on the financial statements.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

n. New GASB Statements (Continued)

Statement No. 96, "*Subscription-based Information Technology Arrangements*" provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset - an intangible asset - and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. The requirements of this Statement are effective for the years beginning after June 15, 2022. Management has yet to determine the effect of this Statement on the financial statements.

Statement No. 97, "*Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans - an Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32*" provides objectives to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The requirements of this Statement are effective for the years beginning after June 15, 2021. Management has yet to determine the effect of this Statement on the financial statements.

Note 2 - DEPOSITS

Louisiana state law allows all political subdivisions to invest excess funds in obligations of the United States or any other federally insured investments, certificates of deposit of any bank domiciled or having a branch office in the state of Louisiana, guaranteed investment contracts and investment grade (A-1/P-1) commercial paper or domestic corporations.

State law also requires that deposits of all political subdivisions be fully collateralized at all times. Acceptable collateralization includes FDIC insurance and the market value of securities purchased and pledged to the political subdivision. Obligations of the United States, the State of Louisiana and certain political subdivisions are allowed as security for

Note 2 - DEPOSITS (Continued)

deposits. Obligations furnished as security must be held by the political subdivision or with an unaffiliated bank or trust company for the account of the political subdivision.

The year end balances of deposits are as follows:

<u>Bank Balance</u>	<u>Reported Amount</u>
<u>\$ 8,838,871</u>	<u>\$ 7,558,014</u>

Custodial credit risk is the risk that in the event of a bank failure, the Sheriff's deposits may not be returned to it. The Sheriff does not have a policy to monitor or attempt to reduce exposure to custodial credit risk. As of June 30, 2020, \$8,138,477 of the Sheriff's bank balance of \$8,838,871 was exposed to custodial credit risk. These deposits were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, and are deemed to be held in the Sheriff's name by state statutes.

As of June 30, 2020, cash in excess of the FDIC insurance was collateralized by securities held by an unaffiliated bank for the account of the Sheriff. The GASB, considers these securities subject to custodial credit risk. Even though the deposits are considered subject to custodial credit risk under the provisions of GASB Statement No. 40, Louisiana Revised Statute 39: 1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within ten days of being notified by the depositor that the fiscal agent has failed to pay deposited funds upon demand.

A reconciliation of deposits as shown on the Statement of Net Position and Governmental Fund Balance Sheet is as follows:

Report amount	\$ 7,558,014
Less cash reported in the Statement of Fiduciary Fund	(1,042,251)
Cash on hand	<u>6,000</u>
Cash - Statement of Net Position	<u>\$ 6,521,763</u>

As of June 30, 2020, the Sheriff, as ex-officio tax collector, has cash in the Tax Collector Agency Fund totaling \$47,521. The unsettled balance as of June 30, 2020 consists of:

Protest taxes	\$25,141
Interest on protested taxes	6,514
Refunds and redemptions	<u>15,866</u>
Total	<u>\$47,521</u>

Note 3 - PROPERTY TAXES

The Sheriff is the ex-officio tax collector of the Parish and is responsible for the collection and distribution of ad valorem property taxes. Ad valorem taxes are levied each November 1 on the assessed value listed as of the prior January 1 for all real property, merchandise and movable property located in the Parish. Assessed values are established by the Terrebonne Parish Assessor's Office and the State Tax Commission at percentages of actual value as specified by Louisiana law. Taxes are due and payable December 31 with interest being charged on payments after January 1. Taxes can be paid through the tax sale date, which is the last Wednesday in June.

Ad valorem taxes are budgeted and recorded in the year levied and billed. For the year ended June 30, 2020, law enforcement taxes applicable to the Sheriff's General Fund, were levied at the rate of 7.58 mills on property with net assessed valuations totaling \$1,007,034,509. Total law enforcement taxes levied in November 2019 were \$7,633,322.

Note 4 - DUE FROM OTHER GOVERNMENTAL UNITS

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

Government	Purpose	Amounts	
State of Louisiana	Prisoner maintenance	\$288,430	
	Video poker	144,727	
	Prisoner hold	45,277	
	Other	6,530	\$ 484,964
Terrebonne Parish Sales and Use Tax Department	Sales tax		915,357
Terrebonne Parish Consolidated Government	Details	179,682	
	Prisoner maintenance	68,862	
	Prisoner transportation	18,653	
	Court attendance	4,760	
	Other	6,302	278,259
Other Governments			10,169
			\$ 1,688,749

Note 5 - ACCOUNTS RECEIVABLE

Accounts receivable detail for the year ended June 30, 2020 was as follows:

Jail phone reimbursement	\$ 67,254
Commissary sales	18,535
Detail reimbursement	9,238
Agent advances	11,440
Other	<u>25,807</u>
Total	<u>\$ 132,274</u>

Note 6 - CAPITAL ASSETS

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

	Balance July 1, 2019	Additions	Deletions/ Adjustments	Balance June 30, 2020
Capital assets not being depreciated:				
Land	<u>\$ 338,500</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 338,500</u>
Capital assets being depreciated:				
Furniture and fixtures	2,761,696	51,436	(46,552)	2,766,580
Boats and vehicles	6,666,870	190,303	(324,388)	6,532,785
Weapons and equipment	2,823,578	72,338	(29,608)	2,866,308
Buildings and improvements	<u>2,692,007</u>	<u>25,142</u>	<u>-</u>	<u>2,717,149</u>
Total capital assets being depreciated	<u>14,944,151</u>	<u>339,219</u>	<u>(400,548)</u>	<u>14,882,822</u>
Less accumulated depreciation for:				
Furniture and fixtures	(2,516,675)	(87,158)	45,576	(2,558,257)
Boats and vehicles	(5,494,805)	(447,174)	314,455	(5,627,524)
Weapons and equipment	(2,404,893)	(81,566)	45,004	(2,441,455)
Buildings and improvements	<u>(1,264,031)</u>	<u>(95,767)</u>	<u>-</u>	<u>(1,359,798)</u>
Total accumulated depreciation	<u>(11,680,404)</u>	<u>(711,665)</u>	<u>405,035</u>	<u>(11,987,034)</u>
Total capital assets being depreciated, net	<u>3,263,747</u>	<u>(372,446)</u>	<u>4,487</u>	<u>2,895,788</u>
Total capital assets, net	<u>\$ 3,602,247</u>	<u>\$ (372,446)</u>	<u>\$ 4,487</u>	<u>\$ 3,234,288</u>

During the year ended June 30, 2020, \$711,665 for depreciation was charged to public safety.

Note 7 - ACCOUNTS AND ACCRUED PAYABLES

Accounts payable and accrued expenditures as of June 30, 2020 consisted of the following:

	Governmental Activities
Vendors	\$206,627
Salaries and benefits	558,120
Due to other governments:	
Terrebonne Parish Consolidated Government	123,659
Total	\$888,406

Note 8 - NON-CURRENT LIABILITIES

Non-current liabilities consist of accumulated unpaid vacation and comp-time, net pension liability and other postemployment benefits. The following is a summary of non-current liability transactions of the Sheriff for the year ended June 30, 2020:

	Payable July 1, 2019	Increase/ Earned	Decrease/ Used	Payable June 30, 2020	Due Within One Year
Compensated absences	\$ 354,805	\$ 569,262	\$ (509,427)	\$ 414,640	\$414,640
Certificate of Indebtedness, Series 2019	500,000	500,000	(1,000,000)	-	-
Net pension liability	8,254,802	794,466	-	9,049,268	-
Other postemployment benefits	58,069,274	7,800,978	-	65,870,252	-
Totals	\$67,178,881	\$9,664,706	\$(1,509,427)	\$75,334,160	\$414,640

On June 12, 2019, the Sheriff issued Certificates of Indebtedness, Series 2019 with a maturity date of June 30, 2020 for the purpose of paying the cost of current expenses. The principal amount of \$6,000,000 along with 4.00% interest is due on June 30, 2020. This certificate is secured by and payable from all revenues accruing to the Sheriff's General Fund. The Sheriff drewdown \$500,000 and paid back \$1,000,000. As of June 30, 2020, there was no outstanding debt on Series 2019 note.

Note 8 - NON-CURRENT LIABILITIES (Continued)

Compensated absences are described in Note 1i.

Other postemployment obligations are described in Note 9.

Net pension liability is described in Note 10.

Note 9 - OTHER POST-EMPLOYMENT BENEFITS

Plan Description

The Sheriff administers a single employer defined benefit healthcare plan (the "Plan"). The Plan provides for the lifetime payment of medical and dental insurance premiums to eligible retirees and their dependents through the Sheriff's group health plan, which cover both active and retired members. Sheriff employees with 20 years of permanent full-time creditable service with the Sheriff or 30 years of permanent full-time creditable service with any Sheriff's office are eligible to participate in the Sheriffs' Pension and Relief Fund (see Note 10) and are eligible to participate in the Plan, which provides 100% of retiree healthcare and life insurance. The amount of life insurance coverage is a continuation of the amount in effect at the retirement date but retiree coverage is reduced to 75% and 50% of the retirement date amount at ages 65 and 75, respectively. A retiree may elect dependent healthcare coverage at applicable rates. A retiree with less than 20 years of permanent full-time creditable service is eligible to participate in the Plan at the applicable rates. The Sheriff does not issue a publicly available financial report on the Plan.

Employees Covered by Benefit Terms

As of June 30, 2020, the following employees were covered by the benefit terms:

Inactive employees currently receiving benefits payments	95
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>248</u>
Total	<u>343</u>

Note 9 - OTHER POST-EMPLOYMENT BENEFITS (Continued)

Total OPEB Liability

The Sheriff's total OPEB liability of \$65,870,252 was measured as of June 30, 2020 and was determined by an actuarial valuation as of July 1, 2019.

Actuarial Assumptions and Other Inputs

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

Measurement date	June 30, 2020
Actuarial valuation date	July 1, 2019
Inflation	2.20%
Salary increases, include inflation	6.00% (3.80% salary increase, 2.20% inflation)
Discount rate	2.21%
Healthcare cost trend rates	<p>Medical - Pre-65 Trend - 6.30% in year 1, 5.90% in year 2, 5.20% in year 3, 4.80% in years 4 through 5, 4.70% in year 6, 4.60% in year 7, 4.50% in year 8, 4.40% in years 9 through 18 and 4.50% thereafter.</p> <p>Medical - Post-65 Trend - 5.00% in year 1, 4.00% in year 2, 5.00% in year 3, 4.80% in year 4, 4.70% in years 5 through 6, 4.60% in year 7, 4.50% in year 8, 4.40% in years 9 through 18, and 4.50% thereafter.</p> <p>Dental - 3.00% per annum, compounded annually</p>
Retirees' share of benefit-related costs	<p>An employee is eligible to elect medical coverage upon retiring or disability. Eligibility is based on 20 years of service with Terrebonne Parish Sheriff's office or 30 years of service at any Sheriff's Office.</p> <p>Spouses of retiring members are also eligible for health and life benefits under the Plan, however, they are responsible for full cost of coverage.</p>

Note 9 - OTHER POST-EMPLOYMENT BENEFITS (Continued)

The discount rate was based on the Bond Buyer General Obligation 20-Bond Municipal Index.

Mortality rates for pre-retirement/post-retirement/disabled employees were based Sex-distinct Pub-2010 General Mortality Table for employees/retirees/disabled participants, projected generationally using improvement scale MP-2019.

Changes in Total OPEB Liability

	Total OPEB Liability
Balance at June 30, 2019	\$ 58,069,274
Changes for the year:	
Service cost	3,281,950
Interest	2,139,836
Difference between expected and actual experience	(604,192)
Changes in assumptions or other inputs	3,413,167
Benefit payments	(429,783)
Net changes	7,800,978
Balance at June 30, 2020	\$ 65,870,252

Sensitivity to the Total OPEB Liability to Change in the Discount Rate

The following presented 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% lower or higher than the current discount rate.

	1.0% Decrease (1.21%)	Current Discount Rate (2.21%)	1.0% Increase (3.21%)
Total OPEB liability	\$ 79,949,184	\$ 65,870,252	\$ 54,915,456

Note 9 - OTHER POST-EMPLOYMENT BENEFITS (Continued)

Sensitivity of the Total OPEB Liability to Changes in the Health 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 a rate that is 1% lower or higher than the current healthcare cost trend rates.

	<u>1.0% Decrease</u>	<u>Current Healthcare Cost Trend Rate</u>	<u>1.0% Increase</u>
Total OPEB Liability	<u>\$ 52,836,070</u>	<u>\$ 65,870,252</u>	<u>\$ 83,882,092</u>

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 total OPEB expense of \$6,107,734. As of 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>
Difference between expected and actual experience	\$ -	\$(1,654,987)
Changes of assumptions	<u>6,913,287</u>	<u>-</u>
Totals	<u>\$ 6,913,287</u>	<u>\$(1,654,987)</u>

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

<u>Year Ending June 30,</u>	<u>Amount</u>
2020	\$ 795,452
2021	795,452
2022	795,452
2023	795,452
2024	811,626
Thereafter	<u>1,264,866</u>
Total	<u>\$ 5,258,300</u>

Note 10 - PENSION PLAN

Plan Description - The Sheriff contributes to the Sheriffs Pension and Relief Fund (the "System"), a cost-sharing, multiple-employer defined benefit pension plan administered by the Sheriffs Pension and Relief Fund, a public corporation created in accordance with the provisions of Louisiana Revised Statute 11:2171 to provide retirement, disability and survivor benefits to employees of Sheriff's offices throughout the State of Louisiana. The Sheriffs Pension and Relief Fund issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Sheriffs Pension and Relief Fund, 1225 Nicholson Drive, Baton Rouge, Louisiana 70802.

Benefits Provided. The System provides retirement, deferred retirement, disability and death benefits. Members who became eligible on or before December 31, 2011, with twelve years of creditable service may retire at age 55, members with thirty years may retire regardless of age. The retirement allowance is equal to three and one-third percent of the member's average final compensation multiplied by his years of creditable service, not to exceed (after reduction for optional payment form) 100% of average final compensation. Active, contributing members with at least ten years of creditable service may retire at age 60. The accrued normal retirement benefit is reduced for each month retirement begins prior to normal retirement date. For members who became eligible on or after January 1, 2012, with twelve years of creditable service may retire at age 62, members with twenty years of service may retire at age 60; members with thirty or more years of service may retire at age 55. The benefit accrual rate for members with less than thirty years of creditable service is 3% per year, while members with thirty or more years the benefit accrual rate is 3 $\frac{1}{3}$ % per year. The retirement allowance is equal the benefit accrual rate times the member's average final compensation multiplied by his years of creditable service, not to exceed (after reduction for optional payment form) 100% of average final compensation. For a member whose first employment making him eligible for membership in the System began on or before June 30, 2006, final average compensation is based on the average monthly earnings during the highest thirty-six consecutive months or joined months if service was interrupted. For a member whose first employment making him eligible for membership in the System began after June 30, 2006, final average compensation is based on the average monthly earnings during the highest 60 consecutive months or joined months if service was interrupted. For a member whose first employment making him eligible for membership in the System began before July 1, 2013, the earnings to be considered for each 12 month period within the applicable 36 or 60 month period shall not exceed 125% of the preceding 12 month period earnings. For a member whose first employment making him eligible for membership in the System began on or after July 1, 2013 the earning to be considered for each 12 month period within the 60 month period shall not exceed 115% of the preceding 12 month period earnings.

Note 10 - PENSION PLAN (Continued)

In lieu of receiving a service retirement allowance, any member of the fund who has more than sufficient service for a regular service retirement may elect to receive a "DROP" benefit. The DROP period is the lesser of three years or the service accrued between the time a member first becomes eligible for retirement and his actual date of retirement. The member's employee retirement contributions are also credited to his account during the DROP period. At retirement the member will receive a lump-sum payment equal to the monthly benefit multiplied by the number of months in the DROP period. A member is eligible to receive disability benefits if he has at least ten years of creditable service when a non-service related disability is incurred; there are no service requirements for a service related disability. Death benefits are payable to eligible surviving dependents based on the deceased member's years of creditable service and compensation and the dependent's relationship to the deceased member. The System provides permanent benefit increases, cost of living adjustments (COLA) as approved by the State Legislature.

Contributions. According to state statute, contribution requirements for all employees are actuarially determined each year. For the years ending June 30, 2020 and 2019, the actual employer contribution rate was 12.25%. The actual rate differs from the actuarially required rate due to state statutes that require the contribution rate be calculated and set two years prior to the year effective.

In accordance with state statute, the System 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.

Contributions to the System from the Sheriff were \$1,533,979 for the year ended June 30, 2020.

Pension Liabilities. As of June 30, 2020, the Sheriff reported a liability of \$9,049,268 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Sheriff's proportion of the net pension liability was based on a projection of the Sheriff's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. As of June 30, 2019, the Sheriff's proportion was 1.91307%, which was a decrease of 0.23962% from its proportion measured as of June 30, 2018.

Pension Expense. For the year ended June 30, 2020, the Sheriff recognized pension expense of \$1,683,769.

Note 10 - PENSION PLAN (Continued)

Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ -	\$ (1,733,656)
Net difference between projected and actual earnings on pension plan investments	325,642	-
Change in proportion	166,586	(1,144,110)
Change in assumptions	2,765,584	-
Sheriff contributions subsequent to the measurement date	<u>1,533,979</u>	<u>-</u>
	<u>\$4,791,791</u>	<u>\$ (2,877,766)</u>

The Sheriff reported \$1,533,979 as deferred outflows of resources related to pensions resulting from the Sheriff's contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the valuation for the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2021	\$ 395,488
2022	(496,051)
2023	188,561
2024	278,135
2025	<u>13,913</u>
Total	<u>\$ 380,046</u>

Note 10 - PENSION PLAN (Continued)

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

Valuation date	June 30, 2019
Actuarial cost method	Entry Age Normal Method
Actuarial assumptions:	
Expected remaining service lives	6 years (2018 6 years, 2017 and 2016 7 years and 2015 and 2014 6 years).
Investment rate of return	7.10 %, net of investment expense.
Discount rate	7.10%
Projected salary increases	5.5 % (2.50% inflation, 3.00% merit).
Mortality rates	RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Table for active members, healthy annuitants and beneficiaries /RP-2000 Disabled Lives Mortality Table for disabled annuitants.
Cost of living adjustments	The present value of future retirement benefits is based on benefits currently being paid by the Fund and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Estimates of arithmetic real rates of return for each major asset class based on the System's target asset allocation as of June 30, 2019 are as shown on the next page:

Note 10 - PENSION PLAN (Continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Real Return Arithmetic Basis</u>	<u>Long-Term Expected Real Rate of Return</u>
Equity securities	62.00%	7.10%	4.40%
Bonds	23.00%	3.00%	0.70%
Alternative investments	<u>15.00%</u>	4.60%	<u>0.60%</u>
Total	<u>100.00%</u>		5.70%
Inflation			<u>2.40%</u>
Expected arithmetic nominal rate			<u>8.10%</u>

Discount Rate. The discount rate used to measure the collective 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 Public Retirement Systems' Actuarial Committee (PRSAC) taking into consideration the recommendation of the System's actuary. Based on those assumptions, the System'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 Sheriff's Proportionate Share of the Collective Net Pension Liability to Changes in the Discount Rate. The following presents the Sheriff's proportionate share of the Collective Net Pension Liability using the discount rate of 7.10%, as well as what the Sheriff's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (6.10%) or one percentage-point higher (8.10%) than the current rate:

	<u>1.0% Decrease (6.10%)</u>	<u>Current Discount Rate (7.10%)</u>	<u>1.0% Increase (8.10%)</u>
Sheriff's proportionate share of the net pension liability (asset)	<u>\$ 18,923,404</u>	<u>\$ 9,049,268</u>	<u>\$ (739,283)</u>

Note 10 - PENSION PLAN (Continued)

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

Note 11 - DEFERRED COMPENSATION PLAN

The Sheriff offers its employees participation in the Louisiana Public Employees Deferred Compensation Plan adopted by the Louisiana Deferred Compensation Commission and established in accordance with Internal Revenue Code Section 457. Complete disclosures relating to the plan are included in the separately issued audit report for the plan, available from the Louisiana Legislative Auditor, Post Office Box 94397, Baton Rouge, Louisiana 70804-9397. During the year then ended June 30, 2020, the Sheriff contributed \$254,006 to the Plan.

Note 12 - TAXES PAID UNDER PROTEST

The unsettled balance due to taxing authorities in the Fiduciary Fund as of June 30, 2020 includes \$31,655 of taxes paid under protest and interest earned on the investment of these funds. These funds are held pending resolution of the protest and are accounted for in the Tax Collector Agency Fund.

Note 13 - LITIGATION, CLAIMS, AND RISK MANAGEMENT

The Sheriff's Office is exposed to various risks of losses related to general liability, auto liability; property, and group health benefits. For the year ending June 30, 2020, the Sheriff purchased commercial liability insurance to cover risk of loss related to torts or negligence by employees. Commercial insurance has also been obtained to cover real and personal property, general liability, automobile, crime, and law enforcement liability. Management believes coverage obtained will adequately cover any future claims.

As of June 30, 2020, the Sheriff is involved in various lawsuits claiming damages. Some of these lawsuits seek substantial amounts. The Sheriff plans to vigorously oppose these suits and, based on the advice of counsel, does not believe their ultimate disposition will materially affect the accompanying financial statements.

Note 14 - COMMITMENTS AND CONTINGENCIES

The Terrebonne Parish Clerk of Court is required to remit specific costs back to the Sheriff's Office for process services provided by the Sheriff's Office related to court cases. The Sheriff identifies an estimate of approximately \$814,000 is due to the Sheriff's Office for services rendered on both settled and unsettled court cases. This amount, which is unrecorded, is identified by the Sheriff's internal audit and confirmed by the Terrebonne Parish Clerk of Court.

Note 15 - STATE OF LOUISIANA TAX ABATEMENTS

The Sheriff's ad valorem tax revenues were reduced by \$305,248 under agreements entered into with the State of Louisiana.

Note 16 - CORONAVIRUS

The recent global outbreak of the COVID-19 has raised concerns regarding business and the financial markets have recently experienced significant volatility. While the Sheriff's operations have been impacted by the adverse conditions in the financial markets, the long term impact on the Sheriff's operations is uncertain at this time.

Note 17 - SUBSEQUENT EVENTS

Management evaluates events occurring subsequent to the date of financial statements in determining the accounting for and disclosure of transactions and events that effect the financial statements. Subsequent events have been evaluated through December 18, 2020, which is the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND**

Terrebonne Parish Sheriff

For the year ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Ad valorem taxes	\$ 7,053,402	\$ 7,410,366	\$ 7,496,869	\$ 86,503
Sales and use taxes	10,655,881	10,684,277	11,089,876	405,599
Intergovernmental revenues:				
Federal grants	334,669	251,470	257,583	6,113
State revenue sharing, net	144,686	144,724	217,138	72,414
State supplemental pay	1,336,071	1,073,878	1,176,633	102,755
State gaming revenue	813,759	613,528	632,319	18,791
Fees, charges, and commissions for services:				
Contract services	2,593,247	2,969,793	3,484,791	514,998
Civil and criminal fees and commissions	1,700,900	1,190,430	1,161,059	(29,371)
Feeding, keeping, and transporting prisoners	2,060,142	2,448,525	2,840,967	392,442
Other	540,684	284,364	355,846	71,482
Interest	917	1,533	1,561	28
Total revenues	<u>27,234,358</u>	<u>27,072,888</u>	<u>28,714,642</u>	<u>1,641,754</u>
Expenditures				
Current:				
Public safety:				
Personal services and related benefits	19,529,186	18,944,097	17,714,402	1,229,695
Operating services	863,061	904,835	831,037	73,798
Operation and maintenance	5,022,006	5,948,739	5,101,822	846,917
Travel and other charges	36,469	40,289	29,344	10,945
Debt service:				
Principal	-	1,000,000	1,000,000	-
Issuance costs	5,597	15,249	-	15,249
Interest	62,197	19,415	19,415	-
Capital outlay	416,937	440,355	339,219	101,136
Total expenditures	<u>25,935,453</u>	<u>27,312,979</u>	<u>25,035,239</u>	<u>2,277,740</u>
Excess (Deficiencies) of Revenues Over Expenditures	<u>1,298,905</u>	<u>(240,091)</u>	<u>3,679,403</u>	<u>3,919,494</u>
Other Financing Uses				
Issuance of certificates of indebtedness	-	500,000	500,000	-
Sale of surplus equipment	12,897	-	-	-
Total other financing uses	<u>12,897</u>	<u>500,000</u>	<u>500,000</u>	<u>-</u>
Net Change in Fund Balance	<u>1,311,802</u>	<u>259,909</u>	<u>4,179,403</u>	<u>3,919,494</u>
Fund Balance				
Beginning of year	<u>1,463,101</u>	<u>3,274,977</u>	<u>3,274,977</u>	<u>-</u>
End of year	<u>\$ 2,774,903</u>	<u>\$ 3,534,886</u>	<u>\$ 7,454,380</u>	<u>\$ 3,919,494</u>

NOTES TO BUDGETARY COMPARISON SCHEDULE**Terrebonne Parish Sheriff**

June 30, 2020

Note 1 - BASIS OF ACCOUNTING

Budgeted amounts are as originally adopted or as finally amended by the Sheriff. The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP).

Note 2 - BUDGETS

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

- The chief civil deputy - financial officer prepares a proposed budget for the General Fund and submits it to the Sheriff for the fiscal year no later than fifteen days prior to the beginning of each year.
- A summary of the proposed budget is published and the public notice that the proposed budget is available for public inspection. At the same time, a public hearing is called.
- A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
- After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is legally adopted prior to the commencement of the fiscal year for which the budget is being adopted.
- All budgetary appropriations lapse at the end of each fiscal year.

**SCHEDULE OF CHANGES IN THE SHERIFF'S TOTAL
OPEB LIABILITY AND RELATED RATIOS**

Terrebonne Parish Sheriff

For the year ended June 30, 2020

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB liability			
Service cost	\$ 3,281,950	\$ 3,017,871	\$ 3,030,930
Interest	2,139,836	2,022,534	1,734,547
Difference between expected and actual experience	(604,192)	-	(1,833,999)
Changes in assumptions or other inputs	3,413,167	4,082,118	1,419,013
Benefit payments	<u>(429,783)</u>	<u>(588,857)</u>	<u>(465,898)</u>
Net change in total OPEB liability	7,800,978	8,533,666	3,884,593
Total OPEB liability, beginning of year	<u>58,069,274</u>	<u>49,535,608</u>	<u>45,651,015</u>
Total OPEB liability, end of year	<u>\$ 65,870,252</u>	<u>\$ 58,069,274</u>	<u>\$ 49,535,608</u>
Covered employee payroll	<u>\$ 12,372,181</u>	<u>\$ 12,088,369</u>	<u>\$ 13,728,991</u>
Total OPEB liability as a percentage of covered employee payroll	<u>532.41%</u>	<u>480.37%</u>	<u>360.81%</u>
Notes to schedule:			
Changes of benefit terms:	None	None	None
Changes of assumptions and other inputs reflected the effects of changes in the discounts rate each period:	<u>2.21%</u>	<u>3.50%</u>	<u>3.62%</u>

The schedule is provided prospectively beginning with the Sheriff's fiscal year ended June 30, 2018 and is intended to show a ten year trend. Additional years will be reported as they become available.

**SCHEDULE OF THE SHERIFF'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY**

Terrebonne Parish Sheriff

June 30, 2020

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Sheriff's proportion of the net pension liability	<u>1.91307%</u>	<u>2.15269%</u>	<u>2.15396%</u>	<u>2.27551%</u>	<u>2.23508%</u>	<u>2.15876%</u>
Sheriff's proportionate share of the net pension liability	<u>\$ 9,049,268</u>	<u>\$ 8,254,802</u>	<u>\$ 9,327,249</u>	<u>\$ 14,442,398</u>	<u>\$ 9,962,908</u>	<u>\$ 9,886,954</u>
Sheriff's covered-employee payroll	<u>\$ 13,368,539</u>	<u>\$ 14,816,355</u>	<u>\$ 13,749,637</u>	<u>\$ 15,611,414</u>	<u>\$ 14,831,345</u>	<u>\$ 13,860,372</u>
Sheriff's proportionate share of the net pension liability as a percentage of its covered-employee payroll	<u>67.691%</u>	<u>55.714%</u>	<u>67.836%</u>	<u>92.520%</u>	<u>67.175%</u>	<u>71.33%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>88.91%</u>	<u>90.41%</u>	<u>88.49%</u>	<u>82.10%</u>	<u>86.61%</u>	<u>87.34%</u>

The schedule is provided prospectively beginning with the Sheriff's fiscal year ended June 30, 2015 and is intended to show a ten year trend. Additional years will be reported as they become available.

SCHEDULE OF SHERIFF CONTRIBUTIONS

Terrebonne Parish Sheriff

June 30, 2020

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contributions	\$ 1,533,979	\$ 1,637,646	\$ 1,889,085	\$ 1,821,827	\$ 2,146,174	\$ 2,113,467
Contributions in relation to the contractually required contribution	<u>(1,533,979)</u>	<u>(1,637,646)</u>	<u>(1,889,085)</u>	<u>(1,821,827)</u>	<u>(2,146,174)</u>	<u>(2,109,110)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,357 ⁽¹⁾</u>
Sheriff's covered-employee payroll	<u>\$ 12,522,279</u>	<u>\$ 13,368,539</u>	<u>\$ 14,816,355</u>	<u>\$ 13,749,637</u>	<u>\$ 15,611,414</u>	<u>\$ 14,831,345</u>
Contributions as a percentage of covered-employee payroll	<u>12.25%</u>	<u>12.25%</u>	<u>12.75%</u>	<u>13.25%</u>	<u>13.75%</u>	<u>14.22%</u>

⁽¹⁾ Difference due to refunds or timing matters during the year.

The schedule is provided prospectively beginning with the Sheriff's fiscal year ended June 30, 2015 and is intended to show a ten year trend. Additional years will be reported as they become available.

SUPPLEMENTARY INFORMATION SECTION

**COMBINING STATEMENT OF CHANGES
IN AGENCY FUND ASSETS**

Terrebonne Parish Sheriff

For the year ended June 30, 2020

	<u>Sheriff's Fund</u>	<u>Tax Collector Fund</u>	<u>Bonds and Fines Fund</u>	<u>Inmate Deposit Fund</u>	<u>Total Agency Funds</u>
Balance as of June 30, 2019	\$ 78,895	\$ 84,347	\$ 808,155	\$ 60,315	\$ 1,031,712
Additions	2,811,582	99,179,115	1,623,216	1,042,016	104,655,929
Reductions	<u>(2,847,499)</u>	<u>(99,215,941)</u>	<u>(1,554,782)</u>	<u>(1,027,168)</u>	<u>(104,645,390)</u>
Balance as of June 30, 2020	<u>\$ 42,978</u>	<u>\$ 47,521</u>	<u>\$ 876,589</u>	<u>\$ 75,163</u>	<u>\$ 1,042,251</u>

SCHEDULE OF AD VALOREM TAXES
COLLECTED AND ASSESSED AND UNCOLLECTED

Terrebonne Parish Sheriff

For the year ended June 30, 2020

Description	Taxes Collected	Taxes Assessed and Uncollected
Law Enforcement Taxes		
Law Enforcement	\$ 7,483,716	\$ 116,932
District Taxes/Special Fees		
Assessment District	1,935,103	30,236
Terrebonne Levee District	4,827,886	75,435
Veterans Memorial (Mtce)	493,649	7,713
Bayou Blue Fire District (Mtce)	359,075	1,011
Bayou Cane Fire District (Mtce)	5,065,458	31,208
Coteau Fire District (Mtce)	813,485	1,526
Fire District No. 4A (Mtce)	1,417,103	14,016
Fire District No. 5 (Bonds)	161,759	188
Fire District No. 5 (Mtce)	323,518	376
Fire District No. 6 (Mtce)	777,237	8,232
Fire District No. 7 (Bonds)	207,112	20,592
Fire District No. 7 (Mtce)	827,935	82,316
Fire District No. 8 (Mtce)	382,617	21,388
Fire District No. 9 (Mtce)	447,936	22,163
Fire District No. 10 (Bonds)	85,208	998
Fire District No. 10 (Mtce)	979,891	11,476
Schriever Fire District (Bonds)	378,836	2,245
Schriever Fire District (Mtce)	1,894,180	11,223
Village East Fire District (Mtce)	445,245	10,032
Recreation District No. 1 (Mtce)	1,266,440	6,608
Recreation District No. 23 (Mtce)	1,536,199	7,705
Recreation District No. 3 (Mtce)	139,889	4,098
Recreation District No. 11 (Mtce)	1,296,076	15,683
Recreation District No. 4 (Mtce)	574,531	5,485
Recreation District No. 5 (Bonds)	186,690	149
Recreation District No. 5 (Mtce)	323,400	258
Recreation District No. 6 (Bonds)	48,577	515
Recreation District No. 6 (Mtce)	728,660	7,717
Recreation District No. 7 (Mtce)	494,775	48,433

**Schedule 2
(Continued)**

Description	Taxes Collected	Taxes Assessed and Uncollected
District Taxes/Special Fees (Continued)		
Recreation District No. 8 (Mtce)	327,334	18,298
Recreation District No. 9 (Mtce)	715,038	26,132
Recreation District No. 10 (Mtce)	487,814	5,713
Tax Commission Fee No. 1	5,359	-
Tax Commission Fee No. 2	39,329	-
Bayou Lafourche Freshwater	2,083,198	32,550
Parish Taxes		
Parish Tax	2,677,303	43,877
Sewerage Tax (Bonds)	404,792	6,325
Health Unit (Mtce)	1,599,422	24,991
Drainage Tax (Bonds)	414,665	6,479
Drainage Tax (Mtce)	7,059,178	110,299
Roads and Bridges (Bonds)	414,665	6,479
Recreation Tax (Mtce)	2,043,706	31,933
Terrebonne ARC	5,143,821	80,371
Sanitation District (Mtce)	10,830,655	169,227
Mental Health	404,792	6,325
Council on Aging	7,246,765	113,230
Youth Detention Center(1)	947,806	14,809
Youth Detention Center(2)	928,060	14,501
Road District No. 6 (Mtce)	39,830	422
Road Light No. 1 (Mtce)	134,536	830
Road Light No. 2 (Mtce)	583,996	3,528
Road Light No. 3A (Mtce)	339,690	3,251
Road Light No. 4 (Mtce)	124,716	1,191
Road Light No. 5 (Mtce)	117,600	94
Road Light No. 6 (Mtce)	97,153	1,029
Road Light No. 7 (Mtce)	104,161	10,196
Road Light No. 8 (Mtce)	54,555	3,050
Road Light No. 9 (Mtce)	137,854	5,226
Road Light No. 10 (Mtce)	85,207	998
City Ad Valorem Tax	1,617,761	12,258
City of Houma Fire Protection District	1,325,517	10,044
City of Houma Police Protection District	1,325,517	10,044
Nuisance Fee	37,806	30,383
School Board Taxes		
School Tax Maint/Regular	3,810,969	59,546
School Tax Maint/Special	5,341,280	83,457
	<u>\$ 94,954,036</u>	<u>\$ 1,513,043</u>

**SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER
PAYMENTS TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER**

Terrebonne Parish Sheriff

For the year ended June 30, 2020

Agency Head Name: Jerry J. Larpenter, Sheriff (Sheriff as of June 30, 2020)

Purpose	
Salary	\$ 165,870
Benefits - insurance	7,489
Benefits - retirement	38,727
Benefits - deferred compensation	6,250
Car allowance	-
Vehicle provided by government	-
Per diem	-
Reimbursements	-
Travel	-
Registration fees	-
Conference travel	-
Continuing professional education fees	-
Housing	-
Unvouchered expenses	-
Meals	-
	<hr/>
	\$ 218,336

**AFFIDAVIT OF CASH ON HAND AND OF TAXES
COLLECTED AND ASSESSED AND UNCOLLECTED**

Terrebonne Parish Sheriff

June 30, 2020

State of Louisiana
Parish of Terrebonne

Before me, the undersigned authority, personally came and appears, Timothy Soignet, the Sheriff of Terrebonne Parish, State of Louisiana, who after being duly sworn, deposed and said:

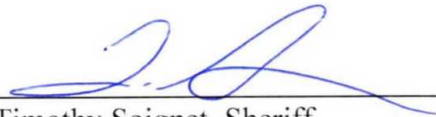
The following information is true and correct:

\$47,521 is the amount of cash on hand in the tax collector account as of June 30, 2020, of which \$25,141 has been paid under protest and held in a separate and special account pending adjudication by the courts.

He further deposed and said:

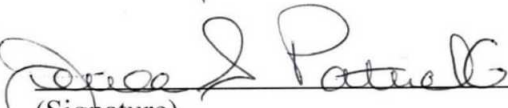
All itemized statements of the amount of taxes collected for the tax year 2020 by taxing authority, are true and correct.

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



Timothy Soignet, Sheriff
Terrebonne Parish


Sworn to and subscribed before me, Notary, this 22 day of December, 2020 in my office in Houma, Louisiana.




(Signature)

Timothy Soignet

(Print)

 **JERICA PATRICK**
Notary Public
Notary ID No. 172056
Terrebonne Parish, Louisiana



(Sheriff)

SPECIAL REPORTS OF CERTIFIED PUBLIC ACCOUNTANTS

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

To the Honorable Timothy Soignet,
Terrebonne Parish Sheriff,
Houma, 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 General Fund and the Fiduciary Fund of the Terrebonne Parish Sheriff (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 and have issued our report thereon dated December 18, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Sheriff's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing 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 Sheriff's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weakness. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Sheriff's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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 Sheriff'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 Sheriff's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Certified Public Accountants.

Houma, Louisiana,
December 18, 2020.

SCHEDULE OF FINDINGS AND RESPONSES

Terrebonne Parish Sheriff

For the year ended June 30, 2020

Section I - Summary of Auditor's Results

a) Financial Statements

Type of auditor's report issued: unmodified

- Material weakness(es) identified? ___ Yes X No
- Significant deficiency(ies) identified that are
not considered to be a material weakness? ___ Yes X None reported

Noncompliance material to consolidated
financial statements noted? ___ Yes X No

b) Federal Awards

The Sheriff did not expend more \$750,000 in Federal award during the year ended June 30, 2020 and, therefore, is exempt from the audit requirements under the Uniform Guidance.

Section II - Financial Statement Findings

Internal Control

No material weaknesses were noted during the audit for the year ended June 30, 2020.

No reportable conditions were reported during the audit for the year ended June 30, 2020.

Compliance

No compliance findings material to the financial statements were noted during the year ended June 30, 2020.

Section III Federal Award Findings and Questioned Costs

Not applicable.

REPORTS BY MANAGEMENT

SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES

Terrebonne Parish Sheriff

For the year ended June 30, 2020

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

Internal Control

No material weaknesses were noted during the audit for the year ended June 30, 2019.

No significant deficiencies were reported during the audit for the year ended June 30, 2019.

Compliance

No compliance findings material to the financial statements were noted during the year ended June 30, 2019.

Section II - Internal Control and Compliance Material to Federal Awards

The Sheriff did not expend more \$750,000 in Federal award during the year ended June 30, 2019 and, therefore, is exempt from the audit requirements under the Uniform Guidance.

Section III - Management Letter

A management letter was not issued in connection with the audit of the Sheriff's financial statements as of and for the year ended June 30, 2019.

MANAGEMENT'S CORRECTIVE ACTION PLAN

Terrebonne Parish Sheriff

For the year ended June 30, 2020

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

Internal Control

No material weaknesses were reported during the audit for the year ended June 30, 2020.

No significant deficiencies were reported during the audit for the year ended June 30, 2020.

Compliance

No compliance findings material to the financial statements were noted during the year ended June 30, 2020.

Section II Internal Control and Compliance Material to Federal Awards

The Sheriff did not expend more \$750,000 in Federal award during the year ended June 30, 2020 and, therefore, is exempt from the audit requirements under the Uniform Guidance.

Section III - Management Letter

A management letter was not issued in connection with the audit of the Sheriff's financial statements as of and for the year ended June 30, 2020.