

ST. MARY PARISH COUNCIL

**Primary Government Financial Statements
St. Mary Parish, State of Louisiana**

**Annual Financial Statements
with Independent Auditors' Report**

And

**Independent Auditors' Reports on Internal Control and Compliance and Other Matters
For the Year Ended December 31, 2019**

ST. MARY PARISH COUNCIL

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INDEPENDENT AUDITORS' REPORT

To the Chairman and Members of the St. Mary Parish Council
Franklin, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information, and the respective budgetary comparisons for the General Fund, Road Construction & Maintenance Fund, and Sanitation Fund of the St. Mary Parish Council (Council), as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the basic financial statements of the Council's primary government as listed in the table of contents under Basic Financial Statements. We have also audited the financial statements of each of the Council's nonmajor governmental funds presented as supplementary information, as defined by the Government Accounting Standards Board, in the accompanying combining and fund financial statements and individual fund budgetary comparison schedules as of and for the year ended December 31, 2019, as listed in the table of contents under Supplementary Information – Nonmajor Governmental Funds.

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 misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Fairview Treatment Center and Claire House, both non-major governmental funds, which statements represent .5 percent, .8 percent, and 10.2 percent respectively of the assets, net position, and revenues of the governmental activities of the primary government. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion insofar as it relates to the amounts included for those two funds, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the primary government of the St. Mary Parish Council as of December 31, 2019, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund, Road Construction & Maintenance Fund, and Sanitation Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America. In addition, in our opinion based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental fund of the primary government of the St. Mary Parish Council as of December 31, 2019, and the respective changes in financial position, and respective budgetary comparisons, where applicable thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

Primary Government Financial Statements Only

As discussed in Note 1, the financial statements referred to above include only the primary government of the St. Mary Parish Council, which consists of all funds, organizations, institutions, agencies, departments, and offices that comprise the Council's legal entity. These primary government financial statements do not include financial data for the Council's legally separate component units, which accounting principles generally accepted in the United States of America require to be reported with the financial data of the Council's primary government. As a result, these primary government financial statements do not purport to, and do not, present fairly the financial position of the reporting entity of the St. Mary Parish Council as of December 31, 2019, the changes in its financial position, or where applicable, its cash flows, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of the reporting entity of the St. Mary Parish Council as of and for the year ended December 31, 2019, and our report thereon, dated September 17, 2020 expressed an unmodified opinion on those financial statements.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis, and Required Supplementary Information Schedule of the Council's Proportionate Share of the Net Pension Liability, Schedule of the Council's Contributions, and Schedule of Changes in the Council's Total OPEB Liability and Related Ratios, as listed in the table of contents 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 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.

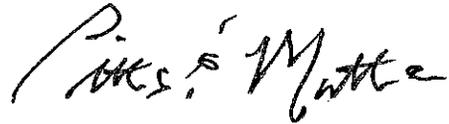
Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of the Council's primary government. The information listed as General Supplementary Information in the table of contents is presented for the purposes of additional analysis and is not a required part of the basic financial statements of the Council's primary government. The accompanying schedule of expenditures of federal awards, listed as Supplementary Information Required by Uniform Guidance in the table of contents is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and is also not a required part of the basic financial statements of the Council's primary government.

The schedule of expenditures of federal awards and the information listed as General Supplementary Information in the table of contents are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information, except for that portion marked "unaudited" has been subjected to the auditing procedures applied in the audit of the basic financial statements of the Council's primary government, and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit, the procedures performed as described above, and the reports of other auditors, the schedule of expenditures of federal awards and the information listed as General Supplementary Information in the table of contents is fairly stated in all material respects in relation to the basic financial statements of the Council's primary government as a whole. The information marked unaudited has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated September 17, 2020, on our consideration of the St. Mary Parish Council'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 and in considering St. Mary Parish Council's internal control over financial reporting and compliance.



CERTIFIED PUBLIC ACCOUNTANTS

September 17, 2020
Morgan City, Louisiana

MANAGEMENT'S DISCUSSION AND ANALYSIS

ST. MARY PARISH COUNCIL

MANAGEMENT'S DISCUSSION AND ANALYSIS

As financial management of the St. Mary Parish Council (Council), we offer readers of these financial statements an overview and analysis of the financial activities of the Council. This narrative is designed to assist the reader in focusing on significant financial issues, identify changes in the Council's financial position, identify any material deviations from the approved budget documents, and identify individual fund issues and concerns. Readers should read the management's discussion and analysis (M D & A) in conjunction with the Council's financial statements and the notes to the financial statements also included in this report.

FINANCIAL HIGHLIGHTS

Key financial highlights for the year ending December 31, 2019 include the following:

- Assets and deferred outflows of resources of the primary government (which includes both governmental and business-type activities) exceeded its liabilities and deferred inflows of resources at the close of the year ended December 31, 2019 by approximately \$86 million (*net position*).
- The Council's total net position decreased by approximately \$14 million during 2019. Governmental activities net position decreased by approximately \$11 million during 2019, while the business-type activities net position decreased by approximately \$3 million.
- As of the close of the fiscal year, the Council's governmental funds reported combined ending fund balances of approximately \$15 million. Approximately \$2.3 million is available for spending at the Council's discretion. (unassigned fund balance).
- At December 31, 2019, fund balance for the General Fund, the Council's primary operating fund, was approximately \$640,000. \$340,000 is nonspendable for the non-current portion of receivables. The remaining \$300,000 is unassigned.
- In 2019, the Council issued \$10 million of Limited Tax Revenue Bonds to improve roads, streets and bridges, including drainage throughout the Parish.
- Major asset additions include a trash truck, pickup truck, and various pieces of grass cutting equipment.

OVERVIEW OF THE FINANCIAL STATEMENTS

With the implementation of the Governmental Accounting Standards Board Statement No. 34, the government's presentation of the financial statements has been greatly changed. This discussion and analysis is intended to serve as an introduction to the Council's basic financial statements. These financial statements are for the primary government only and do not include any component unit financial statements. The Council's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements and 3) the notes to the financial statements. This report also includes other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The government-wide financial statements, which include the Statement of Net Position and the Statement of Activities, are designed to be similar to private sector business in that all governmental and business-type activities are consolidated into columns which add to a total for the primary government. These statements combine the governmental fund's current financial resources with the capital assets and long-term obligations associated with the Council. Also presented in the government-wide financial statements is a total column for the business-type activities of the primary government.

The Statement of Net Position presents information on all of the Council's assets, deferred outflow of resources, liabilities, and deferred inflow of resources; with the difference reported as net position. Over time, changes in net position may serve as a useful indicator of whether the financial position of the Council is improving or not.

The Statement of Activities presents information showing how the Council's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, 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. For example, uncollected taxes and earned but unused vacation leave result in cash flows for future periods. The focus of the Statement of Activities is on both the gross and net cost of various activities that are provided by the government's general tax and other revenues. This is intended to summarize information and simplify the user's analysis of the cost of various governmental services and/or subsidies to various business-type activities.

Both of the government-wide financial statements distinguish between functions of the Council that are principally supported by taxes and intergovernmental revenues (governmental activities) from functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Council include general government and administration, public safety, public works, sanitation, culture and recreation, health and welfare, urban redevelopment and housing and economic development and assistance. The business-type activities of the Council include the solid waste landfill, small animal control and Kemper Williams Park. The government-wide financial statements can be found on pages 18-19 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 Council, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Traditional users of governmental financial statements will find the fund financial statement presentation more familiar. The focus is now on major funds, rather than generic fund types.

Governmental Funds – Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. The governmental major funds presentation is presented on a sources and uses of liquid resources basis. This is the manner in which the financial plan is typically developed. Unlike the government-wide financial statements, governmental fund financial statements focus on near-term outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's current financing requirements.

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. By doing so, readers may better understand the long-term impact of the government's near term financing decisions. Both the governmental funds balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Council maintains 29 governmental funds. Information is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General, Road Construction & Maintenance, Sanitation, Capital Improvement, CDBG Recovery, and the Combined Sewer Construction funds, all of which are considered to be major funds. Budgetary comparison schedules are also presented for each major fund except for the Capital Improvement and Combined Sewer Construction funds which do not have legally adopted budgets. Data from the other 23 funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements and individual budgetary comparison schedules, when applicable, elsewhere in this report. The basic governmental funds financial statements can be found on pages 20-29.

Proprietary Funds – The Council maintains three separate proprietary or enterprise funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Council uses enterprise funds to account for its solid waste disposal plant, recreation park and small animal control operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Reduction and Transfer Fund (solid waste disposal plant) and the Kemper Williams Park fund since both are considered to be major funds of the Council. Because the Small Animal Control fund is the only remaining enterprise fund, it is also being presented in the basic financial statements, even though the Council considers it to be a non-major fund.

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes are a required part of the basic financial statements and can be found on pages 30-74.

Other Information – In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information, such as the budgetary comparison schedules for three of the major funds—General Fund, Road Construction & Maintenance Fund, and Sanitation Fund. The Council has chosen to present these schedules as part of the basic financial statements.

The supplementary information section referred to earlier in connection with the non-major governmental funds is presented immediately following the notes to the financial statements.

Also included in this report are the Office of Management and Budget Uniform Guidance Single Audit auditor reports, findings and schedules.

GOVERNMENT- WIDE FINANCIAL ANALYSIS

The following table reflects the condensed Statement of Net Position for 2019, with comparative amounts from 2018:

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Assets:						
Current and other assets (other than internal balances)	\$ 23,165,114	\$ 25,004,582	\$ 2,087,376	\$ 2,938,226	\$ 25,252,490	\$ 27,942,808
Restricted assets	-	-	2,061,447	2,263,917	2,061,447	2,263,917
Internal balances	(6,406,976)	(5,166,929)	6,406,976	5,166,929	-	-
Capital assets, net	<u>106,930,581</u>	<u>105,519,525</u>	<u>22,068,050</u>	<u>23,126,746</u>	<u>128,998,631</u>	<u>128,646,271</u>
Total assets	123,688,719	125,357,178	32,623,849	33,495,818	156,312,568	158,852,996
Deferred outflows of resources	<u>6,853,883</u>	<u>1,253,537</u>	<u>2,113,276</u>	<u>1,067,389</u>	<u>8,967,159</u>	<u>2,320,926</u>
Total assets and deferred outflows of resources	<u>130,542,602</u>	<u>126,610,715</u>	<u>34,737,125</u>	<u>34,563,207</u>	<u>165,279,727</u>	<u>161,173,922</u>
Liabilities:						
Current Liabilities (other than internal balances)	4,114,688	4,092,454	1,115,210	1,172,079	5,229,898	5,264,533
Long-term liabilities	<u>51,666,510</u>	<u>35,092,797</u>	<u>20,900,748</u>	<u>17,433,135</u>	<u>72,567,258</u>	<u>52,525,932</u>
Total liabilities	<u>55,781,198</u>	<u>39,185,251</u>	<u>22,015,958</u>	<u>18,605,214</u>	<u>77,797,156</u>	<u>57,790,465</u>
Deferred inflows of resources	<u>1,489,874</u>	<u>2,997,459</u>	<u>283,748</u>	<u>718,572</u>	<u>1,773,622</u>	<u>3,716,031</u>
Net position:						
Net investment in capital assets	76,136,057	81,998,593	12,636,926	12,657,631	88,772,983	94,656,224
Restricted	10,716,043	10,739,708	2,413,666	2,351,803	13,129,709	13,091,511
Unrestricted	<u>(13,580,570)</u>	<u>(8,310,296)</u>	<u>(2,613,173)</u>	<u>229,987</u>	<u>(16,193,743)</u>	<u>(8,080,309)</u>
Total net position	<u>\$ 73,271,530</u>	<u>\$ 84,428,005</u>	<u>\$ 12,437,419</u>	<u>\$ 15,239,421</u>	<u>\$ 85,708,949</u>	<u>\$ 99,667,426</u>

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Council, assets plus deferred outflow of resources of the primary government exceeded liabilities by approximately \$86 million as of December 31, 2019; this is a decrease of \$14 million from 2018. This change in net position is the net effect of current year activity. All of these factors will be discussed in more detail later in this analysis. The largest portion of the Council's net position or approximately \$89 million reflects its investment in capital assets (e.g. land, building, equipment, improvements, construction in progress and infrastructure), less any debt used to acquire those assets that is still outstanding. The Council uses these capital assets to provide services to citizens; consequently these assets are not available for future spending. Although the Council's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Council's net position (15%) or \$13 million represents resources that are subject to external restriction on how they may be used. There was an overall decrease in net position of \$14 million. Governmental Funds decreased by \$11 million and Business Type Funds decreased by \$3 million.

As of December 31, 2019, the Council was able to report positive balances in two of the three categories of net position for the government as a whole. There was however, a deficit in unrestricted net assets in at December 31, 2019. The governmental activities shows a \$13 million deficit in unrestricted net position and the business-type activities shows an \$2 million deficit. Governmental activities increased by \$5

million and business-type activities increased by \$8.1 million. Both increases were as a result of operations for 2019.

Governmental Activities: Governmental activities decreased net position by approximately \$11 million. Increases in general government expenses OPEB expenses and the special item related to the Atchafalaya Golf Course were the main factors for the 2019 decrease.

Business-type Activities: Net position from business-type activities decreased by \$2.8 million or approximately 18%. An increase in landfill closure costs was the main reason for the decrease. This increase is a result of new estimated costs based upon new materials and technologies developed and regulatory requirements.

The table on the following page provides a summary for both governmental and business-type changes in net position for the year ended December 31, 2019 with comparative totals for the year ended December 31, 2018.

The Council's total operating revenues for the year ended December 31, 2019 were approximately \$34 million and the total cost of all programs and services was \$46.3 million. Net position decreased by \$12.3 million from *operations* during the year. The following analysis separately describes the operations of governmental and business-type activities.

Governmental activities net position decreased by approximately \$11.1 million in 2019. The cost of all governmental activities this year was \$37.5 million. As shown in the Statement of Activities on the following page, the amount that the taxpayers of St. Mary Parish financed through taxes, royalties and assessments was approximately \$14 million. The amount in revenues that was paid by those who directly benefited from the programs was \$2.7 million and \$12.3 million was funding received from other governments and organizations by means of grants and contributions. Interest received on investments amounted to approximately \$355,000.

Program revenues, which amounted to approximately \$15 million covered approximately 40% of total governmental costs, the remainder was paid with taxes and other revenues, such as investment earnings, royalties, and state revenue sharing.

St. Mary Parish Council
Statement of Changes in Net Position
For the years ended December 31,

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues:						
Program Revenue:						
Charges for services	\$ 2,695,164	\$ 2,589,337	\$ 4,393,168	\$ 3,944,895	\$ 7,088,332	\$ 6,534,232
Operating grants and contributions	5,026,561	5,895,649	37,718	30,978	5,064,279	5,926,627
Capital grants and contributions	7,263,236	5,769,495	-	-	7,263,236	5,769,495
General Revenues:						
Sales and use taxes	5,966,379	5,809,454	-	-	5,966,379	5,809,454
Ad valorem taxes	3,621,202	3,457,733	-	-	3,621,202	3,457,733
Severance taxes	1,063,670	1,037,177	-	-	1,063,670	1,037,177
Other taxes, penalties and interest	122,186	129,887	-	-	122,186	129,887
Royalty road funds	2,904,009	3,726,091	-	-	2,904,009	3,726,091
State shared revenues	443,367	440,240	-	-	443,367	440,240
Investment income	354,822	283,382	115,709	136,290	470,531	419,672
Nonemployer pension contributions	57,366	53,843	14,485	14,422	71,851	68,265
Total revenues	<u>29,517,962</u>	<u>29,192,288</u>	<u>4,561,080</u>	<u>4,126,585</u>	<u>34,079,042</u>	<u>33,318,873</u>
Expenses:						
General government	10,443,748	6,340,937	-	-	10,443,748	6,340,937
Public safety	4,365,477	4,443,997	-	-	4,365,477	4,443,997
Public works	12,652,625	12,057,495	-	-	12,652,625	12,057,495
Sanitation	2,183,107	2,093,252	-	-	2,183,107	2,093,252
Culture & recreation	2,537,223	2,406,350	-	-	2,537,223	2,406,350
Health & Welfare	3,578,560	5,277,895	-	-	3,578,560	5,277,895
Urban redevelopment & housing	387,723	389,719	-	-	387,723	389,719
Economic development & assistance	270,686	270,194	-	-	270,686	270,194
Interest and fees on long-term debt	1,134,588	579,840	-	-	1,134,588	579,840
Solid Waste Landfill	-	-	7,726,248	4,604,103	7,726,248	4,604,103
Small Animal Control	-	-	406,152	433,372	406,152	433,372
Kemper Williams Park	-	-	655,682	552,804	655,682	552,804
Total expenses	<u>37,553,737</u>	<u>33,859,679</u>	<u>8,788,082</u>	<u>5,590,279</u>	<u>46,341,819</u>	<u>39,449,958</u>
Increase (decrease) in net position before special items and transfers	(8,035,775)	(4,667,391)	(4,227,002)	(1,463,694)	(12,262,777)	(6,131,085)
Transfers	(1,425,000)	(1,305,000)	1,425,000	1,305,000	-	-
Special Items:						
Atchafalaya Golf Course	(1,695,700)	-	-	-	(1,695,700)	-
Transfer - Hospital Service Dist. No. 3	-	823,913	-	-	-	823,913
Transfer - Fire Prot. Dist. No. 7	-	64,862	-	-	-	64,862
Increase (decrease) in net position	<u>(11,156,475)</u>	<u>(5,083,616)</u>	<u>(2,802,002)</u>	<u>(158,694)</u>	<u>(13,958,477)</u>	<u>(5,242,310)</u>
Net position - beginning	84,428,005	94,708,834	15,239,421	16,988,782	99,667,426	111,697,616
Prior period adjustment	-	(5,197,213)	-	(1,590,667)	-	(6,787,880)
Net position - beginning (as adjusted)	<u>84,428,005</u>	<u>89,511,621</u>	<u>15,239,421</u>	<u>15,398,115</u>	<u>99,667,426</u>	<u>104,909,736</u>
Net position - ending	<u>\$ 73,271,530</u>	<u>\$ 84,428,005</u>	<u>\$ 12,437,419</u>	<u>\$ 15,239,421</u>	<u>\$ 85,708,949</u>	<u>\$ 99,667,426</u>

As mentioned previously, the Council's total net position decreased by \$14 million during the current year. *Governmental activities* net position decreased by \$11 million. Some factors affecting the change in net position for governmental activities were:

1. The main reason for the decrease was the adjustment related to the treatment of Postemployment Benefits Other Than Pensions (OPEB) and the \$1.7 million special item related to amounts due from the Atchafalaya Golf Course.
2. Operating expenditures increased by approximately \$3.7 million or 11%. The main part of this increase is due to an increase in general government expenses of \$4.1 million. This was due mainly to the adjustment for OPEB expenses and pension expenses as more fully discussed in Notes 15 and 16 to the financial statements.

Business-type activities net position decreased by approximately \$2.8 million in 2019.

The Reduction and Transfer fund, the Small Animal Control fund, and the Kemper Williams Park funds all had excesses of expenses over revenues for the year. After non-operating activities and operating transfers, the Reduction and Transfer fund and the Small Animal Control fund had decreases in net position. The Kemper Williams Park fund had an increase in net position. The net effect, after transfers was an overall decrease in net position of approximately \$2.8 million for all three enterprise funds.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

Governmental Funds: Governmental fund equity is classified into five categories: non spendable, restricted, committed, assigned and unassigned. A more detailed description of these classifications can be found in Note 1 to the financial statements on pages 43.

As of the end of the current year, the Council's governmental funds reported combined ending fund balances of approximately \$14.7 million, a decrease of \$3 million in comparison to the prior year. At the end of 2019, approximately 56% or \$8.3 million of this total amount constitutes assigned fund balance. \$3.4 million, or 23%, is restricted for specific uses. \$700,000 million is considered non spendable for non-current receivables. The remaining \$2.3 million is unassigned.

The General Fund is the chief operating fund of the St. Mary Parish Council. At the end of the fiscal year, total fund balance of the General Fund was approximately \$640,000. \$340,000 is non spendable for non-current portion of receivables. The remaining \$300,000 is unassigned. Compared with total fund balance of approximately \$2.3 million at the end of 2018, fund balance decreased by \$1.7 million during 2019. This decrease was mainly as the result of the special item write off of \$1.7 million due from Atchafalaya Golf Course. This amount was previously reported as non spendable for non-current portion of receivables.

Fund balance in the Road Construction and Maintenance Fund decreased by approximately \$400,000 as a result of normal operations.

Proprietary Funds: The Council’s proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. At the end of the current fiscal year, the Council’s proprietary funds reported combined ending net position of approximately \$12.4 million, a decrease of \$2.8 million. This decrease was mainly due to an increase in landfill closure costs in 2019.

The Reduction and Transfer fund had a decrease in net position of approximately \$2.7 million in 2019. This was due to an increase in the estimate of landfill closure costs based upon new materials and technologies developed and regulatory requirements. The Small Animal Control fund had a decrease in net position of approximately \$93,000 in 2019, as a result of operations. The Kemper Williams Park fund had an increase in net position of approximately \$25,000 in 2019, as a result of operations.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Council made revisions to the original appropriations which resulted in the final amended budget for 2019. Overall these changes resulted in an increase in budgeted revenues of approximately \$750,000 or approximately 12%. The majority of this amended increase is in the areas of ad valorem taxes and federal and state grants which makes up \$705,000. These differences are due to as valorem tax collections being higher than originally anticipated and the Council’s policy of not adopting budgets for grants until it is almost certain of the amount and timing of receipt of the grant monies.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets: From the schedule below, the Council’s investment in capital assets for its governmental and business-type activities as of December 31, 2019 amounts to \$129 million (net of accumulated depreciation). This investment in capital assets includes land, infrastructure, buildings, equipment, and furniture and various construction projects within the parish.

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Land	\$ 1,919,874	\$ 1,919,874	\$ 2,052,372	\$ 2,052,372	\$ 3,972,246	\$ 3,972,246
Land improvements	-	-	1,750,227	1,750,227	1,750,227	1,750,227
Construction in progress	2,867,568	9,447,979	-	44,288	2,867,568	9,492,267
Infrastructure	69,982,753	66,928,902	-	-	69,982,753	66,928,902
Buildings	8,011,771	8,489,854	1,002,841	1,064,783	9,014,612	9,554,637
Equipment and furniture	2,496,103	2,971,334	2,170,201	2,269,557	4,666,304	5,240,891
Improvements	21,652,512	15,224,026	15,092,409	15,801,531	36,744,921	31,025,557
Totals	<u>\$ 106,930,581</u>	<u>\$ 104,981,969</u>	<u>\$ 22,068,050</u>	<u>\$ 22,982,758</u>	<u>\$ 128,998,631</u>	<u>\$ 127,964,727</u>

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

- Road projects throughout the Parish -- \$7.1 million
- Boudreaux – Gilmore Drainage -- \$780,000
- Airport Fence Project -- \$468,000
- Burns Point Improvements -- \$138,000

Long-term Debt: The table below reflects the Council’s long-term debt at December 31, 2019 with comparative figures from 2018. Governmental activities account for 77% of the total debt at December 31, 2019.

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
General obligation debt	\$ 7,098,000	\$ 7,603,000	-	-	\$ 7,098,000	\$ 7,603,000
Revenue bonds	23,800,000	15,020,000	-	-	23,800,000	15,020,000
Bonds payable	-	-	\$ 8,950,000	\$ 9,780,000	8,950,000	9,780,000
Original issue premium	27,376	33,376	481,124	545,124	508,500	578,500
Compensated absences	274,000	242,000	-	-	274,000	242,000
Total	\$ 31,199,376	\$ 22,898,376	\$ 9,431,124	\$ 10,325,124	\$ 40,630,500	\$ 33,223,500

Business-type long-term debt is responsible for \$9.4 million or 23% of the Council’s total debt. This debt is comprised of three issues—the unrefunded portion of the Solid Waste Bonds, Series 2010 that were issued for expansion at the parish landfill and Solid Waste Sales Tax Bonds, Series 2013 that were issued to refund the 2008 bonds to reduce interest rates and the Solid Waste Sales Tax Refunding Bonds, Series 2017 that were issued to partially refund the 2010 bonds to reduce total debt service payments. The Council’s total debt had a net increase of approximately \$7.4 million during the current fiscal year. This is mainly due to the issuance of \$10 million of Road Improvement Bonds during the year. Additional information concerning the Council’s long-term debt can be obtained from Note 11 on pages 54-58 of this report.

ECONOMIC FACTORS AND NEXT YEAR’S BUDGETS AND RATES

In the fiscal year 2020 budget, ad valorem revenues are budgeted at approximately the same amount as the 2019 budgeted revenues. These revenues reflect 35% of general fund budgeted revenues and combined with transfers in, provide 67% of budgeted general fund revenues.

After a slight decrease in 2009, sales taxes in the parish increased through 2013 while decreasing slightly in 2014 and moderately in 2015. Sales Tax Collections decreased approximately 8% in 2016, while 2017 collections were equal to 2016; 2018 and 2019 collections increased approximately 5.5%. Collections for 2020 are expected to remain the same as 2019. This is primarily due to a decrease in overall business activity due to COVID-19 and a decrease in oil and gas work activity as a result of much lower oil prices. In the Road Maintenance Fund, Royalty Road Revenues are budgeted higher than the final revenue for 2019. The 2019 royalty road revenues decreased approximately 22% compared to the prior year. These funds are constantly monitored and should be noted that the 2014 revenues were the most collected at \$9.1 million. Due to the severe decrease in oil prices in early 2020, it is expected that 2020 Royalty Road Revenues will be considerably less than 2019, based on collections year to date. Except for garbage collection rates, which were adjusted in 2006 due to an increase in garbage collection charges under a new contract, the Parish’s rates and charges for services remain the same for 2020 and overall revenues are budgeted similar to 2019.

These 2020 revenue projections are expected to be lower than 2019, and expenditures such as personnel, fuel costs, insurance, and cost of goods that are expected to be slightly lower than 2019, have required the Parish Council to provide a basic budget in order to continue to provide the level of service to its citizens.

In 2004 and 2005, the Parish Council had refunded much of its outstanding debt at a lower interest rate in order to lower its annual debt service and in some instances decrease the term. In 2008, two more issues were refinanced to obtain lower interest rates at a substantial savings to the Parish. The Parish also refunded outstanding Jail Construction Bonds which provided a lower interest rate and a decrease in the annual debt service requirement while providing an additional \$1.2 million for additional jail improvements to its mechanical systems, its electronic security system and provides for an emergency generator. The 2010 Sales Tax – Solid Waste Bonds have been refinanced in 2017 reflecting additional savings.

In 2006, the voters of St. Mary Parish approved to permit the berthing of a riverboat casino in the Parish. In 2007, the casino opened and as part of an agreement, the Parish received additional funds in the form of a direct payment. In 2017, a new ten (10) year agreement has been negotiated and direct annual payments will continue through 2027. The casino continues to operate and in addition to the creation of new jobs in the Parish, the economy continues to receive a positive impact through the purchase of goods and services.

The Parish issued \$6.865 million in Sales Tax Public Improvement bonds in 2011 for the purpose of funding improvements to the St. Mary Parish Courthouse and several other Parish buildings. These funds have been expended over the past three years and were fully expended in 2019. The annual debt service payment is budgeted in Fund 224, Sales Tax Bond Sinking fund. The final payment of the \$2.9 million, 2003 Public Improvement Bond was made in 2012, thereby freeing up the necessary sales tax revenues for this additional debt. In 2019, the outstanding 2011 Sales Tax Public Improvement bonds were refunded at a lower interest rate which lowered its annual debt service and provided for the Parish to issue an additional \$1.5 million in Sales Tax Public Improvement bonds for improvements and renovations to Parish buildings in 2020. The Parish has also issued a Certificate of Indebtedness in the amount of \$600,000 to fund its 30% share of the City of Franklin's Sewer Plant renovation project.

In 2018, the Parish issued 20 year, \$10 million Road Improvement Revenue Bonds for overlay, reconstruction and improvements to parish roads. A portion of the bonds, \$2.5 million has been allocated to the five municipalities for road improvements in its respective jurisdictions. These improvement projects began in the latter part of 2018 and were completed in 2019. In 2019, the Parish Council issued an additional 20 year, \$10 million Road Improvement Revenue Bond for overlay, reconstruction and improvements to parish roads. A portion of these bonds, \$3 million has been allocated to the five municipalities for road improvements in its respective jurisdictions. It is anticipated that the 2019 Road Improvement bond proceeds will be expended in 2019, 2020 and into early 2021.

The Parish has also issued a 20 year, \$11.5 million revenue bond in 2019 to be funded by annual GOMESA revenues. These bond funds are being used to fund hurricane and flood projects and onshore infrastructure projects that mitigate the impact of outer continental Shelf activities. It is anticipated that these projects will be completed over the next 3 to 5 years.

In 2019, the Parish's overall economic activity remained somewhat flat due to the decrease in activity of the oil and gas industry sector. Sales tax collections for 2019 are a reflection of that activity. At this time, it is anticipated that revenues will be less than 2019 revenues due to the impacts of the COVID-19 pandemic as well as the extreme decrease in oil prices. We have however, been able to sustain a certain level of economic activity in various other sectors and anticipate this to continue. It should be noted that the Parish's budgeted revenues will reflect the anticipated reduced revenue projections due to this anticipated economic activity.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the St. Mary Parish Council's finances for all those with an interest in the Council's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Henry C. LaGrange, Chief Administrative Officer, Fifth Floor—Courthouse, Franklin, LA 70538.

BASIC FINANCIAL STATEMENTS

ST. MARY PARISH COUNCIL
Statement of Net Position
December 31, 2019

	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>
ASSETS			
Current assets			
Cash and cash equivalents	\$ 2,903,127	\$ 823,038	\$ 3,726,165
Investments	11,715,435	499,988	12,215,423
Receivables (net of allowances for uncollectibles)	992,142	690,706	1,682,848
Due from component units	695,985		695,985
Due from other governments	6,852,585	73,644	6,926,229
Other assets	5,840		5,840
Internal balances	<u>(1,488,504)</u>	<u>1,488,504</u>	<u>-</u>
Total current assets	<u>21,676,610</u>	<u>3,575,880</u>	<u>25,252,490</u>
Noncurrent assets			
Restricted cash		1,212,274	1,212,274
Restricted investments		849,173	849,173
Internal balances	<u>(4,918,472)</u>	<u>4,918,472</u>	<u>-</u>
Total restricted assets	<u>(4,918,472)</u>	<u>6,979,919</u>	<u>2,061,447</u>
Capital assets			
Land and improvements	1,919,874	3,758,311	5,678,185
Buildings, net of accumulated depreciation	8,011,771	1,010,574	9,022,345
Improvements other than buildings, net of accumulated depreciation	21,652,512	15,802,367	37,454,879
Equipment and furniture, net of accumulated depreciation	2,496,103	1,452,510	3,948,613
Infrastructure, net of accumulated depreciation	69,982,753		69,982,753
Construction in progress	<u>2,867,568</u>	<u>44,288</u>	<u>2,911,856</u>
Total capital assets	<u>106,930,581</u>	<u>22,068,050</u>	<u>128,998,631</u>
Total assets	<u>123,688,719</u>	<u>32,623,849</u>	<u>156,312,568</u>
DEFERRED OUTFLOWS OF RESOURCES			
Gain on refunding	60,000		60,000
Debt redemption costs		651,900	651,900
Related to Pensions	2,934,696	740,996	3,675,692
Related to OPEB	<u>3,859,187</u>	<u>720,380</u>	<u>4,579,567</u>
Total deferred outflows of resources	<u>6,853,883</u>	<u>2,113,276</u>	<u>8,967,159</u>
Total assets and deferred outflows of resources	<u>\$ 130,542,602</u>	<u>\$ 34,737,125</u>	<u>\$ 165,279,727</u>
LIABILITIES			
Liabilities			
Current liabilities			
Accounts payable	\$ 812,038	\$ 260,210	\$ 1,072,248
Contracts payable	761,682		761,682
Retainage payable	167,422		167,422
Accrued liabilities	270,555		270,555
Accrued interest payable	195,033		195,033
Current portion of long-term debt	1,799,000	855,000	2,654,000
Current portion of lease obligation payable	<u>108,958</u>		<u>108,958</u>
Total current liabilities	<u>4,114,688</u>	<u>1,115,210</u>	<u>5,229,898</u>
Noncurrent liabilities			
Other post-employment benefits	18,821,331	3,513,315	22,334,646
Compensated absences	274,000		274,000
Long-term debt	29,126,376	8,576,124	37,702,500
Landfill closure costs and post-closure care costs		7,970,000	7,970,000
Net pension liability	3,331,980	841,309	4,173,289
Lease obligation payable	<u>112,823</u>		<u>112,823</u>
Total noncurrent liabilities	<u>51,666,510</u>	<u>20,900,748</u>	<u>72,567,258</u>
Total liabilities	<u>55,781,198</u>	<u>22,015,958</u>	<u>77,797,156</u>
DEFERRED INFLOWS OF RESOURCES			
Related to Pensions	217,114	54,821	271,935
Related to OPEB	1,226,393	228,927	1,455,320
Unavailable revenues	<u>46,367</u>	<u>-</u>	<u>46,367</u>
Total deferred inflows of resources	<u>1,489,874</u>	<u>283,748</u>	<u>1,773,622</u>
Total liabilities and deferred inflows of resources	<u>57,271,072</u>	<u>22,299,706</u>	<u>79,570,778</u>
NET POSITION			
Net investment in capital assets	76,136,057	12,636,926	88,772,983
Restricted for:			
Capital projects	5,433,971		5,433,971
Debt service	2,168,199	2,413,666	4,581,865
Other purposes	3,113,873		3,113,873
Unrestricted	<u>(13,580,570)</u>	<u>(2,613,173)</u>	<u>(16,193,743)</u>
Total net position	<u>73,271,530</u>	<u>12,437,419</u>	<u>85,708,949</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 130,542,602</u>	<u>\$ 34,737,125</u>	<u>\$ 165,279,727</u>

ST. MARY PARISH COUNCIL

Balance Sheet
Governmental Funds
December 31, 2019

	General Fund	Road Construction & Maintenance Fund	Sanitation Fund	Capital Improvement Fund	CDBG Recovery Fund	Combined Sewer Construction Fund	Other Governmental Funds	Total Governmental Funds
ASSETS								
Cash and cash equivalents	\$ 1,417	\$ 130			\$ 2,145	\$ 1	\$ 2,899,434	\$ 2,903,127
Investments		711,005	\$ 1,424,777	\$ 7,158,349		1,076,767	1,344,537	11,715,435
Receivables (net of allowances for uncollectibles)	117,117	389,632	168,368				317,025	992,142
Due from component units	343,352					352,633		695,985
Due from other governments	3,146,313	731,200	455,342	1,365,698			1,154,032	6,852,585
Advance to other funds						964,437	787,022	1,751,459
Other assets							5,840	5,840
Total assets	<u>\$ 3,608,199</u>	<u>\$ 1,831,967</u>	<u>\$ 2,048,487</u>	<u>\$ 8,524,047</u>	<u>\$ 2,145</u>	<u>\$ 2,393,838</u>	<u>\$ 6,507,890</u>	<u>\$ 24,916,573</u>
LIABILITIES								
Accounts payable	\$ 267,007	\$ 66,855	\$ 180,281		\$ 1,000	\$ 423	\$ 296,472	\$ 812,038
Contracts payable				\$ 761,682				761,682
Retainage payable				167,422				167,422
Accrued liabilities	156,365	58,549	2,384				53,257	270,555
Advance from other funds	2,545,593	1,729,735	1,066,699	2,162,117			654,291	8,158,435
Total liabilities	<u>2,968,965</u>	<u>1,855,139</u>	<u>1,249,364</u>	<u>3,091,221</u>	<u>1,000</u>	<u>423</u>	<u>1,004,020</u>	<u>10,170,132</u>
Deferred inflows of resources							46,367	46,367
Total liabilities and deferred inflows	<u>2,968,965</u>	<u>1,855,139</u>	<u>1,249,364</u>	<u>3,091,221</u>	<u>1,000</u>	<u>423</u>	<u>1,050,387</u>	<u>10,216,499</u>
FUND BALANCES								
Fund balances (deficits)								
Nonspendable - non-current receivables	343,352					352,633		695,985
Restricted for								
Use in specific geographic areas							1,008,000	1,008,000
Debt service							2,363,232	2,363,232
Assigned for								
General Government							239,889	239,889
Public safety							268,925	268,925
Culture & recreation							236,059	236,059
Health & welfare							576,338	576,338
Urban redevelopment & housing							6,907	6,907
Debt service							728,727	728,727
Sanitation			799,123					799,123
Capital projects				5,432,826	1,145			5,433,971
Unassigned	295,882	(23,172)				2,040,782	29,426	2,342,918
Total fund balances	<u>639,234</u>	<u>(23,172)</u>	<u>799,123</u>	<u>5,432,826</u>	<u>1,145</u>	<u>2,393,415</u>	<u>5,457,503</u>	<u>14,700,074</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 3,608,199</u>	<u>\$ 1,831,967</u>	<u>\$ 2,048,487</u>	<u>\$ 8,524,047</u>	<u>\$ 2,145</u>	<u>\$ 2,393,838</u>	<u>\$ 6,507,890</u>	<u>\$ 24,916,573</u>

The accompanying notes are an integral part of these financial statements.

ST. MARY PARISH COUNCIL

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
December 31, 2019

Reconciliation of the total fund balance - total governmental funds
to the total net position of governmental activities:

Total fund balance - Governmental Funds		\$ 14,700,074
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds balance sheet.		106,930,581
Interest payable on long-term debt does not require current financial resources, and, therefore, interest payable is not reported as a liability in the governmental funds balance sheet.		(195,033)
Noncurrent liabilities are not due and payable in the current period are not reported in the governmental funds balance sheet:		
Long-term debt	\$ (30,925,376)	
Lease obligation	(221,781)	
Compensated absences	(274,000)	
Other post-employment benefit plans	(18,821,331)	
Net pension liability	<u>(3,331,980)</u>	<u>(53,574,468)</u>
The deferred outflows and inflows of resources that do not affect the current period are not reported in the governmental fund balance sheet:		
Deferred outflows gain on refunding	60,000	
Deferred outflows of resources related to pensions	2,934,696	
Deferred outflows of resources related to OPEBs	3,859,187	
Deferred inflows of resources related to pensions	(217,114)	
Deferred inflows of resources related to OPEBs	<u>(1,226,393)</u>	<u>5,410,376</u>
Net position of governmental activities		<u>\$ 73,271,530</u>

ST. MARY PARISH COUNCIL

Statement of Revenues, Expenditures, and Changes in Fund Balances
 Governmental Funds
 For the Year Ending December 31, 2019

	General Fund	Road Construction & Maintenance Fund	Sanitation Fund	Capital Improvement Fund	CDBG Recovery Fund	Combined Sewer Construction Fund	Other Governmental Funds	Total Governmental Funds
REVENUES								
Taxes								
Sales and use			\$ 2,573,718				\$ 3,392,661	\$ 5,966,379
Ad valorem	\$ 3,478,439						142,763	3,621,202
Other taxes, penalties, & interests, etc.	122,186							122,186
Intergovernmental revenues								
Federal grants	114,755	\$ 1,119,151		\$ 831,778	\$ 2,350,499		1,183,457	5,599,640
Medicaid							1,998,375	1,998,375
State funds								
State grants	38,720	91,780	50,728	563,114			435,780	1,180,122
State revenue sharing	443,367							443,367
Royalty road funds		2,904,009						2,904,009
Parish road transportation funds		461,750						461,750
Severance taxes	1,063,670							1,063,670
Local								
Chitimacha tribal grant			62,479	217,306			124,238	404,023
				594,671				594,671
Riverboat fees							1,400,000	1,400,000
Licenses & permits	736,304						22,806	759,110
Fees, charges, & commission	168,884		1,428,280				152,400	1,749,564
Mosquito abatement	185,362							185,362
Investment earnings & interest	76,581	19,485	43,410	102,216		\$ 40,517	72,613	354,822
Other revenues	302,376	361,255					1,533	665,164
Total revenues	6,730,644	4,957,430	4,158,615	2,309,085	2,350,499	40,517	8,926,626	29,473,416
EXPENDITURES								
Current:								
General government	5,971,458						273,771	6,245,229
Public safety	749,627		160,466				2,241,586	3,151,679
Public works	254,901	3,480,903					232,361	3,968,165
Sanitation			2,155,627			45,293		2,200,920
Culture & recreation	960,473						430,492	1,390,965
Health & welfare	836,391		64,363				3,456,003	4,356,757
Urban redevelopment & housing							387,723	387,723
Economic development & assistance	270,686							270,686
Miscellaneous	6,547							6,547
Bad debts								
FEMA Reimbursement								
Capital outlay		381,631		11,665,356	2,350,499		128,943	14,526,429
Debt service								
Principal							1,725,000	1,725,000
Interest							1,055,463	1,055,463
Fees							75,387	75,387
Total expenditures	9,050,083	3,862,534	2,380,456	11,665,356	2,350,499	45,293	10,006,729	39,360,950
Excess (deficiency) of revenues over (under) expenditures	(2,319,439)	1,094,896	1,778,159	(9,356,271)	-	(4,776)	(1,080,103)	(9,887,534)
OTHER FINANCING SOURCES								
Proceeds from bonds							10,000,000	10,000,000
Operating transfers in	3,760,000	600,000		9,929,850		200,000	3,011,602	17,501,452
Operating transfers out	(1,450,000)	(2,111,000)	(1,755,000)	(450,000)			(13,160,452)	(18,926,452)
Total other financing sources (uses)	2,310,000	(1,511,000)	(1,755,000)	9,479,850	-	200,000	(148,850)	8,575,000
SPECIAL ITEMS								
Atchafalaya Golf Course	(1,695,700)							(1,695,700)
Net change in fund balance	(1,705,139)	(416,104)	23,159	123,579	-	195,224	(1,228,953)	(3,008,234)
Fund balance at beginning of year	2,344,373	392,932	775,964	5,309,247	1,145	2,198,191	6,686,456	17,708,308
Fund balance at end of year	\$ 639,234	\$ (23,172)	\$ 799,123	\$ 5,432,826	\$ 1,145	\$ 2,393,415	\$ 5,457,503	\$ 14,700,074

ST. MARY PARISH COUNCIL

Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended December 31, 2019

Reconciliation of the changes in fund balances - total governmental funds to the change in net position of governmental activities:

Net change in fund balance - Governmental Funds \$ (3,008,234)

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlay 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 (\$6,348,352) was exceeded by capital outlays (\$8,296,964) meeting the Council's Capitalization policy in the current period. 1,948,612

Issuance of bonds is an other financing source in the governmental funds, but not in the Statement of Activities (10,000,000)

Repayment of bond principal and lease obligations is an expenditure in the governmental funds, but the repayment reduces noncurrent liabilities in the Statement of Net Position

Repayments of principal on long term debt	1,731,000	
Lease obligation	<u>105,219</u>	
Net adjustment		<u>1,836,219</u>

Some expenses reported in the Statement of Activities do not require the use of current financial resources; therefore, are not reported in governmental funds as expenditures.

Increase in accrued compensated absences	(32,000)	
Decrease in accrued interest	2,262	
Amortize gain on refunding	<u>(12,000)</u>	
Net adjustment		<u>(41,738)</u>

Effects of recording net pension liability, other postemployment benefits liability, deferred inflows and outflows of resources, and other items related to these liabilities:

Increase in pension expense	(778,082)	
Non employer pension contributions	57,366	
Increase on other postemployment benefit expense	<u>(1,170,618)</u>	
Net adjustment		<u>(1,891,334)</u>

Change in net position of governmental activities \$ (11,156,475)

The accompanying notes are an integral part of these financial statements.

ST. MARY PARISH COUNCIL

Statement of Net Position
Proprietary Funds
December 31, 2019

	Business-type Activities			Total
	Enterprise Funds			
	Reduction and Transfer Fund	Small Animal Control Fund	Kemper Williams Park Fund	
ASSETS				
Current assets				
Cash and cash equivalents	\$ 533,771	\$ 108,947	\$ 180,320	\$ 823,038
Investments	499,988			499,988
Receivables (net of allowances for uncollectibles)	682,695	2,990	5,021	690,706
Due from other governments	73,644			73,644
Advance to other funds	1,469,863		18,641	1,488,504
Total current assets	<u>3,259,961</u>	<u>111,937</u>	<u>203,982</u>	<u>3,575,880</u>
Noncurrent assets				
Restricted cash	1,212,274			1,212,274
Restricted investments	849,173			849,173
Restricted advances	4,918,472			4,918,472
Total restricted assets	<u>6,979,919</u>	<u>-</u>	<u>-</u>	<u>6,979,919</u>
Property, plant, and equipment (net of accumulated depreciation)	18,686,759	925,718	2,455,573	22,068,050
Total noncurrent assets	<u>25,666,678</u>	<u>925,718</u>	<u>2,455,573</u>	<u>29,047,969</u>
Total assets	<u>28,926,639</u>	<u>1,037,655</u>	<u>2,659,555</u>	<u>32,623,849</u>
DEFERRED OUTFLOWS OF RESOURCES				
Debt redemption costs	651,900			651,900
Related to pension	514,665	110,693	115,638	740,996
Related to OPEB	411,646	154,367	154,367	720,380
Total deferred outflows of resources	<u>1,578,211</u>	<u>265,060</u>	<u>270,005</u>	<u>2,113,276</u>
Total assets and deferred outflows of resources	<u>\$ 30,504,850</u>	<u>\$ 1,302,715</u>	<u>\$ 2,929,560</u>	<u>\$ 34,737,125</u>
LIABILITIES				
Current liabilities				
Accounts payable and accrued expenses	\$ 233,088	\$ 11,768	\$ 15,354	\$ 260,210
Bonds payable within one year	855,000			855,000
Total current liabilities	<u>1,088,088</u>	<u>11,768</u>	<u>15,354</u>	<u>1,115,210</u>
Long-term liabilities				
Other post-employment benefits	2,007,609	752,853	752,853	3,513,315
Bonds payable, including unamortized premium	8,576,124			8,576,124
Landfill closure and post-closure care costs	7,970,000			7,970,000
Net pension liability	584,338	125,678	131,293	841,309
Total long-term liabilities	<u>19,138,071</u>	<u>878,531</u>	<u>884,146</u>	<u>20,900,748</u>
Total liabilities	<u>20,226,159</u>	<u>890,299</u>	<u>899,500</u>	<u>22,015,958</u>
DEFERRED INFLOWS OF RESOURCES				
Related to pension	38,076	8,190	8,555	54,821
Related to other post-employment benefits	130,815	49,056	49,056	228,927
Total liabilities and deferred inflows of resources	<u>20,395,050</u>	<u>947,545</u>	<u>957,111</u>	<u>22,299,706</u>
FUND EQUITY				
Invested in capital assets, net of related debt	9,255,635	925,718	2,455,573	12,636,926
Restricted	2,413,666			2,413,666
Unrestricted	(1,559,501)	(570,548)	(483,124)	(2,613,173)
Total net position	<u>10,109,800</u>	<u>355,170</u>	<u>1,972,449</u>	<u>12,437,419</u>
Total liabilities, deferred inflows, and net position	<u>\$ 30,504,850</u>	<u>\$ 1,302,715</u>	<u>\$ 2,929,560</u>	<u>\$ 34,737,125</u>

ST. MARY PARISH COUNCIL

Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2019

	Business-type Activities Enterprise Funds			
	Reduction and Transfer Fund	Small Animal Control Fund	Kemper Williams Park Fund	Total
OPERATING REVENUES				
Solid waste disposal fees	\$ 4,139,815			\$ 4,139,815
Impound fees		\$ 110,819		110,819
Admission fees			\$ 11,758	11,758
Campsite fees			65,259	65,259
Special events			18,187	18,187
Other	27,006		20,324	47,330
Total operating revenues	<u>4,166,821</u>	<u>110,819</u>	<u>115,528</u>	<u>4,393,168</u>
OPERATING EXPENSES				
Personal services	1,093,518	257,644	300,003	1,651,165
Contractual services	216,408		2,225	218,633
Supplies	103,406	17,834	27,215	148,455
Materials	456,731	7,813	10,946	475,490
Utilities	129,740	19,948	84,656	234,344
Repairs and maintenance	196,200	10,695	37,439	244,334
Landfill closure costs	3,020,000			3,020,000
Equipment and rentals	921,483	20,502	59,111	1,001,096
Miscellaneous	82,342	530	19,152	102,024
Depreciation	1,002,653	62,185	86,666	1,151,504
Insurance	130,148	9,001	28,269	167,418
Total operating expenses	<u>7,352,629</u>	<u>406,152</u>	<u>655,682</u>	<u>8,414,463</u>
Net operating income (loss)	<u>(3,185,808)</u>	<u>(295,333)</u>	<u>(540,154)</u>	<u>(4,021,295)</u>
NON-OPERATING REVENUES AND EXPENSES				
Investment earnings	115,266	443		115,709
Gifts/donations			37,718	37,718
Non-employer pension contributions	10,061	2,164	2,260	14,485
Interest	(366,169)			(366,169)
Fees	(7,450)			(7,450)
Total non-operating revenues	<u>(248,292)</u>	<u>2,607</u>	<u>39,978</u>	<u>(205,707)</u>
Income (loss) before transfers	<u>(3,434,100)</u>	<u>(292,726)</u>	<u>(500,176)</u>	<u>(4,227,002)</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in				
General Fund		200,000	375,000	575,000
Wards 5 & 8 Sales Tax Fund			150,000	150,000
Sanitation Fund	700,000	-	-	700,000
Total contributions and transfers	<u>700,000</u>	<u>200,000</u>	<u>525,000</u>	<u>1,425,000</u>
Change in net position	<u>(2,734,100)</u>	<u>(92,726)</u>	<u>24,824</u>	<u>(2,802,002)</u>
Net position, beginning of year	<u>12,843,900</u>	<u>447,896</u>	<u>1,947,625</u>	<u>15,239,421</u>
Net position, end of year	<u>\$ 10,109,800</u>	<u>\$ 355,170</u>	<u>\$ 1,972,449</u>	<u>\$ 12,437,419</u>

ST. MARY PARISH COUNCIL

Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2019

Increase (Decrease) in Cash & Cash Equivalents

	Business-type Activities Enterprise Funds			Total
	Reduction and Transfer Fund	Small Animal Control Fund	Kemper Williams Park Fund	
Cash flows from operating activities:				
Received from charges for services	\$ 3,816,625	\$ 113,139	\$ 116,473	\$ 4,046,237
Payments to suppliers for goods & services	(2,255,668)	(90,810)	(327,185)	(2,673,663)
Payments to employees for services	<u>(1,158,832)</u>	<u>(260,643)</u>	<u>(300,797)</u>	<u>(1,720,272)</u>
Net cash flows (deficiency) from operating activities	<u>402,125</u>	<u>(238,314)</u>	<u>(511,509)</u>	<u>(347,698)</u>
Cash flows from noncapital financing activities:				
Contributions			37,718	37,718
Operating transfers in from other funds	700,000	200,000	525,000	1,425,000
Advances to other funds	<u>(1,221,406)</u>		<u>(18,641)</u>	<u>(1,240,047)</u>
Net cash flows (deficiency) from noncapital financing activities	<u>(521,406)</u>	<u>200,000</u>	<u>544,077</u>	<u>222,671</u>
Cash flows from capital and related financial activities				
Fixed asset acquisitions	(198,149)	-	(38,650)	(236,799)
Debt payments	<u>(1,168,619)</u>			<u>(1,168,619)</u>
Net cash flows (deficiency) from capital and related financing activities	<u>(1,366,768)</u>	<u>-</u>	<u>(38,650)</u>	<u>(1,405,418)</u>
Cash flows from investing activities				
Investment earnings	115,266	443	-	115,709
Sale of investments	485,456			485,456
Non-employer pension contributions	10,061	2,164	2,260	14,485
Net cash flows from investing activities	<u>610,783</u>	<u>2,607</u>	<u>2,260</u>	<u>615,650</u>
Net increase (decrease) in cash and cash equivalents	(875,266)	(35,707)	(3,822)	(914,795)
Cash and cash equivalents at beginning of year	<u>2,621,311</u>	<u>144,654</u>	<u>184,142</u>	<u>2,950,107</u>
Cash and cash equivalents at end of year	<u>\$ 1,746,045</u>	<u>\$ 108,947</u>	<u>\$ 180,320</u>	<u>\$ 2,035,312</u>
Shown in the accompanying Statement of Net Position as:				
Cash and cash equivalents	\$ 533,771	\$ 108,947	\$ 180,320	\$ 823,038
Restricted cash	<u>1,212,274</u>			<u>1,212,274</u>
Total cash and cash equivalents	<u>\$ 1,746,045</u>	<u>\$ 108,947</u>	<u>\$ 180,320</u>	<u>\$ 2,035,312</u>

	Business-type Activities			Total
	Enterprise Funds			
	Reduction and Transfer Fund	Small Animal Control Fund	Kemper Williams Park Fund	
Reconciliation of operating income (loss) to net cash, provided by operating activities:				
Operating income (loss)	\$ (3,185,808)	\$ (295,333)	\$ (540,154)	\$ (4,021,295)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation and amortization	1,002,653	62,185	86,666	1,151,504
Decrease (increase) in accounts receivable	(350,196)	2,320	945	(346,931)
Decrease (increase) in net pension asset	99,816	19,133	25,042	143,991
Decrease (increase) in deferred outflows related to pension	(295,272)	(68,639)	(60,596)	(424,507)
Decrease (increase) in deferred outflows related to other post-employment benefits	(411,646)	(154,367)	(154,367)	(720,380)
Increase (decrease) in accounts payable and accrued expenses	(19,210)	(4,487)	(58,172)	(81,869)
Increase (decrease) in landfill closure costs	3,020,000			3,020,000
Increase (decrease) in other post-employment benefits	256,016	134,644	134,644	525,304
Increase (decrease) in net pension liability	584,338	125,678	131,293	841,309
Increase (decrease) in deferred inflows related to pension	(261,390)	(49,213)	(66,575)	(377,178)
Increase (decrease) in deferred inflows related to other post-employment benefits	(37,176)	(10,235)	(10,235)	(57,646)
Total adjustments	3,587,933	57,019	28,645	3,673,597
Net cash provided by (used for) operating activities	\$ 402,125	\$ (238,314)	\$ (511,509)	\$ (347,698)

ST. MARY PARISH COUNCIL

Budgetary Comparison Schedule
General Fund
For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes				
Ad Valorem	\$ 3,050,000	\$ 3,450,000	\$ 3,478,439	\$ 28,439
Other taxes, penalties, & interests, etc.	105,000	120,000	122,186	2,186
Intergovernmental revenues				
Federal grants	7,000	256,716	114,755	(141,961)
State funds				
State grants		38,719	38,720	1
State revenue sharing	450,000	475,000	443,367	(31,633)
Severance taxes	1,050,000	1,063,000	1,063,670	670
Criminal court fund	1,500	1,500		(1,500)
Licenses & permits	740,550	740,550	736,304	(4,246)
Fees, charges, & commission	135,525	138,025	168,884	30,859
Mosquito abatement	180,000	180,000	185,362	5,362
Investment earnings & interest	80,700	80,700	76,581	(4,119)
Other revenues	451,363	455,443	302,376	(153,067)
Total revenues	<u>6,251,638</u>	<u>6,999,653</u>	<u>6,730,644</u>	<u>(269,009)</u>
EXPENDITURES				
Current:				
General government				
Legislative	491,191	543,486	516,463	27,023
Judicial	1,260,378	1,278,778	1,236,562	42,216
Executive	249,585	249,585	228,187	21,398
Elections	132,644	132,644	106,298	26,346
Finance & administrative	1,247,033	1,263,733	1,123,421	140,312
Courthouse	1,363,175	1,582,175	1,505,553	76,622
Other	1,181,426	1,243,426	1,254,974	(11,548)
Public safety	681,533	768,217	749,627	18,590
Culture & recreation	1,008,733	1,057,183	960,473	96,710
Health & welfare	698,011	738,821	711,037	27,784
Economic development & assistance	295,284	295,284	270,686	24,598
Mosquito abatement	162,050	153,050	125,354	27,696
Airport operations	338,553	285,553	254,901	30,652
Miscellaneous	2,500	7,600	6,547	1,053
Total expenditures	<u>9,112,096</u>	<u>9,599,535</u>	<u>9,050,083</u>	<u>549,452</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,860,458)</u>	<u>(2,599,882)</u>	<u>(2,319,439)</u>	<u>280,443</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in				
Road Construction & Maintenance Fund	1,950,000	1,675,000	1,675,000	-
Sales Tax Bond Sinking Fund	1,100,000	1,350,000	1,350,000	-
Wards 1,2,3,4,7 & 10 Sales Tax Fund	-	45,000	45,000	-
Juror Comp. Fund	50,000	50,000	50,000	-
Gaming Receipt Fund	640,000	640,000	640,000	-
Operating transfers out				
Small Animal Control Fund	(200,000)	(200,000)	(200,000)	-
Jail Operating & Maintenance Fund	(900,000)	(875,000)	(875,000)	-
Kemper Williams Park Fund	(375,000)	(375,000)	(375,000)	-
Total other financing sources (uses)	<u>2,265,000</u>	<u>2,310,000</u>	<u>2,310,000</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	<u>(595,458)</u>	<u>(289,882)</u>	<u>(9,439)</u>	<u>280,443</u>
SPECIAL ITEMS				
Atchafalaya Golf Course	-	(1,695,700)	(1,695,700)	-
Net change in fund balance	<u>(595,458)</u>	<u>(1,985,582)</u>	<u>(1,705,139)</u>	<u>280,443</u>
Fund balance at beginning of year	<u>2,300,000</u>	<u>3,344,373</u>	<u>2,344,373</u>	<u>-</u>
Fund balance at end of year	<u>\$ 1,704,542</u>	<u>\$ 358,791</u>	<u>\$ 639,234</u>	<u>\$ 280,443</u>

The accompanying notes are an integral part of these financial statements.

ST. MARY PARISH COUNCIL

Budgetary Comparison Schedule
Road Construction & Maintenance Fund
For the Year Ended December 31, 2019

	<u>Original</u> <u>Budget</u>	<u>Final</u> <u>Budget</u>	<u>Actual</u>	Variance with Final Budget Positive <u>(Negative)</u>
REVENUES				
Intergovernmental revenues				
Federal grants		\$ 1,123,099	\$ 1,119,151	\$ (3,948)
State funds				
State grants	\$ 89,720	89,720	91,780	2,060
Royalty road funds	4,150,000	3,125,000	2,904,009	(220,991)
Parish road transportation funds	450,000	450,000	461,750	11,750
Investment earnings & interest	7,000	13,000	19,485	6,485
Other revenues	305,000	423,992	361,255	(62,737)
Total revenues	<u>5,001,720</u>	<u>5,224,811</u>	<u>4,957,430</u>	<u>(267,381)</u>
EXPENDITURES				
Current:				
Public works				
Highways/streets & roads	3,107,964	3,182,454	3,027,336	155,118
Road supervisor	91,022	99,022	102,082	(3,060)
Bridges	223,976	243,976	227,639	16,337
Avoca ferry	136,701	134,926	123,846	11,080
Capital outlay	505,020	388,020	381,631	6,389
Total expenditures	<u>4,064,683</u>	<u>4,048,398</u>	<u>3,862,534</u>	<u>185,864</u>
Excess of revenues over expenditures	<u>937,037</u>	<u>1,176,413</u>	<u>1,094,896</u>	<u>(81,517)</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in				
Sanitation Fund	150,000	150,000	150,000	-
Capital Improvement Fund	450,000	450,000	450,000	-
Operating transfers out				
General Fund	(1,950,000)	(1,675,000)	(1,675,000)	-
Certificates of Indebtedness Sinking Fund	(100,000)	(436,000)	(436,000)	-
Total other financing sources (uses)	<u>(1,450,000)</u>	<u>(1,511,000)</u>	<u>(1,511,000)</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	(512,963)	(334,587)	(416,104)	(81,517)
Fund balance at beginning of year	650,000	392,932	392,932	-
Fund balance at end of year	<u>\$ 137,037</u>	<u>\$ 58,345</u>	<u>\$ (23,172)</u>	<u>\$ (81,517)</u>

ST. MARY PARISH COUNCIL

Budgetary Comparison Schedule
Sanitation Fund
For the Year Ended December 31, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive <u>(Negative)</u>
REVENUES				
Taxes				
Sales and use	\$ 2,100,000	\$ 2,300,000	\$ 2,573,718	\$ 273,718
Intergovernmental revenues				
State grants	76,570	76,570	50,728	(25,842)
Local grants	50,000	50,000	62,479	12,479
Fees, charges, & commission	1,360,000	1,340,000	1,428,280	88,280
Investment earnings & interest	14,000	36,000	43,410	7,410
Total revenues	<u>3,600,570</u>	<u>3,802,570</u>	<u>4,158,615</u>	<u>356,045</u>
EXPENDITURES				
Current:				
Public safety	195,351	195,351	160,466	34,885
Sanitation	1,943,650	2,216,650	2,155,627	61,023
Health & Welfare	76,570	76,570	64,363	12,207
Total expenditures	<u>2,215,571</u>	<u>2,488,571</u>	<u>2,380,456</u>	<u>108,115</u>
Excess of revenues over expenditures	<u>1,384,999</u>	<u>1,313,999</u>	<u>1,778,159</u>	<u>464,160</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers out				
Road Construction and Maintenance Fund	(150,000)	(150,000)	(150,000)	-
Reduction and Transfer	(700,000)	(700,000)	(700,000)	-
3/4% Sales Tax Bond Sinking Fund	(705,000)	(705,000)	(705,000)	-
Combined Sewer Construction Fund	(200,000)	(200,000)	(200,000)	-
Total other financing sources (uses)	<u>(1,755,000)</u>	<u>(1,755,000)</u>	<u>(1,755,000)</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	(370,001)	(441,001)	23,159	464,160
Fund balance at beginning of year	<u>482,579</u>	<u>775,964</u>	<u>775,964</u>	<u>-</u>
Fund balance at end of year	<u>\$ 112,578</u>	<u>\$ 334,963</u>	<u>\$ 799,123</u>	<u>\$ 464,160</u>

ST. MARY PARISH COUNCIL

Notes to the Financial Statements December 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

On July 16, 1983, the voters of the parish approved a change in the form of parish government from the police jury form of government to the parish council system. The newly elected parish council was seated on November 26, 1984. The St. Mary Parish Council is the governing authority for St. Mary Parish. The parish council consists of eleven members, eight of whom are elected from single-member districts and three elected at large. The parish president, elected by the voters of the parish, is the chief executive officer of the parish and is responsible for carrying out the policies adopted by the parish council and for exercising such general executive authority as authorized by the charter.

The Council, under the provisions of Louisiana Revised Statutes, enacts ordinances, sets policy and establishes programs in such fields as social welfare, transportation, drainage, industrial inducement and health services.

The financial statements of the St. Mary Parish Council have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Council's accounting policies are described below.

A. Reporting Entity

The GASB has established several criteria for determining the governmental reporting entity. The reporting entity for St. Mary Parish should include the St. Mary Parish Council, which as governing authority of the parish is the primary government, and other governmental entities within the parish for which the Council has financial accountability. Financial accountability is determined by the Council, on the basis of applying the following criteria from those established by the GASB:

1. Financial benefit or burden
2. Appointment of a voting majority
3. Imposition of will
4. Fiscally dependent

The GASB requires that certain other organizations be included in the reporting entity although the primary government is not financially accountable if exclusion from the financial statements would render the reporting entity's financial statements incomplete or misleading.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Based on the previous criteria, the Council has determined that the following are component units and should be discretely reported components within the reporting entity but not within the primary government except for the Industrial Development Board of the Parish of St. Mary (included with the Council as part of the primary government as it has no assets, liabilities, deferred inflows or outflows; nor revenues or expenses).

<u>Component Unit</u>	<u>Area Served</u>	<u>Fiscal Year End</u>	<u>Criteria Used</u>
St. Mary Parish Water & Sewer Comm.:			
No. 1	Amelia/Siracusa	December 31	1, 2, 3
No. 2	Bayou Vista	September 30	1, 2,3
No. 3	West of Patterson to Calumet, Verdunville, & Centerville	September 30	1,2,3
No. 4	Chatsworth, St. Joseph, Irish Bend, Yokely, Sorrell, Websterville, Charenton, St. Peter	September 30	1, 2,3
No.5	Four Corners/Glencoe	September 30	1, 2, 3
St. Mary Parish Library	St. Mary Parish except Morgan City	December 31	1, 2, 3
Hospital Service District:			
No. 1	Wax Lake Outlet to Jeanerette	September 30	2, 3
No. 2	Atchafalaya River to Amelia	December 31	2, 3
Waterworks District:			
No. 5	West of Patterson to Calumet, Verdunville, & Centerville	May 31	2, 3
Sewerage District:			
No. 11(<i>no activity</i>)	Cypremort Point	September 30	1, 2, 3
Wards 5 & 8 Joint Sewer Comm.	Atchafalaya River west to Wax Lake Outlet	September 30	2, 3

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

<u>Component Unit</u>	<u>Area Served</u>	<u>Fiscal Year End</u>	<u>Criteria Used</u>
Consolidated Gravity Drainage			
District:			
No. 1	Wax Lake Outlet west to Jeanerette	September 30	2, 3
No. 2	Atchafalaya River to Bayou Ramos	September 30	2, 3, 4
Gravity Drainage District No. 6	Bayou Ramos to Bayou Bouef	September 30	2, 3
Wax Lake East Drainage District	Berwick, Bayou Vista, Patterson, Calumet	September 30	2, 3
Sub Gravity Drainage District No.1 of Gravity Drainage District No.2			
	Bayou Vista	September 30	2, 3
Cajun Coast Visitors and Convention Bureau			
	St. Mary Parish	September 30	2, 3
St. Mary Parish Sales and Use Tax Dept. (a fiduciary type fund)			
	St. Mary Parish	December 31	1, 3
Recreation District:			
No. 1	Amelia	September 30	2, 3
No. 2	Siracusa	September 30	1, 2, 3, 4
No. 3	Bayou Vista	September 30	1, 2, 3
No. 4	Patterson	September 30	1, 2, 3
No. 5	Four Corners, Sorrell Glencoe	September 30	2, 3
No. 7	Centerville, Verdunville	September 30	2, 3
Atchafalaya Golf Course Commission			
	St. Mary Parish	September 30	1,2,3,4
Fire Protection District:			
No. 1	Cypremort Point	December 31	2, 3
No. 2	Franklin/Ward 3	September 30	1, 2, 3
No. 3	Amelia	September 30	1, 2, 3
No. 7	Bayou Vista	September 30	2, 3
No. 11	Four Corners, Glencoe, Sorrell	September 30	2, 3
No. 12 (no activity)	Charenton	September 30	2, 3

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

<u>Component Unit</u>	<u>Area Served</u>	<u>Fiscal Year End</u>	<u>Criteria Used</u>
Mosquito Control District No. 1	Cypremort Point	December 31	1, 2, 3
Communications District (911)	St. Mary Parish	December 31	2, 3, 4
St. Mary Parish Assessor	St. Mary Parish	December 31	1, 4
St. Mary Parish Clerk of Court <i>(includes fiduciary type funds)</i>	St. Mary Parish	June 30	1, 4
Industrial Development Board of the Parish of St. Mary, Louisiana, Inc. <i>(only activity is issuance of conduit debt through the Council, See Note 13)</i>	St. Mary Parish	December 31	1, 2, 3, 4

The GASB provides for the issuance of primary government financial statements which are separate from those of the reporting entity. However, a primary government's financial statements are not a substitute for the reporting entity's financial statements. The Council has chosen to issue financial statements for the primary government only. As such, the accompanying financial statements are not intended to and do not report in accordance with generally accepted accounting principles. Audit reports for component units can be obtained from the administrative offices of each component and from the Clerk of the Parish Council.

The parish school board, the St. Mary Parish Sheriff, and the municipal level governments, are excluded from the accompanying financial statements as they are considered autonomous governments. These units of government issue financial statements separate from that of the Council. Also in accordance with GASB, the St. Mary Community Action Committee Association, Inc. (CAA) and the West St. Mary Parish Port, Harbor, and Terminal District (Port) are considered to be related organizations of the St. Mary Parish Council, primary government. Several different primary governments or other bodies appoint members to the board of the Port and CAA but none are considered to be financially accountable because they do not impose their will or have a financial benefit or burden relationship with the Port or CAA.

B. Basic Financial Statements - Government-wide Financial Statements

The government-wide financial statements include the Statement of Net Position and the Statement of Activities which report all activities of the Council as a whole (the Council does not conduct fiduciary activities). The government-wide presentation focuses primarily on the sustainability of the Council as an entity and the change in the Council's net position resulting from the current year's activities. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities* generally are financed through taxes, intergovernmental revenues and other nonexchange revenues, are reported separately from *business type activities*, which rely to a significant extent on fees and charges for support.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

C. Basic Financial Statements - Fund Financial Statements

The financial transactions of the Council are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, deferred outflows and inflows of resources, reserves, fund equity, revenues, and expenditures.

Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types." The following is a description of the funds utilized by the Council.

GOVERNMENTAL FUNDS

General Fund

The General Fund is the primary operating fund of the Council. It is used to account for all financial resources, except those required to be accounted for in other funds. The Council reports the General Fund as a major fund.

Special Revenue Funds

Special revenue funds are used to account for the proceeds of specific revenue sources that are earmarked for expenditures for specified purposes.

The Council reports two special revenue funds as major funds as follows:

ROAD CONSTRUCTION AND MAINTENANCE FUND

The Road Construction and Maintenance Fund accounts for the maintenance and upkeep of the parish road system. Major financing is provided by the State of Louisiana Parish Transportation Funds and Royalty Road funds. Use of Transportation Funds is restricted by Louisiana Revised Statutes.

SANITATION FUND

The Sanitation Fund accounts for the collection of solid waste for the Parish. Major financing is from the three-fourths percent sales tax and garbage collection fees. The expenditures are restricted by the three-fourths percent sales tax ordinance.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Debt Service Funds

Debt Service Funds are used to account for the accumulation of resources for, and the payment of, long-term debt principal, interest and related costs.

Capital Projects Funds

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

The Council reports the three following capital project funds as major funds:

CAPITAL IMPROVEMENT FUND

The Capital Improvement Fund accounts for ongoing capital projects, other than major sewerage, major road, or jail construction related projects, funded either by federal, state, or local funds.

CDBG RECOVERY FUND

The CDBG Recovery Fund accounts for major ongoing capital projects and is funded by federal funds.

COMBINED SEWER CONSTRUCTION FUND

The Combined Sewer Construction Fund is used to account for the proceeds of sewer bonds and three quarters percent sales tax that is being used to construct and improve sewer systems within the Parish.

PROPRIETARY FUNDS

Enterprise Funds

Enterprise funds are used to account for activities of providing goods and services to outside parties similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration.

The Council reports two of its three proprietary funds as major funds:

REDUCTION AND TRANSFER FUND

The Reduction and Transfer Fund accounts for the operation of the parish solid waste disposal plant. All garbage and trash in the western portion area of the parish is collected at the reduction station in Berwick. All garbage and trash in the eastern portion of the parish is first collected at the transfer station in Franklin and then transferred to the Berwick reduction station for disposal.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

KEMPER WILLIAMS PARK FUND

The Kemper Williams Park Fund accounts for the operations of Kemper Williams Park, a recreational facility available for parish residents. The facility charges its patrons for admission to the park which consists of picnic grounds, campsites, athletic fields, a jogging trail, and tennis courts.

Because the Council only has one remaining proprietary fund it is presented in the basic financial statements, even though the Council considers it to be a nonmajor fund.

SMALL ANIMAL CONTROL FUND

The Small Animal Control Fund accounts for the operation of a small animal shelter. This fund was established for the collection, housing, adoption, and euthanasia of small stray animals within St. Mary Parish and is funded by the parish, cities, and public of St. Mary Parish.

D. 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 Statements and Proprietary Fund Financial Statements

The government-wide statements and the proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. With this measurement focus, all assets, all deferred outflows of resources, all liabilities, and all deferred inflows of resources (whether current or noncurrent) are included in determining financial position. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flow takes place.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The Council has elected not to follow subsequent private-sector guidance.

Fund Financial Statements

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount can be determined. Available means the normal time of collection is within the current period or soon enough thereafter to pay current liabilities (the Council generally uses a ninety day period after year end).

E. Revenues

The following is a summary of the Council's recognition policies for its major revenue sources:

Sales tax revenues are recorded when the taxable sales take place, regardless of when the sales taxes are collected by the St. Mary Parish Council's sales tax department.

Ad valorem taxes and the related State Revenue Sharing (which are based on population and homesteads in the Parish) are recorded in the year the taxes are assessed.

Federal and State aid and grants are recorded when the Council has met the requirements of the grant and is entitled to receive the funds.

Investment earnings are generally recorded when earned.

Substantially all other revenues are recorded when they become available to the Council.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Council's enterprise funds are charges to customers for sale and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

F. Expenses/Expenditures

The government-wide and proprietary fund financial statements recognize expenses under the accrual basis of accounting and records the related liability at the time the expense is incurred.

In the governmental fund financial statements, expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, except principal and interest on long-term debt which is not recognized until due.

G. Budgets

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

1. Ninety days prior to the beginning of each fiscal year, the Parish President presents to the Council the annual operating budget which was prepared by the Director of Finance under the direction of the Chief Administrative Officer.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2. The Council then orders a public hearing, notice of which, along with a summary of the budget, will be published ten days prior to the date of the hearing in the official journal of the Council.
3. No later than the second to last regular meeting of the fiscal year, the Council enacts an ordinance to adopt the annual operating budget for the ensuing fiscal year. The Council may adjust the budget as proposed by the Parish President or amend it, as they see fit, by a vote of the majority of the Council.
4. The Parish President may accept or veto the entire budget as approved by the Council or he may line item veto certain appropriations.
5. Should the Council and Parish President be unable to adopt a budget prior to the beginning of the year, then fifty percent of the prior year's budget shall be appropriated for the upcoming year; until such time as a new budget is properly enacted.
6. The Director of Finance, under the direction of the Chief Administrative Officer, has the authority to alter, and must approve all changes in budgeted amounts within function lines. However, budget adjustments that cross function lines require approval of the Council.
7. Formal budgetary integration is employed as a management control device during the year.
8. The General Fund and all Special Revenue Funds with activity have adopted budgets.
9. Budget appropriations lapse at year end.
10. In the financial statement comparison of the budget to actual amounts, both the original and final amended budget amounts are shown.

H. Cash and Cash Equivalents

For financial statement purposes, cash and cash equivalents include cash on hand, demand deposits, and short term investments with original maturities of less than three months.

Certain short-term interest bearing cash accounts are maintained on a pooled basis, interest revenue or expense is allocated to each participating fund based upon its pro rata share of the total pooled account balance. The overall balance in the pooled account is always a large positive balance. However, from time to time an individual fund's proportionate share of the balance may temporarily be negative. This most commonly occurs when a fund makes an unusually large disbursement such as a payment on a construction contract or when the fund is awaiting an investment to mature and be placed in its cash account.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

I. Investments

The Council invests in bank certificates of deposit (CDs) and external investment pools. The CDs (nonparticipating contracts) are recorded at cost, unless there is significant impairment of the credit standing of the issuer. The pooled investments are recorded at fair market value.

The Council also invests in Federal government securities which the Council records at fair value.

J. Receivables

Receivables are stated at net realizable value after provision for estimated uncollectible accounts.

K. Restricted Assets

In the Reduction and Transfer Enterprise Fund certain assets are set aside for certain uses. These amounts are reported as either cash, investments or advances and are reported as restricted assets. At December 31, 2019, these assets are restricted for the following purposes:

Reserved for debt service by debt covenants	\$1,944,419
Reserved for depreciation and contingencies by debt covenants	578,203
Ear marked for landfill closure costs and post-closure care costs by Council action	<u>4,457,297</u>
	<u>\$6,979,919</u>

L. Fixed Assets

The accounting treatment for property, plant, equipment (fixed assets) depends on whether they are reported in the government-wide, proprietary fund, or governmental fund financial statements.

No construction period interest was capitalized by the Council during the current year as the amounts were not significant.

Government-wide Statements and Proprietary Fund

In the government-wide and proprietary fund financial statements, fixed assets are accounted for as capital assets. All purchased fixed assets are valued at historical cost. Donated fixed assets are valued at their estimated fair market value on the date received. Fixed assets are reported at their historical cost or estimated fair market value less their accumulated depreciation. 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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Depreciation is computed using the straight-line method based on the estimated useful life of the various assets. The following is a summary of estimated useful lives by classification of the fixed assets:

<u>Category</u>	<u>Years</u>
Buildings	25-40
Equipment and furniture	5-15
Improvements	20-30
Infrastructure	25-50

Fund Financial Statements

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

M. Long-term obligations

In the government-wide financial statements, and proprietary fund type financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Significant bond premiums and discounts, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount, if significant. Bond issuance costs are expensed when incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

N. Compensated Absences

Employees earn vacation and sick leave annually at varying rates depending upon length of service. These compensated absences are allowed to accumulate from period to period if not used.

Upon termination an employee is compensated for accumulated vacation time; but, employees are not compensated for sick time unless termination is due to qualified retirement.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

An accrual is made for the amount of compensation the employees will receive in the future based upon services performed in the current year for vacation time not used. An accrual is also made for accumulated sick time estimated to be paid to employees at retirement. Only the portion of this accumulated sick pay estimated to be paid to employees retiring within the next year is recorded as a liability within the fund to which the particular employees' salary is allocated, the remaining liability is included with long-term debt in the Statement of Net Position. The liability for the long-term portion of this accumulated sick pay, effects thirty-one employees and totals approximately \$274,000 and is not discounted to present value.

The Council's current compensated absences, by fund, are approximately as follows:

Major funds	
General Fund	\$69,000
Road Construction and Maintenance Fund	25,000
Sanitation Fund	1,000
Reduction and Transfer Fund	23,000
Kemper Williams Park Fund	1,000
Non-major funds	
Small Animal Control Fund	5,000
Fairview Treatment Center	16,000
Claire House	8,000
DWI Court	2,000
OJP Enhancement Grant	1,000

The entire compensated absence liability is reported on the government-wide financial statements. For governmental funds financial statements, the current portion of unpaid compensated absences is the amount that is normally expected to be paid using expendable available financial resources. The noncurrent portion of the liability is not reported.

O. Net Pension Liability or Asset and Related Deferred Outflows and Inflows of Resources

The Council follows GASB pronouncements establishing the accounting and financial reporting by state and local governments for pensions. This guidance requires the Council to calculate and recognize a net pension liability or asset and certain deferred outflows and inflows of resources and pension expense. The Council is a member of Parochial Employees' Retirement System of Louisiana – Plan A (PERS-A), a cost sharing multiple employer public employee retirement system. For purposes of measuring its net pension liability or asset, deferred outflows and inflows of resources, and pension expense, the Council uses the same basis as PERS-A.

See Note 15 for further details about this pension plan.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

P. Other Postemployment Benefits Liability and Related Deferred Outflows and Inflows of Resources

The Council has agreed to provide its employees with postemployment benefits. In 2018 the Council adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (OPEB) which establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expenses related to OPEB.

See Note 16 for further details about this OPEB plan.

Q. Deferred Outflows and Inflows of Resources (Related to Debt Refundings)

In prior years the Council's Reduction and Transfer Fund and the ¼% Sales Tax Bond Sinking Fund issued refunding debt which resulted in the defeasance of old debt issues. The difference between the reacquisition price (amount required to repay the previously issued old debt) and the net carrying amount of the old debt is reported as a deferred outflow of resources or deferred inflow of resources and recognized as a component of interest expense in future periods. Accordingly, the Reduction and Transfer Fund report debt redemption costs of \$651,900 as a deferred outflow of resources.

R. Equity Classifications

Government-wide Statements and Proprietary Fund Statements

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

- a) Net investment in capital assets- Consists of capital assets net of accumulated depreciation and reduced by the outstanding balances of bonds that are attributable to the acquisition, construction, or improvement of those assets.
- 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".

At December 31, 2019 \$1,760,191 of the Council's restricted net position was required by enabling legislation.

At December 31, 2019, the Council's unrestricted net position (deficit) of (\$16,296,178) includes the effect of the \$1,455,320 of deferred inflows of resources related to OPEB and \$217,114 of deferred inflows of resources related to pensions, which will be recognized as a reduction of the unrestricted net deficit in future years.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Financial Statements

Governmental fund equity is classified by five categories: nonspendable, restricted, committed, assigned and unassigned.

- a.) Nonspendable - represents those portions of fund equity that cannot be spent because they are not in spendable form or because they are legally or contractually required to be maintained intact.
- b.) Restricted - represents those portions of fund equity not appropriate for expenditure or legally segregated for a specific future use.
- c.) Committed - represents those portions of fund equity that can be used only for specific purposes pursuant to constraints imposed by formal action of the Council's highest level of decision-making authority. Commitments may be established, modified, or rescinded only through formal adoption of an ordinance (other than the annual budget ordinance) by the Council
- d.) Assigned - represents those portions of fund equity that are constrained by the Council's intent through budget ordinance to be used for specific purposes, but are neither restricted nor committed.
- e.) Unassigned - represents those portions of fund equity that has not been assigned to other funds and that has not been restricted, committed, or assigned to a specific purpose within the General fund.

The Council considers amounts to have been expended first out of committed funds, followed by assigned funds, and then unassigned funds when expenditures are incurred for purposes for which funds of any unrestricted fund balance classifications have been used.

S. Interfund Transfers

Permanent reallocations of resources between funds of the Council are classified as interfund transfers. For the purpose of the Statement of Activities, all interfund transfers between individual governmental funds are generally eliminated. Three of the Council's non-major governmental funds, which are substantially funded by Federal grants, operate based upon the grant year which ends within the Council's normal December 31 year end. Occasionally a transfer to one of these three funds to or from another of the Council's funds will occur between their yearend and December 31. In this case, amounts of transfers in and transfers out will differ by the amount of the interperiod transfer.

T. Reclassification

Certain items have been reclassified in order to make these financial statements more meaningful and comparative.

U. Accounting Estimates

The preparation of financial statements in conformity with generally accepted accounting principles require management to make certain estimates and assumptions that affect the reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

V. Future Accounting Changes

The GASB has issued its Statement No. 87 *Leases* which improves the financial reporting and accounting of leases by governments. This pronouncement will be effective for the Council for the year 2020. Management has not yet determined the effect of the Statement on its financial reporting.

The GASB has issued its Statement No. 88 *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements* which enhances information disclosed by government financial statements related to debt, including direct borrowings and direct placements. This pronouncement will be effective for the Council for the year 2020. Management has not yet determined the effect of the Statement on its financial reporting.

The GASB has issued its Statement No. 91 *Conduit Debt Obligations* which provides a clarified definition of conduit debt and a single method of reporting conduit debt obligations. This pronouncement will be effective for the Council for the year 2020. Management has not yet determined the effect of the Statement on its financial reporting.

NOTE 2 - SPECIAL ITEM

Through the years the Council has provided payroll and payroll related services for the Atchafalaya Golf Course Commission (Commission) a discretely presented component unit of the Council. In addition, the Council provides an operating grant of \$250,000 annually to the Commission. When its revenues were sufficient to do so, the Commission reimbursed the Council for some of these expenses. Amounts provided to the Commission by the Council in excess of the annual operating grant which were not reimbursed by the Commission were recorded as a due from component entity by the Council. Due to a downturn in the golf industry and the local economy, the Commission has not had sufficient revenue to reimburse the Council for the full amounts advanced. Management of the Council has determined that the Commission does not have the ability to repay certain of these amounts at this time; therefore, the Council has discharged a portion of the amount due from the Commission in the amount of \$1,695,700 in the current year. This amount is reported in these financial statements as a Special Item in the General Fund.

NOTE 3 - FUND DEFICITS

The following individual fund of the Council had a deficit fund balance at year end:

<u>Fund</u>	<u>Amount</u>
Major Fund:	
Road Construction & Maintenance	\$(23,172)
Nonmajor Fund:	
16 th JDC St. Mary Parish Drug Court	\$(21,368)
DWI Court	(16,618)
OJP Enhancement Grant	(51,463)

The fund deficit in Road Construction & Maintenance and OJP Enhancement Grant will be funded by future revenues. The fund deficit in DWI Court will be funded by future revenues or transfers from DWI Patient Fee fund. The fund deficit in the 16th JDC St. Mary Parish Drug Court will be funded by future revenues or transfers from other funds.

NOTE 4 - TAXES

Sales Taxes

The Council administers a Sales Tax Department that is responsible for the collection and distribution of various sales and use taxes levied within the parish. The Department has agreements with the Council, the school board and various municipalities, whereby they agree to reimburse the Department for the cost of collections of the taxes.

The proceeds from the one per cent sales and use tax received by the Council are used for construction and maintenance of roads, construction and maintenance of navigation channels, and water and flood control projects, acquiring and improving public works and buildings, supplementing salaries of all parish employees, operation of recreational facilities, acquisition, maintenance and repair of vehicles and machinery, and funding bonds. The proceeds of the tax are deposited in the Sales Tax Bond Sinking Debt Service Fund.

The proceeds from the three-fourths of one per cent sales and use tax received by the Council are used for construction, acquisition, extension, improvement, operation and maintenance of solid waste collection and disposal facilities, sewers and sewerage disposal works, facilities for pollution control and abatement, and funding bonds issued for these purposes. The proceeds of the tax are deposited in the Sanitation Special Revenue Fund.

The proceeds from the three-tenths of one per cent sales and use tax received by the Council are used within Wards 1, 2, 3, 4, 5, 7, 8, and 10 of the parish for acquiring and maintaining electric lights on streets, roads, alleys and public places, acquiring, improving and extending public works, including drainage and water control extensions, acquiring, constructing, improving and maintaining fire protection facilities, public safety facilities and equipment, recreational facilities, and public health facilities and equipment. The proceeds of the tax are deposited in the Wards 5 and 8 Special Revenue Fund and in the Wards 1, 2, 3, 4, 7, and 10 Special Revenue Fund.

NOTE 4 – TAXES (continued)

The proceeds from the one-half of one percent sales and use tax received by the Council are used solely for the purposes of paying the cost of operating and maintaining jail facilities and minimum security facilities of the Parish, including the cost of feeding, transporting and clothing prisoners and providing medical care. The proceeds of the tax are deposited in the Jail Operating and Maintenance Special Revenue Fund.

Ad Valorem Taxes

Ad valorem taxes are assessed on a calendar year basis in September or October of each year. The taxes become due and payable by December 31 and become delinquent on January 1. Notices regarding seizures are sent out in April with the seizure date being May 1. The taxes are collected on behalf of the Council by the Sheriff and then remitted to the Council. Most ad valorem taxes are received by the Council in December, January and February.

For 2019, the Council levied the following ad valorem taxes.

<u>Purpose</u>	<u>Millage</u>
Parish tax for defraying the expenses of the Council and other legal purposes	7.24
Criminal Justice System Tax helping to defray the expense of the Criminal Justice System	3.62
Library – Debt Service Only	.31

NOTE 5 - CASH AND CASH EQUIVALENTS AND INVESTMENTS

The Council does not have a formal investment policy related to interest rate risk (the risk of an investment decreasing in value due to increasing interest rates).

In addition, the Council does not have a formal investment policy related to credit risk (including concentrations of credit). However the Council does follow state law as to limitations on types of deposits and investments as described below.

The Council does not invest in any investments subject to foreign currency risk.

Cash and cash equivalents

Under state law the Council may deposit its funds with certain state and federally chartered financial institutions. These deposits are required to be insured or collateralized by the financial institutions.

At year end 2019 the carrying amount of the Council's cash was \$4,938,439 and the bank balance was \$5,939,751. A portion of these balances was covered by federal depository insurance, the uninsured portion of \$4,439,751 is subject to custodial credit risks and was collateralized with securities held by the pledging financial institutions.

NOTE 5 - CASH AND CASH EQUIVALENTS AND INVESTMENTS (continued)

Investments

Under state law the Council may invest in certain federal or federally guaranteed securities, certain bank time certificates of deposit, mutual or trust funds, and in the Louisiana Asset Management Pool (LAMP). LAMP is a 2A7-like external investment pool operated to allow local government to pool their investment funds. LAMP is not registered with the SEC as an investment company. LAMP is subject to regulatory oversight of the Louisiana State Treasurer and the LAMP board of directors. LAMP share values for the pool are valued at fair value based on quoted market rates determined on a weekly basis. The value of the Council's investment in LAMP is the same as the net asset values of its pool shares.

The following is a summary of investments held by the Council at December 31, 2019.

	<u>Amount</u>	Percentage of Total <u>Investments</u>
U.S. Government Securities	\$10,072,694	77%
LAMP (rated AAA _{am} by Standard & Poors)	<u>2,991,902</u>	<u>23%</u>
	<u>\$13,064,596</u>	<u>100%</u>

As of December 31, 2019, the Council had the following investments and maturities:

<u>Investment Type</u>	<u>Investment Maturities (in years)</u>			
	<u>Fair Value</u>	<u>Less than 1</u>	<u>1 - 5</u>	<u>6-10</u>
U.S. Agencies	<u>\$10,072,694</u>	<u>\$8,406,584</u>	<u>\$1,649,032</u>	--

LAMP determines its maturities using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. The WAM for LAMP's total investments is 92 days as of December 31, 2019.

The Council categorizes its fair value measurements within the fair value hierarchy established by GASB Statement No. 72, "Fair Value Measurement and Application". The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The Council has the following recurring fair value measurements as of December 31, 2019:

- U.S. Government securities of \$10,072,694 are valued using quoted market prices (Level 1 inputs)

NOTE 6 - RECEIVABLES

Receivables at December 31, 2019, are as follows:

Governmental Funds					
Major					
	General Fund	Road Const. & Maint. Fund	Sanitation Fund	Total Nonmajor Governmental Funds	Total Governmental Receivables
Accounts	\$ 117,117	\$ 389,632	\$ 168,368	\$ 317,025	\$ 992,142
Total	\$ 117,117	\$ 389,632	\$ 168,368	\$ 317,025	\$ 992,142

Nonmajor Governmental Funds							
	Wards 5&8 Sales Tax Fund	Wards 1,2,3,4,7&10 Sales Tax Fund	Jail Operating & Maintenance Fund	Housing Program	Fairview Treatment Center	16th JDC St. Mary Parish Drug Court	Total Nonmajor Governmental Funds
Accounts	\$ 50,413	\$ 93,401	\$ 158,645	\$ 1,568	\$ 12,958	\$ 40	\$ 317,025
Total	\$ 50,413	\$ 93,401	\$ 158,645	\$ 1,568	\$ 12,958	\$ 40	\$ 317,025

Enterprise Funds				
	Reduction and Transfer Fund	Small Animal Control Fund	Kemper Williams Park Fund	Total Enterprise Funds Receivables
Accounts	\$ 682,695	\$ 2,990	\$ 5,021	\$ 690,706
Total	\$ 682,695	\$ 2,990	\$ 5,021	\$ 690,706

All receivables are net of allowances for uncollectible accounts which are immaterial, except for Fairview Treatment Center which has an allowance for uncollectibles of \$3,633.

NOTE 7 - ADVANCES TO/FROM OTHER FUNDS

Advances to/from other funds as of December 31, 2019 consisted of the following:

<u>Funds Advance due from</u>	<u>Funds Advance due to</u>				<u>Total</u>
	<u>Reduction and Transfer</u>	<u>Kemper Williams</u>	<u>Combined Sewer</u>	<u>Non Major Governmental Funds</u>	
General Fund	\$ 2,545,593				\$ 2,545,593
Road Construction & Maintenance	1,716,200			13,535	1,729,735
Sanitation	491,665			\$ 575,034	1,066,699
Capital Improvement	1,197,680		\$ 964,437		2,162,117
Non Major Governmental	437,197	18,641		342,556	798,394
Total	<u>\$ 6,388,335</u>	<u>\$ 18,641</u>	<u>\$ 964,437</u>	<u>\$ 931,125</u>	<u>\$ 8,302,538</u>

Advances between funds primarily arise in two ways:

When one fund has a shortfall, and funds from another fund are used to cover expenditures. These are not expected to be repaid within the current year.

The Council maintains a comingled cash account and periodically one fund temporarily borrows amounts from the other funds to cover expenditures.

NOTE 8 - INTERFUND TRANSFERS

Interfund transfers in for the year ended December 31, 2019, consisted of the following:

TRANSFER TO	TRANSFER FROM	
Major Governmental Funds:		
General Fund	Road Construction & Maintenance	\$ 1,675,000
	Sales Tax Bond Sinking Fund	1,350,000
	Gaming Receipt Fund	640,000
	Juror Compensation Fund	50,000
	Sales Tax Wards 1, 2, 3, 4, 7, & 10	<u>45,000</u>
Total General Fund		\$ 3,760,000
Combined Sewer Construction Fund	Sanitation Fund	200,000
Capital Improvement Funds	Certificate of Indebtedness	9,929,850
Road Construction & Maintenance	Sanitation Fund	150,000
	Capital Improvement Fund	<u>450,000</u>
Total Transfers In - Major Governmental Funds		<u>14,489,850</u>
Non Major Governmental Funds:		
Jail Operating & Maintenance Fund	General Fund	875,000
	Gaming Receipt Fund	<u>625,000</u>
Total Jail Operating & Maintenance Fund		1,500,000
3/4% Sales Tax Bond Sinking Fund	Sanitation Fund	705,000
Certificate of Indebtedness Sinking Fund	Gaming Receipt Fund	68,920
Certificate of Indebtedness Sinking Fund	Road Construction & Maintenance	436,000
Jail Sinking Fund	Jail Operating & Maintenance Fund	287,316
Jail Reserve Fund	Jail Operating & Maintenance Fund	<u>14,366</u>
Total Transfers In -Non Major Governmental Funds		<u>3,011,602</u>
Total Transfers In - Governmental Funds		<u>\$ 17,501,452</u>
Business-type Activities:		
Reduction and Transfer Fund	Sanitation Fund	\$ 700,000
Small Animal Control Fund	General Fund	200,000
Kemper Williams Park Fund	General Fund	375,000
	Sales Tax Wards 5 & 8	<u>150,000</u>
Total Transfers In - Business-type Activities		<u>\$ 1,425,000</u>
Total Transfers In		<u>\$ 18,926,452</u>

NOTE 8 - INTERFUND TRANSFERS (continued)

Interfund transfers out for the year ended December 31, 2019, consisted of the following:

TRANSFER FROM	TRANSFER TO		
Major Governmental Funds:			
General Fund	Jail Operating & Maintenance Fund	\$ 875,000	
	Kemper Williams	375,000	
	Small Animal Control Fund	<u>200,000</u>	
Total General Fund			\$ 1,450,000
Road Construction & Maintenance Fund	General Fund	1,675,000	
	Certificate of Indebtedness	436,000	
Total Road Construction & Maintenance Fund			2,111,000
Sanitation Fund	Reduction and Transfer Fund	700,000	
	3/4% Sales Tax Bond Sinking Fund	705,000	
	Combined Sewer Construction Fund	200,000	
	Road Construction Fund	<u>150,000</u>	
Total Sanitation Fund			<u>1,755,000</u>
Capital Improvement Fund	Road Construction & Maintenance		<u>450,000</u>
Total Transfers Out - Major Governmental Funds			<u>5,766,000</u>
Non Major Governmental Funds:			
Sales Tax, Wards 1, 2, 3, 4, 7, & 10	General Fund		45,000
Juror Compensation Fund	General Fund		50,000
Gaming Receipt Fund	Certificates of Indebtedness Sinking Fund	68,920	
	Jail Operating & Maintenance Fund	625,000	
	General Fund	<u>640,000</u>	
Total Gaming Receipt Fund			1,333,920
Jail Operating & Maintenance Fund	Jail Sinking Fund	287,316	
	Jail Reserve Fund	<u>14,366</u>	
Total Jail Operating & Maintenance Fund			301,682
Sales Tax Wards 5 & 8	Kemper Williams Fund		150,000
Sales Tax Bond Sinking Fund	General Fund		1,350,000
Certificate of Indebtedness Sinking Fund	Capital Improvement Fund		<u>9,929,850</u>
Total Transfers Out - Non Major Governmental Funds			<u>13,160,452</u>
Total Transfers Out - Governmental Funds			<u>18,926,452</u>
Total Transfers Out			<u>\$ 18,926,452</u>

Transfers are used to:

Move revenues from the fund, that the budget ordinance requires to collect them to the fund that the budget ordinance requires to expend them,

Move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and

Use excess unrestricted revenues collected in one fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

To transfer any assets and liabilities remaining in a fund which has ceased operations to a fund continuing to operate.

NOTE 9 - DUE TO/FROM COMPONENT UNITS

Due from component units at December 31, 2019 consists of the following:

<u>Payable to</u>	<u>Due From</u>	<u>Amount</u>
Major Funds:		
General Fund	Atchafalaya Golf Course Commission	\$ 343,352 *
		<u>343,352</u>
Combined Sewer Construction Fund	St. Mary Parish Water & Sewer Comm. No. 5	216,891 *
	St. Mary Parish Water & Sewer Comm. No. 4	135,742 *
		<u>352,633</u>
Total due from component units		<u>\$ 695,985</u>

*The portion not expected to be repaid currently is shown as non-spendable portion of fund balance in the General Fund and Combined Sewer Construction Fund balance sheets.

NOTE 10 - FIXED ASSETS

CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2019, is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
Governmental activities:					
Capital assets not being depreciated					
Land	\$ 1,919,874				\$ 1,919,874
Construction in progress	9,447,979	\$ 8,019,801	\$ -	\$ (14,600,212)	2,867,568
Total capital assets not being depreciated	11,367,853	8,019,801	-	(14,600,212)	4,787,442
Other capital assets:					
Infrastructure	135,810,375	21,743	-	6,617,849	142,449,967
Building	19,689,113	-	-	-	19,689,113
Equipment and furniture	14,150,809	255,420	-	-	14,406,229
Improvements	29,215,791	-	-	7,982,363	37,198,154
Total other capital assets at historical cost	198,866,088	277,163	-	14,600,212	213,743,463
Less accumulated depreciation for					
Infrastructure	(68,881,473)	(3,585,741)	-	-	(72,467,214)
Building	(11,199,259)	(478,083)	-	-	(11,677,342)
Equipment and furniture	(11,179,475)	(730,651)	-	-	(11,910,126)
Improvements	(13,991,765)	(1,553,877)	-	-	(15,545,642)
Total accumulated depreciation	(105,251,972)	(6,348,352)	-	-	(111,600,324)
Other capital assets, net	93,614,116	(6,071,189)	-	14,600,212	102,143,139
Governmental capital assets, net	\$ 104,981,969	\$ 1,948,612	\$ -	\$ (0)	\$ 106,930,581
Business-type activities:					
Capital assets not being depreciated					
Construction in progress	\$ 44,288	\$ -	\$ -	\$ (44,288)	\$ -
Land	2,052,372	-	-	-	2,052,372
Land Improvements	1,750,227	-	-	-	1,750,227
Total capital assets not being depreciated	3,846,887	-	-	(44,288)	3,802,599
Other capital assets:					
Buildings	5,514,364	-	-	-	5,514,364
Equipment	8,930,223	236,799	-	-	9,167,022
Improvements	21,768,418	-	-	44,288	21,812,706
Total other capital assets at historical cost	36,213,005	236,799	-	44,288	36,494,092
Less accumulated depreciation for					
Buildings	(4,449,581)	(61,942)	-	-	(4,511,523)
Equipment	(6,660,666)	(336,155)	-	-	(6,996,821)
Improvements	(5,966,887)	(753,410)	-	-	(6,720,297)
Total accumulated depreciation	(17,077,134)	(1,151,507)	-	-	(18,228,641)
Other capital assets, net	19,135,871	(914,708)	-	44,288	18,265,451
Business-type activities capital assets, net	\$ 22,982,758	\$ (914,708)	\$ -	\$ -	\$ 22,068,050
Depreciation expense was charged to function as follows:					
Governmental activities:					
General government	\$ 1,119,345				
Public safety	1,213,798				
Public works	2,784,904				
Health and welfare	84,047				
Culture and recreation	1,146,258				
Total governmental activities depreciation expense	\$ 6,348,352				
Business type activities:					
Reduction and Transfer	\$ 1,002,656				
Kemper William Park	86,666				
Small Animal Control	62,185				
Total business-type activities depreciation expense	\$ 1,151,507				

NOTE 11 - LONG TERM DEBT

As of December 31, 2019, the governmental long-term debt is segregated between the amounts to be repaid from governmental activities and amounts to be repaid from business-type activities.

Governmental Activities:

As of December 31, 2019, the governmental long-term debt of the Council consisted of the following:

Public Improvement Sales Tax Bonds

\$2,500,000 of General Obligation Bonds, Series 2009, were issued March 1, 2009, to improve, construct and acquire buildings, equipment, and books for the parish libraries, outside the City of Morgan City. The bonds bear interest at 3.8 to 4.0 percent and are payable through the year 2029. These bonds are to be retired from ad valorem taxes. Although the Council is servicing these bonds, the St. Mary Parish Library Fund will be expending the proceeds and will also be transferring ad valorem taxes to the Council to service the debt. These bonds are being paid from the St. Mary Parish Library General Obligation '96 Sinking Fund

\$1,565,000

\$6,865,000 of Public Improvement Sales Tax Bond, Series 2011 were issued on September 1, 2011, for the acquisition, construction, improvements, maintenance and repair of roads, capital improvements, public works and buildings, including the acquisition of sites and necessary fixtures, equipment, furnishings and appurtenance. The bonds bear interest at 3.0 to 4.25 percent and are payable through the year 2031. These bonds are being retired from the Sales Tax Bond Sinking Fund.

5,395,000

\$600,000 of Certificate of Indebtedness, Series 2011 were issued on November 22, 2011, to make capital improvements. The certificates bear interest of 1.93 percent and are payable through the year 2021. The Certificates are being paid by the Certificate of Indebtedness Sinking Fund.

138,000

REVENUE BONDS

\$2,190,000 Sewerage Sales Tax Refunding Bonds, Series 2015, were issued April 17, 2015, to repay \$2,135,000 of Sewerage Sales Tax Bonds Series 2006. The bonds bear interest of 2.09% and are payable through 2025. The bonds are to be retired from the Three-fourths Percent Sales Tax and are paid from the Three-fourths Percent Sales Tax Bond Sinking Fund.

1,500,000

NOTE 11 - LONG TERM DEBT (continued)

\$3,490,000 Jail Refunding and Revenue Bonds, Series 2010, were issued March 1, 2010, to repay \$2,290,000 of Revenue Refunding Bonds, Series 2004 and for renovating, improving, and equipping existing Jail Facilities. The Bonds bear interest of 3.83 percent and are payable through the year 2020. The bonds are to be retired from the net revenue derived from the operations of the jail facilities and are paid from the Jail Revenue Bond Sinking Fund. \$ 415,000

\$3,890,000 of Sewerage Sales Tax refunding bonds, Series 2012, were issued on October 1, 2012, for the purpose of refunding \$3,810,000 of Sewerage Sales Tax Bonds, Series 2004 and paying the cost of issuance of the bonds. The bonds bear interest of 2.0 to 2.75 percent and are payable through the year 2024. The bonds are to be retired from the Three-fourths percent Sales Tax and are paid from the Three-fourths Percent Sales Tax Bond Sinking Fund. 2,000,000

Plus original issue premium, amortized on straight-line basis 27,376

\$10,000,000 of Limited Tax Revenue Bonds, Series 2018 were issued on June 1, 2018 to improve roads, streets and bridges including drainage and other improvements associated therein. The bonds bear interest at 3.83 percent and are payable through 2038. These bonds are being retired from the Certificates of Indebtedness Sinking Funds. 9,885,000

\$10,000,000 of Limited Tax Revenue Bonds, Series 2019 were issued on September 4, 2019 to improve roads, streets and bridges including drainage and other improvements associated therein. The bonds bear interest at 3.35 percent and are payable through 2039. These bonds are being retired from the Certificates of Indebtedness Sinking Fund. 10,000,000

Accrued compensated absences-all noncurrent 274,000

Total Governmental Activity Debt \$31,199,376

NOTE 11 - LONG TERM DEBT (continued)

Business-type Activities:

As of December 31, 2019, the long-term debt payable from proprietary fund resources consisted of the following:

Portion of \$8,915,000 of Solid Waste Sales Tax Bonds, Series 2010, remaining outstanding after 2017 refunding. That were issued on December 21, 2010 for the purpose of constructing and acquiring improvements at the parish landfill. The certificates bear interest of 4 to 4.125 percent and are payable through the year 2020. The bonds are to be retired from the three-fourths percent sales tax and excess operating revenues from the landfill and are to be paid from the Reduction and Transfer Fund \$355,000

\$6,010,000 of Solid Waste Sales Refunding Tax Bonds, Series 2017, were issued on July 13, 2017 for the purpose of constructing and acquiring improvements at the parish landfill. The certificates bear interest of 1.75 to 5 percent and are payable through the year 2028. The bonds are to be retired from the three-fourths percent sales tax and excess operating revenues from the landfill and are to be paid from the Reduction and Transfer Fund 6,000,000

Plus original issue premium 481,124

\$4,945,000 of Solid Waste Sales Tax Bonds, Series 2013, were issued on April 9, 2013 for the partial refunding of Solid Waste Bonds, Series 2008. The Certificates bear interest of 2.0 to 3.25 percent and payable through the year 2024. The bonds are to be retired from the three-fourths percent sales tax and excess operating revenues from the landfill and are to be paid from the Reduction and Transfer Fund 2,595,000

Total Enterprise Indebtedness \$9,431,124

NOTE 11 - LONG TERM DEBT (continued)

At December 31, 2019, \$11,120,000 of outstanding bonds are considered defeased.

The Council is subject to certain affirmative and negative covenants pursuant to its bond and debt agreements. These covenants include but are not limited to:

- 1 Establishment and funding of certain debt service funds
- 2 Preparation and adoption of budgets
- 3 Preparation and independent audit of financial statements
- 4 Restriction as to additional debt issuance
- 5 Restriction as to investments

At December 31, 2019 the Council was not in compliance with Coventants of the Bond Agreement for the Sales Tax Bond Sinking Fund. Shortly after year end, management corrected this by properly meeting funding requirements. All interest and principal payments were properly made.

Long-term liability activity for the year ended December 31, 2019, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due within One Year
Governmental Activities:					
Bonds payable:					
General obligation Debt	\$ 7,603,000		\$ (505,000)	\$ 7,098,000	\$ 533,000
Revenue bonds	15,020,000	\$ 10,000,000	(1,220,000)	23,800,000	1,260,000
Original issue premium	33,376	-	(6,000)	27,376	6,000
Total bonds payable	<u>22,656,376</u>	<u>10,000,000</u>	<u>(1,731,000)</u>	<u>30,925,376</u>	<u>1,799,000</u>
Other liabilities:					
Compensated absences	242,000	32,000	-	274,000	-
Total other liabilities	<u>242,000</u>	<u>32,000</u>	<u>-</u>	<u>274,000</u>	<u>-</u>
Governmental activities long-term liabilities	<u>\$ 22,898,376</u>	<u>\$ 10,032,000</u>	<u>\$ (1,731,000)</u>	<u>\$ 31,199,376</u>	<u>\$ 1,799,000</u>
Business-type Activities					
Bonds payable:					
Landfill debt	\$ 9,780,000	\$ -	\$ (830,000)	\$ 8,950,000	\$ 855,000
Original issue premium	545,124	-	(64,000)	481,124	64,000
Business-type activities long-term liabilities	<u>\$ 10,325,124</u>	<u>\$ -</u>	<u>\$ (894,000)</u>	<u>\$ 9,431,124</u>	<u>\$ 919,000</u>

NOTE 11 - LONG TERM DEBT (continued)

Debt Maturity

Debt service requirements (excluding compensated absences and premiums or discounts) at December 31, 2019 were as follows:

Year Ended December 31,	Governmental Activities - Bonds			
	General Obligation		Revenue Bonds	
	Principal	Interest	Principal	Interest
2020	533,000	278,251	1,260,000	796,124
2021	555,000	258,239	1,300,000	759,214
2022	510,000	240,494	1,410,000	719,071
2023	540,000	219,894	1,455,000	675,819
2024	565,000	198,194	1,490,000	630,656
2025-2029	3,265,000	627,170	4,840,000	2,584,018
2030-2034	1,130,000	71,988	5,480,000	1,676,050
2035-2039	-	-	6,565,000	593,453
Total	<u>\$ 7,098,000</u>	<u>\$ 1,894,230</u>	<u>\$ 23,800,000</u>	<u>\$ 8,434,405</u>

	Business-type Activities Solid Waste		Council's Total Debt		
	Landfill Debt		Principal	Interest	Total
	Principal	Interest			
2020	855,000	312,709	2,648,000	1,387,084	4,035,084
2021	880,000	287,726	2,735,000	1,305,179	4,040,179
2022	905,000	265,407	2,825,000	1,224,972	4,049,972
2023	930,000	241,269	2,925,000	1,136,982	4,061,982
2024	955,000	231,244	3,010,000	1,060,094	4,070,094
2025-2029	4,425,000	406,636	12,530,000	3,617,824	16,147,824
2030-2034	-	-	6,610,000	1,748,038	8,358,038
2035-2039	-	-	6,565,000	593,453	7,158,453
	<u>\$ 8,950,000</u>	<u>\$ 1,744,991</u>	<u>\$ 39,848,000</u>	<u>\$ 12,073,626</u>	<u>\$ 51,921,626</u>

NOTE 12- CAPITAL LEASE

The Council entered into a lease purchase agreement to acquire a new gradall and two new tractors. This agreement qualified as a capital lease for accounting purposes and therefore the obligation was recorded at the present value of the future minimum lease payments as of the lease inception.

The total cost of the equipment in the amount of \$519,623 was financed. The term of the lease is 60 months beginning January 15, 2017 and ending December 15, 2021 and the Council is to pay \$9,581 each month beginning January 15, 2017.

As of December 31, 2019, the gradall and tractors are reported at \$324,938 (\$519,623 less \$194,685 for accumulated amortization) in the Statement of Net Position as equipment and furniture.

In the year 2019, \$64,775 of amortization was taken on the equipment.

The future minimum lease obligations and the net present value of the minimum lease payments as of December 31, 2019 is as follows:

Year ending December 31

2020	\$114,978
2021	<u>114,978</u>
Total minimum lease payments	\$229,956
Less: Interest portion	<u>(8,175)</u>
Present value of minimum lease payments	<u>\$221,781</u>

NOTE 13 - CONDUIT DEBT OBLIGATION AND ECONOMIC DEVELOPMENT GRANTS

The Council works with the Louisiana Economic Development Corporation (LEDC) to assist certain private entities in expanding their business in order to create jobs in the parish.

LEDC assists these private businesses by issuing grants to the Council, that the Council in turn uses to acquire assets to be leased to the private businesses. The businesses agree to use the assets to create a specified number of new jobs. At the end of the lease, the assets become the property of the business. If the businesses fail to create the agreed number of new jobs, the LEDC may require repayment of the grant by the business. During 2019 the LEDC and the Council were assisting a local business under this program.

In 2004, the Council and another business entered into an economic development award contract with LEDC for \$450,000. According to this contract, the Council is responsible for acquiring and refurbishing a building, then leasing the building to the private business entity. Under the contract, the private business entity is responsible for starting and operating a business and creating certain jobs in the future. The LEDC is responsible for reimbursing the Council for the purchase of the building and renovations up to \$450,000. The money is to be used to purchase and refurbish a building to be owned by the Council. Upon completion of the renovations, the building is to be leased to the private business entity. During 2005 the Council completed the project and received the final reimbursement from LEDC. The business began its operations in 2005. The business failed to create the specified number of jobs in 2011 and in prior years. Due to the business' failure to provide the agreed upon number of jobs, in October 2011 LEDC demanded repayment of principle and interest of \$202,269. The business began making monthly payments of \$1,700 in December 2011 and is currently making monthly payments of \$5,300 on this debt. The Council is not responsible for any repayments related to this debt.

In addition, the Council was assisting another local businesses by issuing Revenue Bonds in the business's behalf.

In 2007 the I D Board issued \$2.1 million of Tax Exempt Revenue Bonds to assist with the development of a new business. These Bonds are secured solely by properties owned by the business and revenues earned by the business and a guarantee by its affiliated company. In 2009, all of the approved bond proceeds had been drawn and utilized by the Company and the project was complete. The Company began making principle payments in 2010 and the outstanding balance of the debt was \$877,527 at December 31, 2019.

Neither the Council, nor any political subdivision thereof is obligated in any manner for repayment of any of the above described debt. Accordingly, the debt is not reported as liabilities in the accompanying financial statements.

At December 31, 2019, \$877,527 of conduit debt was outstanding.

NOTE 14 - VENTURES WITH OTHER GOVERNMENTS

The Council is participating in an agreement with the City of Franklin (City) for the operation of sewerage facilities for the City and surrounding Parish areas. The City government operates the system including budgetary and financial matters and the Council does not participate in the operation or management of the system. The Council reimburses the City for thirty percent of the operating costs. The Council, in turn, is reimbursed for 33% of its share by St. Mary Parish Water and Sewer Commission No. 4. The fiscal year for the project ends April 30, 2019.

Total revenues for the year ended April 30, 2019, were approximately \$234,000; total expenditures were approximately \$405,000. Separate balance sheet amounts are not readily available at year end.

The City maintains separate financial information for this project, which is included in its financial report for the year ended April 30, 2019, which is available from the Chief Financial Officer of the City of Franklin.

The City, Parish, and the St. Mary Parish Consolidated Drainage District No. 1 (District) have agreed to set up a fund for maintenance of the Yokely Pumping Station. Each of the three is to place in a Capital Maintenance Fund money in the amount of \$3,333 per year until the amount reaches the sum of \$50,000. At any time the fund falls below \$50,000 each entity is to replenish the fund on the same equal basis up to \$50,000. The District is in charge of overseeing the Capital Maintenance Fund. The District maintains separate financial information for this project, which is included in its financial report for the year ended September 30, 2019, which is available from the Clerk of the St. Mary Parish Council. Total revenues for the year ended September 30, 2019, were approximately \$10,000; total expenditures were approximately \$11,000. At September 30, 2019, total assets were approximately \$51,000 and the total fund balance was approximately \$48,000.

In 2009 the City, the Council, and the District entered into another intergovernmental agreement with the State of Louisiana to fund Phase II of the Yokely Project. The total estimated cost of this phase of the project is \$1,666,650, with the State's share being 70% of the cost or \$1,166,650 and the local share of the project being 30% or \$500,000. The City, the Council, and the District are each responsible for one-third of the local share. The Council has made payments totaling approximately \$253,000 through 2019. The City is in charge of overseeing the project until completion and will maintain financial information on the project which will be available from the City's Chief Financial Officer.

The Council entered into an agreement with Franklin City Court to provide 34% of the operation expenses for the Court and Marshal's office. The Council's share totaled approximately \$123,000 in 2019.

NOTE 15 - PENSION PLAN

Plan Description

The Council contributes to the Parochial Employees' Retirement System of Louisiana Plan A (PERS-A), a cost sharing multiple-employer public employee retirement system administered by a Board of Trustees. The System was established and provided for by the Louisiana Revised Statutes (LRS).

Benefits Provided

PERS-A provides retirement and disability benefits, annual cost of living adjustments and death benefits to plan members and beneficiaries. All permanent employees who work at least 28 hours a week may become members on the date of employment. New employees meeting the age and Social Security criteria have up to 90 days from the date of hire to elect to participate.

Retirement Benefits

Members can retire providing he/she meets one of the following criteria:

For employees hired prior to January 1, 2007:

1. Any age with thirty (30) or more years of creditable service.
2. Age 55 with twenty-five (25) years of creditable service.
3. Age 60 with a minimum of ten (10) years of creditable service.
4. Age 65 with a minimum of seven (7) years of creditable service.

For employees hired after January 1, 2007:

1. Age 55 with 30 years of service.
2. Age 62 with 10 years of service.
3. Age 67 with 7 years of service.

The monthly retirement allowance consists of an amount equal to three percent of the member's final average compensation multiplied by his/her years of creditable service. However, under certain conditions, as outlined in the statutes, the benefits are limited to specified amounts.

Survivor Benefits

Upon the death of any member with five or more years of creditable service who is not eligible for retirement, the plan provides for benefits for the surviving spouse and minor children, as outlined in the statutes. Any member who is eligible for normal retirement at time of death, the surviving spouse shall receive benefits, as outlined in the statutes.

A surviving spouse who is not eligible for Social Security survivorship or retirement benefits, and married not less than twelve months immediately preceding death of the member, shall be paid benefits beginning at age 50.

NOTE 15 - PENSION PLAN (continued)

Deferred Retirement Option Plan.

Act 338 of 1990 established the Deferred Retirement Option Plan (DROP) for the Retirement System. DROP is an option for members who are eligible for normal retirement. In lieu of terminating employment and accepting a service retirement, members who are eligible to retire may elect to participate in DROP in which they are enrolled for three years and defer the receipt of benefits. During participation in the plan, employer contributions are payable but employee contributions cease. The monthly retirement benefits that would be payable, had the person elected to cease employment and receive a service retirement allowance, are paid into the DROP Fund.

Upon termination of employment prior to or at the end of the specified period of participation, a participant in the DROP may receive, at his option, a lump sum from the DROP account equal to the payments into the account, a true annuity based upon his account balance in that fund, or roll over the fund to an Individual Retirement Account.

Interest is accrued on the DROP benefits for the period between the end of DROP participation and the member's retirement date.

For individuals who become eligible to participate in DROP on or after January 1, 2004, all amounts which remain credited to the individual's subaccount after termination in the Plan will be placed in liquid asset money market investments at the discretion of the board of trustees. These subaccounts may be credited with interest based on money market rates of return or, at the option of the System, the funds may be credited to self-directed subaccounts. The participant in the self-directed portion of this Plan must agree that the benefits payable to the participant are not the obligations of the state or PERS-A, and that any returns and other rights of the Plan are the sole liability and responsibility of the participant and the designated provider to which contributions have been made.

Disability Benefits.

Members shall be eligible to retire and receive a disability benefit if they were hired prior to January 1, 2007, and have at least five years of creditable service or if hired after January 1, 2007, have seven years of creditable service, and are not eligible for normal retirement and have been officially certified as disabled by the State Medical Disability Board. Upon retirement caused by disability, a member of Plan A shall be paid a disability benefit equal to the lesser of an amount equal to three percent of the member's final average compensation multiplied by his years of service, not to be less than fifteen years, or three percent multiplied by years of service assuming continued service to age sixty.

Cost of Living Increases.

The Board is authorized to provide a cost of living allowance for those retirees who retired prior to July 1973. The adjustment cannot exceed 2% of the retiree's original benefit for each full calendar year since retirement and may only be granted if sufficient funds are available from investment income in excess of normal requirements. In addition, the Board may provide an additional cost of living increase to all retirees and beneficiaries who are over age sixty-five equal to 2% of the member's benefit paid on October 1, 1977, (or the member's retirement date, if later). Also, the Board may provide a cost of living increase up to 2.5% for retirees 62 and older (RS 11:1937). Lastly, Act 270 of 2009 provided for further reduced actuarial payments to provide an annual 2.5% cost of living adjustment commencing at age 55.

NOTE 15 - PENSION PLAN (continued)

Contributions

According to state statute, contributions for all employers are actuarially determined each year. For the year ended December 31, 2018, the actuarially determined contribution rate was 9.99% of member's compensation. However, the actual rate for the fiscal year ending December 31, 2018 was 11.5%. Contributions to the Pension Plan from the Council were \$624,921 for the year ended December 31, 2019.

According to state statute, the System also receives $\frac{1}{4}$ of 1% of ad valorem taxes collected within the respective parishes. The System also receives revenue sharing funds each year as appropriated by the Legislature. Tax monies and revenue sharing monies are apportioned between Plan A and Plan B in proportion to the member's compensation. These additional sources of income are used as additional employer contributions and are considered support from non-employer contributing entities.

At December 31, 2019, the Council reported a liability of \$4,173,289 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuations as of that date. The Council's proportion of the net pension liability was based on a projection of the Council's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At December 31, 2018, the Council's proportion was 0.940278%, which was a increase of 0.02206% from its proportion measured as of December 31, 2017. For the year ended December 31, 2019, the Council recognized pension expense of \$1,613,631. The Council recognized revenue of \$71,851 as its proportionate share of non-employer contributions for the year ended December 31, 2019.

NOTE 15 - PENSION PLAN (continued)

At December 31, 2019, the Council 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		\$254,248
Changes of assumptions	\$1,043,459	
Net difference between projected and actual investment earnings on pension plan investments	1,997,767	
Change in proportion and differences between fund's contributions and proportionate share of contributions	9,493	17,687
Fund's contributions subsequent to the measurement date	<u>624,973</u>	<u> </u>
	<u>\$3,675,692</u>	<u>\$271,935</u>

The Council's amount reported as deferred outflows of revenues from contributions subsequent to the measurement date will be recognized as a reduction of net pension liability (or an increase in net pension asset) in the year ended December 31, 2019.

NOTE 15 - PENSION PLAN (continued)

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

Year Ending December 31:

2019	\$951,335
2020	516,559
2021	428,378
2022	882,512

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of December 31, 2018, are as follows:

Valuation Date	December 31, 2018
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	6.50% (Net of investment expense)
Expected Remaining Service lives	4 years
Projected Salary Increases	4.75% (2.35% Merit/2.40% Inflation)
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The present values do not include provisions for potential future increase not yet authorized by the Board of Trustees.
Mortality	Pub-2010 Public Retirement Plans Mortality Table for Health Retirees multiplied by 130% for males and 125% for females using MP2018 scale for annuitant and beneficiary mortality. For employees multiplied by 130% for males and 125% for females using MP2018 scale. Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 130% for males and 125% for females using MP2018 scale for disabled annuitants.

The mortality rate assumption used was set based upon an experience study performed on plan data for the period January 1, 2013 through December 31, 2017. The data was assigned credibility weighting and combined with a standard table to produce current levels of mortality. As a result of this study, mortality for employees was set equal to the Pub-2010 Public Retirement Plans Mortality Table for General Employees multiplied by 130% for males and 125% for females, each with full generational projection using the MP2018 scale. In addition, mortality for annuitants and beneficiaries was set equal to the Pub-2010 Public Retirement Plans Mortality Table for Healthy Retirees multiplied by 130% for males and 125% for females each with full generational projection using the MP 2018 scale. For Disabled annuitants mortality was set equal to the Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 130% for males and 125% for females, each with full generational projection using the MP2018 scale.

NOTE 15 - PENSION PLAN (continued)

Actuarial Assumptions (continued)

The investment rate of return was 6.50% for Plan A, which was a .25% decrease from the rate used at December 31, 2017 of 6.75%. The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the Capital Asset Pricing Model, (CAPM) (top-down), a treasury yield curve approach (bottom-up) and an equity building-block model (bottom-up). Risk return and correlations are projected on a forward looking basis in equilibrium, in which best-estimates 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 rates 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 of 2.00% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 7.43% for the year ended December 31, 2018.

Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of December 31, 2018 are summarized in the following table:

Asset Class	Target Asset Allocation	Long-Term Expected Portfolio Real Rate of Return
Fixed Income	35%	1.22%
Equity	52%	3.45%
Alternatives	11%	0.65%
Real Assets	2%	0.11%
Totals	100%	5.43%
Inflation		2.0%
Expected Arithmetic Nominal Return		7.43%

Discount Rate

The discount rate used to measure the total pension liability was 6.50%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers and non-employer contributing entities will be made at the actuarially determined contribution rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. 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.

NOTE 15 - PENSION PLAN (continued)

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents the net pension liability (asset) of the participating employers calculated using the discount rate of 6.50%, as well as what the employers' net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower 5.50% or one percentage point higher 7.50% than the current rate:

	1% Decrease <u>(5.50%)</u>	Current Discount Rate <u>(6.50%)</u>	1% Increase <u>(7.50%)</u>
Council's Proportionate Share of			
Net Pension Liability (Asset)	\$8,862,946	\$4,173,289	\$253,143

Payables to the Pension Plan

The Council recorded no accrued liabilities payable to the System for the year ended December 31, 2019.

The Parochial Employees' Retirement System of Louisiana issued a stand-alone audit report on its financial statements for the year ended December 31, 2018. Access to the audit report can be found on the System's website: www.persla.org or on the Office of Louisiana Legislative Auditor's official website: www.lla.state.la.us.

NOTE 16 --OTHER POSTEMPLOYMENT BENEFITS

General Information about the OPEB Plan

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

Benefits Provided – Medical benefits are provided through a comprehensive medical plan and are made available to employees upon actual retirement. Most employees are covered by the Parochial Employees' Retirement System of Louisiana, whose retirement eligibility (D.R.O.P. entry) provisions are as follows: 30 years of service at any age; age 55 and 25 years of service; age 60 and 10 years of service; or, age 65 and 7 years of service. For employees hired on and after January 1, 2007, retirement eligibility (D.R.O.P. entry) provisions are as follows: age 55 and 30 years of service; age 62 and 10 years of service; or, age 67 and 7 years of service.

NOTE 16 – OTHER POSTEMPLOYMENT BENEFITS (continued)

Employees covered by benefit terms – At December 31, 2019, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	68
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>166</u>
	<u>234</u>

Total OPEB Liability

The Parish’s total OPEB liability of \$22,334,646 was measured as of December 31, 2019 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and other inputs – The total OPEB liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.5%
Salary increases	4.0%, including inflation
Discount rate	4.10% annually (Beginning of Year to Determine ADC)
	2.74%, annually (As of End of Year Measurement Date)
Healthcare cost trend rates	Flat 5.5% annually

The discount rate was based on the average of the Bond Buyers' 20 Year General Obligation municipal bond index as of December 31, 2019, the end of the applicable measurement period.

Mortality rates were based on the RP-2000 Table without projection with 50%/50% unisex blend.

The actuarial assumptions used in the December 31, 2019 valuation were based on the results of ongoing evaluations of the assumptions from January 1, 2009 to December 31, 2019.

Changes in the Total OPEB Liability

Balance at December 31, 2018	<u>\$16,691,651</u>
Changes for the year:	
Service cost	484,289
Interest	672,022
Differences between expected and actual experience	924,737
Changes in assumptions	4,163,671
Benefit payments and net transfers	<u>(601,724)</u>
Net changes	<u>5,642,995</u>
Balance at December 31, 2019	<u>\$ 22,334,646</u>

NOTE 16 – OTHER POSTEMPLOYMENT BENEFITS (continued)

Changes of Assumptions. The discount rate as of December 31, 2018 was 4.10% and it changed to 2.74% as of December 31, 2019.

Sensitivity of the total OPEB liability to changes in the discount rate – The following presents the total OPEB liability of the Parish, as well as what the Parish’s total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.74%) or 1-percentage-point higher (3.74%) than the current discount rate:

	1.0% Decrease (1.74%)	Current Discount Rate (2.74%)	1.0% Increase (3.74%)
Total OPEB liability	\$ 26,416,165	\$ 22,334,646	\$ 19,118,061

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

	1.0% Decrease (4.5%)	Current Trend (5.5%)	1.0% Increase (6.5%)
Total OPEB liability	\$ 20,152,149	\$ 22,334,646	\$ 27,261,210

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

For the year ended December 31, 2019, the Parish recognized OPEB expense of \$1,519,620. At December 31, 2019, the Parish reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$832,263	\$ (71,132)
Changes in assumptions	<u>3,747,304</u>	<u>(1,384,188)</u>
Total	<u>\$4,579,567</u>	<u>\$ (1,455,320)</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>Years ending December 31:</u>	
2020	\$363,309
2021	363,309
2022	363,309
2023	363,309
2024	363,309
Thereafter	1,307,704

NOTE 17 - COMMITMENTS

In late 2016, the Council renewed an agreement with the Belle of Orleans, LLC (Belle), a riverboat casino approved by parish voters to be berthed in and operate in Amelia, Louisiana, as the Amelia Belle. In lieu of the Council imposing an admission fee upon the Belle's patrons, the Belle has agreed to pay fees to the Council based upon a percentage of its net gaming proceeds for a period of ten years. Presently, the fee is \$1,400,000 annually.

In 2011, the Council was awarded a federal grant for approximately \$19,500,000 to be funded and expended over ten years for various infrastructure and housing redevelopment and rehabilitation projects throughout the parish. The total amount spent on the projects through 2019 is approximately \$19,100,000. The Council will continue to conduct these projects in future years.

In 2018 the Council issued \$10,000,000 of Revenue Bonds. The proceeds of these bonds will be used for improving roads, streets and bridges, and other improvements associated therewith. The Council has entered into approximately \$6,300,000 in contracts for work related to six projects approximately \$6,200,000 was spent on these roadways through 2019, the remaining construction is to be completed in 2020.

In 2019, the Council issued \$10,000,000 of Revenue Bonds. The proceeds of these bonds will be used for improving roads, streets and bridges, and other improvements associated therewith. The Council has entered into approximately \$367,000 in contracts for work related to three projects. Approximately \$103,000 was spent on these projects in 2019. The Council will continue to conduct these projects in the future.

NOTE 18 - SOLID WASTE LANDFILL CLOSURE AND POST CLOSURE CARE COSTS

The Council provides for the collection and disposal of garbage through the operation of the Reduction and Transfer Fund, an enterprise fund. As part of this operation, a landfill composed of five areas is maintained. The operation of the landfill is subject to certain federal and state regulations. In 1989, the Council ceased operating and closed approximately 40 acres of the landfill which composed areas one and two.

Area 4 was permitted in 2002 and began operations in 2008, it includes approximately 65 acres and is the main portion of the Parish landfill currently in operation. Area 3A which totals approximately 7 acres is restricted to receiving construction waste and debris and has been used primarily for debris from storms. Area 3 covers approximately 40 acres, in 2008 it reached capacity and was capped on an interim basis, it is now available for additional use.

Since the Council accepted solid wastes at the landfill site after October 1993, the Council will be responsible for meeting state and federal requirements on the portions of the landfill which operate after that time. Those requirements mandate not only rigid landfill closure requirements but also monitoring, remediation and containment requirements for thirty years after closure. For 2019 management, with the assistance of consulting engineers, has re-estimated costs for closure of the landfill to be approximately \$11,950,000. In 2019 the costs for postclosure care, monitoring, and containment have been re-estimated to be approximately \$3,220,000 (over thirty years). These new estimated costs are based upon new materials and technologies developed and regulatory requirements.

NOTE 18 - SOLID WASTE LANDFILL CLOSURE AND POST CLOSURE CARE COSTS (continued)

GASB statement No. 18, which specifies the accounting method to be utilized by governments that operate landfills, became applicable to the Council's operations effective January 1, 1994. GASB No. 18 requires that landfills estimate the total cost of closure and post closure care. Further that the landfill recognize a portion of these estimated closure and postclosure costs over the operating life of the landfill. These closure and postclosure costs should be recognized as a liability and charged as an expense of operations of the landfill each year based upon the amount of landfill space utilized in that year as compared to the total available landfill space.

GASB No. 18 also requires that current costs be adjusted when changes in closure or post closure care plans or landfill operating conditions increase or decrease the estimated costs. The new estimates based upon the new technologies and regulatory requirements mentioned above resulted in an estimated increase in landfill closure costs of approximately \$4,060,000 and in landfill post closure care costs of approximately \$1,390,000 for a total increase of approximately \$5,450,000 in ultimate landfill closure and post closure care costs over the life of the landfill. The Council recognized \$3,020,000 in landfill closure costs during the current year (including \$2,750,000 due to the change in estimates).

As of December 31, 2019, the Council has recognized \$7,970,000 as the total estimated closure and postclosure care costs based upon the actual utilization through yearend compared to estimated total available usable landfill space as follows: Area 3 - 88%, Area 3A - 33%, and Area 4 - 33%. This leaves approximately \$7,200,000 of estimated closure and postclosure care costs remaining to be recognized in future years. It is estimated that the landfill will reach its capacity in approximately 30 years at the current rate of use.

Estimated costs for closure and post closure are based on estimated costs at the current time and under the current regulations. Future changes in inflation, technology, or regulating requirements could cause these estimated costs to increase or decrease.

The Council meets the federal and state financial assurance requirements for operations of landfills, under the financial test or "self-insurance" method. The Council has set aside approximately \$4,457,000 in restricted assets for closure or post closure care costs, which is reported with restricted assets on the balance sheet of the Reduction and Transfer Fund.

NOTE 19 - RELATED PARTY

The Council received payment from the St. Mary Parish Sales Tax Department of approximately \$10,000 for office rental payments in 2019.

The Council made the following payments from the Wards 5 & 8 Sales Tax Fund during the year:

Fire Protection District No. 7	\$19,520
St. Mary Parish Recreation District No. 3	107,767
St. Mary Parish Recreation District No. 4	42,082

NOTE 19 - RELATED PARTY (continued)

The Council made the following payments from the Wards 1,2,3,4,7 & 10 Sales Tax Fund during the year:

St. Mary Parish Recreation No. 5	\$5,500
St. Mary Parish Recreation No. 7	41,999

The Council made grant payments of \$250,000 to the Atchafalaya Golf Course during the year. See Note 2 for information on the discharge of Atchafalaya Golf Course debt by the Council.

See Note 9 for the amounts payable and receivable accounts Components at December 31, 2019.

NOTE 20 - RISK MANAGEMENT AND CONTINGENCIES

The Council is exposed to various risks of loss related to torts, theft or damage to assets, errors and omissions, injuries to employees and natural disasters. The Council has purchased commercial insurance to protect against loss from most of these perils. In addition, the Council provides certain medical and health care to parish prisoners. The Council has entered into a "Health Services Agreement" with a Commercial Health Care provider to provide certain medical care to prisoners on an ongoing basis for a monthly fee (a portion of which is reimbursed to the Council by the Sheriff). However the Council is still responsible for the hospitalization and certain other serious medical problems of the prisoners. During 2019 the Council paid \$700,000 and was reimbursed \$124,000 by the Sheriff under this agreement. In 2019, the Council paid an additional \$65,000 for hospitalization or other serious medical care.

There are no significant reductions in insurance coverages from prior years in the Council's insurance.

Settlements in the prior three years have not exceeded insurance coverages.

The Council participates in a number of federally assisted programs. These programs are audited in accordance with the Single Audit Act of 1996. Audits of prior years have not resulted in any significant disallowed costs; however, grantor agencies may provide for further examinations.

The Council is subject to several lawsuits. The Council intends to vigorously defend itself against these claims. Management and its legal counsel cannot yet predict the outcome of these matters. However management believes the Council's ultimate liability, if any, after insurance company and third party reimbursements would be immaterial. Accordingly, no liability is recorded in these financial statements for these claims.

NOTE 21 – SUBSEQUENT EVENT

In January of 2020, the Council authorized the issuance of \$3,960,000 of Taxable Public Improvement Sales Tax Refunding Bonds. The proceeds of these bonds will be used to refinance previous debt.

In January of 2020, the Council authorized the issuance of \$1,500,000 of Public Improvement Sales Tax Bonds. The proceeds of the bond will be used for the purpose of constructing, improving and maintaining roads.

In May of 2020, the Council authorized the issuance of \$600,000 of Certificates of Indebtedness Bonds. The proceeds of these bonds will be used for public improvements.

REQUIRED SUPPLEMENTAL INFORMATION

ST. MARY PARISH COUNCIL

SCHEDULE OF THE COUNCIL'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)
 Parochial Employees Retirement System of Louisiana (Plan A)
 as of December 31, 2018 (The Plan Measurement Date)

	<u>December 30, 2018</u>	<u>December 31, 2017</u>	<u>December 31, 2016</u>	<u>December 31, 2015</u>	<u>December 31, 2014</u>
Council's Proportion of the net pension liability (asset)	0.940278%	0.918222%	0.99130%	1.10693%	1.1396%
Amount of council's Proportionate share of the net pension liability (asset)	\$ 4,173,289	\$ (681,547)	\$ 2,041,589	\$ 2,913,768	\$ 301,282
Council's covered-employee payroll	5,724,217	5,586,519	6,080,187	6,346,977	6,035,133
Council's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	72.91%	-12.20%	33.58%	45.91%	4.99%
Plan fiduciary net position as a percentage of the total pension liability	88.86%	101.98%	94.15%	92.23%	99.15%

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

ST. MARY PARISH COUNCIL

SCHEDULE OF COUNCIL'S CONTRIBUTIONS
 Parochial Employees Retirement System of Louisiana (Plan) A
 For the Year Ended December 31, 2019

	<u>December 31, 2019</u>	<u>December 31, 2018</u>	<u>December 31, 2017</u>	<u>December 31, 2016</u>	<u>December 31, 2015</u>
Contractually required contribution	\$ 624,921	\$ 658,284	\$ 698,309	\$ 767,238	\$ 919,881
Contributions in relation to the contractually required contribution	(624,921)	(658,284)	(698,309)	(767,238)	(919,881)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered employee payroll	5,434,112	5,724,217	5,586,519	6,080,187	6,343,977
Contribution as a percentage of covered employee payroll	11.50%	11.50%	12.50%	12.62%	14.50%

Notes to Schedule:

Changes in Benefit Terms

There were no changes of benefit terms.

Changes in Assumptions

Fiscal Year ended	Discount Rate	Investment Rate of Return	Inflation Rate	Projected Salary Increase
2015	7.25%	7.25%	3.00%	5.75%
2016	7.00%	7.00%	2.50%	5.25%
2017	7.00%	7.00%	2.50%	5.25%
2018	6.75%	6.75%	2.50%	5.25%
2019	6.50%	6.50%	2.40%	4.75%

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

ST. MARY PARISH COUNCIL
SCHEDULE OF CHANGES IN THE COUNCIL'S NET OPEB LIABILITY AND RELATED RATIOS
For the Year Ended December 31, 2019

	Year Ended December 31,	
	2019	2018
Total OPEB Liability		
Service cost	\$ 484,289	\$ 544,183
Interest	672,022	604,744
Changes of benefit terms	-	-
Differences between expected and actual experience	924,737	(85,358)
Changes of assumptions	4,163,671	(1,661,026)
Benefit payments	<u>(601,724)</u>	<u>(581,332)</u>
Net change in total OPEB liability	5,642,995	(1,178,789)
Total OPEB liability - beginning	<u>16,691,651</u>	<u>17,870,440</u>
Total OPEB liability - ending	<u>\$ 22,334,646</u>	<u>\$ 16,691,651</u>
Covered-employee payroll	\$ 5,552,373	\$ 5,338,820
Net OPEB liability as a percentage of covered-employee payroll	402.25%	312.65%

Notes to Schedule:

No assets are accumulated in a trust that meets the criteria of GASB No. 75, paragraph 4.

Benefit Changes. There were no changes of benefit terms for the year ended December 31, 2019.

Changes of Assumptions. The discount rate as of 12/31/2018 was 4.10% and it changed to 2.74% as of 12/31/2019.

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

SUPPLEMENTARY INFORMATION NON-MAJOR GOVERNMENTAL FUNDS

ST. MARY PARISH COUNCIL
COMBINING FINANCIAL STATEMENTS
NON-MAJOR GOVERNMENTAL FUNDS
By Governmental Fund Type

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for the proceeds of specific revenue sources that are earmarked for expenditures for specified purposes.

DEBT SERVICE FUNDS

Debt Service Funds are used to account for the accumulation of resources for, and the payment of long-term debt principal, interest and related costs.

ST. MARY PARISH COUNCIL

Combining Balance Sheet
Nonmajor Governmental Funds - By Fund Type
December 31, 2019

	Special Revenue <u>Funds</u>	Debt Service <u>Funds</u>	Total Nonmajor Governmental <u>Funds</u>
ASSETS			
Cash and cash equivalents	\$ 139,413	\$ 2,760,021	\$ 2,899,434
Investments	1,298,934	45,603	1,344,537
Receivables (net of allowances for uncollectibles)	317,025		317,025
Due from other governments	713,637	440,395	1,154,032
Advance to other funds	582,152	204,870	787,022
Other assets	<u>5,840</u>		<u>5,840</u>
Total assets	<u>\$ 3,057,001</u>	<u>\$ 3,450,889</u>	<u>\$ 6,507,890</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND EQUITY			
Liabilities			
Accounts payable	\$ 296,472		\$ 296,472
Accrued liabilities	53,257		53,257
Advance from other funds	<u>217,094</u>	<u>\$ 437,197</u>	<u>654,291</u>
Total liabilities	<u>566,823</u>	<u>437,197</u>	<u>1,004,020</u>
Deferred inflows of resources	<u>46,367</u>	-	<u>46,367</u>
Total liabilities and deferred inflows	<u>613,190</u>	<u>437,197</u>	<u>1,050,387</u>
Fund equity			
Fund balances			
Restricted for			
Use in specific geographic areas	1,008,000		1,008,000
Debt services		2,363,232	2,363,232
Assigned for			
General Government	239,889		239,889
Public safety	268,925		268,925
Culture & recreation	236,059		236,059
Health & welfare	576,338		576,338
Urban redevelopment & housing	6,907		6,907
Debt services		728,727	728,727
Unassigned	<u>107,693</u>	<u>(78,267)</u>	<u>29,426</u>
Total fund equity	<u>2,443,811</u>	<u>3,013,692</u>	<u>5,457,503</u>
Total liabilities, deferred inflows, and fund equity	<u>\$ 3,057,001</u>	<u>\$ 3,450,889</u>	<u>\$ 6,507,890</u>

ST. MARY PARISH COUNCIL

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 Nonmajor Governmental Funds - By Fund Type
 For the Year Ending December 31, 2019

	Special Revenue <u>Funds</u>	Debt Service <u>Funds</u>	Total Nonmajor Governmental <u>Funds</u>
REVENUES			
Taxes			
Sales and use	\$ 1,614,149	\$ 1,778,512	\$ 3,392,661
Ad Valorem		142,763	142,763
Intergovernmental revenues			
Federal	1,183,457		1,183,457
Medicaid	1,998,375		1,998,375
State	435,780		435,780
Local	124,238		124,238
Riverboat fees	1,400,000		1,400,000
Licenses & Permits	22,806		22,806
Fees, Charges, & Commission	152,400		152,400
Investment earnings & interest	34,815	37,798	72,613
Other revenues	<u>1,533</u>		<u>1,533</u>
Total revenues	<u>6,967,553</u>	<u>1,959,073</u>	<u>8,926,626</u>
EXPENDITURES			
Current:			
General government	273,771		273,771
Public safety	2,241,586		2,241,586
Public works	232,361		232,361
Culture & Recreation	430,492		430,492
Health & Welfare	3,456,003		3,456,003
Urban redevelopment & housing	387,723		387,723
Capital outlay	128,943		128,943
Debt service			
Principal		1,725,000	1,725,000
Interest		1,055,463	1,055,463
Fees		<u>75,387</u>	<u>75,387</u>
Total expenditures	<u>7,150,879</u>	<u>2,855,850</u>	<u>10,006,729</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(183,326)</u>	<u>(896,777)</u>	<u>(1,080,103)</u>
OTHER FINANCING SOURCES (USES)			
Proceeds from refunding bonds		10,000,000	10,000,000
Operating transfers in	1,500,000	1,511,602	3,011,602
Operating transfers out	<u>(1,880,602)</u>	<u>(11,279,850)</u>	<u>(13,160,452)</u>
Total other financing sources (uses)	<u>(380,602)</u>	<u>231,752</u>	<u>(148,850)</u>
Excess of revenues and other sources over expenditures and other uses	<u>(563,928)</u>	<u>(665,025)</u>	<u>(1,228,953)</u>
Fund balance at beginning of year	3,007,739	3,678,717	6,686,456
Fund balance at end of year	<u>\$ 2,443,811</u>	<u>\$ 3,013,692</u>	<u>\$ 5,457,503</u>

ST. MARY PARISH COUNCIL

COMBINING FINANCIAL STATEMENTS & BUDGETARY COMPARISON SCHEDULES NON-MAJOR SPECIAL REVENUE FUNDS

GAMING RECEIPT FUND

The Gaming Receipt Fund is used to account for money received under an agreement with the Amelia Belle Riverboat Casino.

WITNESS FEE FUND

The Witness Fee Fund is used to account for monies received for court costs and fines related to cases in St. Mary Parish. Funds are used to pay witness fees related to Parish court cases.

JUROR COMPENSATION FUND

The Juror Compensation Fund is used to account for monies received related to juror compensation fees and paid for jury costs for cases in St. Mary Parish.

WARDS 5 & 8 SALES TAX FUND

The Wards 5 and 8 Sales Tax Fund accounts for the proceeds of the three-tenths of one percent sales and use tax levied within Wards 5 and 8 to acquire and maintain lights, public works, fire protection, recreational, and health facilities.

WARDS 1, 2, 3, 4, 7, & 10 SALES TAX FUND

The Wards 1, 2, 3, 4, 7, and 10 Sales Tax Fund accounts for the proceeds of the three-tenths of one percent sales and use tax levied within these wards to acquire and maintain lights, public works, fire protection, recreational, and health facilities.

JAIL OPERATING AND MAINTENANCE FUND

The Jail Operating fund is used to account for the proceeds of the one-half of one percent sales and use tax levied in St. Mary Parish to be used solely for the purposes of paying the cost of operating and maintaining jail facilities and minimum security facilities of the Parish.

16th JDC - ST. MARY PARISH DRUG COURT FUND

The 16th JDC - St. Mary Parish Drug Court fund accounts for the operation of the adult and juvenile outpatient drug court program funded by federal and state grants from the Louisiana Supreme Court.

JOB READINESS PROGRAM FUND

The Job Readiness Program Fund is used to account for Federal and State funds received for the purpose of providing work readiness training and job development/placement for drug court clients and inmates in the Sixteenth Judicial District.

BOAT LANDING PERMITS FUND

The Boat Landing Permits Fund accounts for funds received from the sale of permits and launch fees to users of the various boat landings located throughout St. Mary Parish.

HOUSING PROGRAM

The Housing Program administers the Section 8 Housing Program which covers all of St. Mary Parish, excluding Morgan City.

DWI COURT

The DWI Court Fund is used to increase public safety by ensuring DWI offenders are held accountable for their behavior.

DWI COURT - PATIENT FEE FUND

The DWI Court Patient Fee Fund is used to account for fees received and other expenses related to participants in the DWI Court Program.

OJP ENHANCEMENT GRANT

The purpose of the Bureau of Justice Assistance (BJA) FY18 Adult Drug Court Discretionary Grant Program is to provide financial and technical assistance to implement and enhance drug courts and veterans treatment courts.

FAIRVIEW TREATMENT CENTER

The Fairview Treatment Center operates an alcohol and drug abuse, inpatient treatment facility for the residents of Louisiana.

CLAIRE HOUSE

Claire House operates a long-term residential treatment facility for chemically addicted women and their children.

ST. MARY PARISH COUNCIL

Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2019

	Gaming Receipt Fund	Witness Fee Fund	Juror Compensation Fund	Wards 5 & 8 Sales Tax Fund	Wards 1,2,3,4,7 & 10 Sales Tax Fund	Jail Operating & Maint. Fund	16th JDC- St. Mary Parish Drug Court	Job Readiness Program Fund
ASSETS								
Cash and cash equivalents	\$ 119	\$ 81,922	\$ 4,677		\$ 14	\$ 22,994	\$ (128)	\$ 832
Investments				\$ 587,926	438,304	272,481		
Accounts receivable				50,413	93,401	158,645	\$ 40	
Due from other governments		2,796	2,218				39,199	
Advance to other funds	197,845		149,276					
Other assets								
Total assets	<u>\$ 197,964</u>	<u>\$ 84,718</u>	<u>\$ 156,171</u>	<u>\$ 638,339</u>	<u>\$ 531,719</u>	<u>\$ 454,120</u>	<u>\$ 39,111</u>	<u>\$ 832</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND EQUITY								
Liabilities								
Accounts payable	\$ 822		\$ 1,000	\$ 18,855	\$ 26,182	\$ 143,509	\$ 49,814	\$ 65
Accrued liabilities					885		10,665	
Advance from other funds				74,498	41,638	41,686		
Total liabilities	<u>822</u>	<u>-</u>	<u>1,000</u>	<u>93,353</u>	<u>68,705</u>	<u>185,195</u>	<u>60,479</u>	<u>65</u>
Deferred inflows of resources								
Total liabilities and deferred inflows	<u>822</u>	<u>-</u>	<u>1,000</u>	<u>93,353</u>	<u>68,705</u>	<u>185,195</u>	<u>60,479</u>	<u>65</u>
Fund equity (deficit)								
Fund balances (deficits)								
Restricted for use in specific geographic areas				544,986	463,014			
Assigned for								
General government		84,718	155,171					
Public safety						268,925		
Culture & Recreation								
Health & Welfare								767
Urban redevelopment & housing								
Unassigned	197,142						(21,368)	
Total fund equity (deficit)	<u>197,142</u>	<u>84,718</u>	<u>155,171</u>	<u>544,986</u>	<u>463,014</u>	<u>268,925</u>	<u>(21,368)</u>	<u>767</u>
Total liabilities, deferred inflows, and fund equity	<u>\$ 197,964</u>	<u>\$ 84,718</u>	<u>\$ 156,171</u>	<u>\$ 638,339</u>	<u>\$ 531,719</u>	<u>\$ 454,120</u>	<u>\$ 39,111</u>	<u>\$ 832</u>

The accompanying notes are an integral part of these financial statements.

ST. MARY PARISH COUNCIL

Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2019

ASSETS	Boat Landing Permit Fund	Housing Program	DWI Court	DWI Court - Patient Fee	OJP Enhancement Grant	Fairview Treatment Center	Claire House	Total Nonmajor Special Revenue Funds
Cash and cash equivalents	\$ 21,614	\$ 6,968		\$ 200	\$ 1		\$ 200	\$ 139,413
Investments	223							1,298,934
Accounts receivable		1,568				\$ 12,958		317,025
Due from other governments						506,945	162,479	713,637
Advance to other funds	227,913			7,118				582,152
Other assets							5,840	5,840
Total assets	\$ 249,750	\$ 8,536	\$ -	\$ 7,318	\$ 1	\$ 519,903	\$ 168,519	\$ 3,057,001
LIABILITIES, DEFERRED INFLOWS, AND FUND EQUITY								
Liabilities								
Accounts payable	\$ 13,691	\$ 1,629	\$ 1,446		\$ 2,810	\$ 30,230	\$ 6,419	\$ 296,472
Accrued liabilities			2,784		1,770	37,153		53,257
Advance from other funds			12,388		46,884			217,094
Total liabilities	13,691	1,629	16,618	-	51,464	67,383	6,419	566,823
Deferred inflows of resources						46,367		46,367
Total liabilities and deferred inflows	13,691	1,629	16,618	-	51,464	113,750	6,419	613,190
Fund equity (deficit)								
Fund balances (deficits)								
Restricted for use in specific geographic areas								1,008,000
Assigned for								
General government								239,889
Public safety								268,925
Culture & Recreation	236,059							236,059
Health & Welfare				7,318		406,153	162,100	576,338
Urban redevelopment & housing		6,907						6,907
Unassigned			(16,618)		(51,463)			107,693
Total fund equity (deficit)	236,059	6,907	(16,618)	7,318	(51,463)	406,153	162,100	2,443,811
Total liabilities, deferred inflows, and fund equity	\$ 249,750	\$ 8,536	\$ -	\$ 7,318	\$ 1	\$ 519,903	\$ 168,519	\$ 3,057,001

The accompanying notes are an integral part of these financial statements.

ST. MARY PARISH COUNCIL

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 Nonmajor Special Revenue Funds
 For the Year Ending December 31, 2019

	Gaming Receipt Fund	Witness Fee Fund	Juror Compensation Fund	Wards 5 & 8 Sales Tax Fund	Wards 1,2,3,4,7 &10 Sales Tax Fund	Jail Operating & Maint. Fund	16th JDC- St. Mary Parish Drug Court	Job Readiness Program Fund
REVENUES								
Taxes								
Sales and use				\$ 328,744	\$ 427,706	\$ 857,699		
Intergovernmental revenues								
Federal							\$ 100,344	
Medicaid								
State							387,946	
Local						124,238		
Riverboat fees	\$ 1,400,000							
Licenses & Permits								
Fees, Charges, & Commission		\$ 49,221	\$ 41,501			2,516	9,526	\$ 1,350
Investment earnings & interest	9,066			15,694	7,152	619		
Other revenues	501				600		432	
Total revenues	<u>1,409,567</u>	<u>49,221</u>	<u>41,501</u>	<u>344,438</u>	<u>435,458</u>	<u>985,072</u>	<u>498,248</u>	<u>1,350</u>
EXPENDITURES								
Current:								
General government	187,401	50,100	36,270					
Public safety	80,199			37,558	74,857	2,048,972		
Public works				69,081	163,280			
Culture & Recreation	72,910			153,849	201,915			
Health & Welfare					7,495		478,196	660
Urban redevelopment & Housing								
Capital outlay								
Total expenditures	<u>340,510</u>	<u>50,100</u>	<u>36,270</u>	<u>260,488</u>	<u>447,547</u>	<u>2,048,972</u>	<u>478,196</u>	<u>660</u>
Excess (deficiency) of revenues over (under) expenditures	1,069,057	(879)	5,231	83,950	(12,089)	(1,063,900)	20,052	690
OTHER FINANCING SOURCES								
Operating transfers in						1,500,000		
Operating transfers out	(1,333,920)		(50,000)	(150,000)	(45,000)	(301,682)		
Total other financing sources (uses)	<u>(1,333,920)</u>	<u>-</u>	<u>(50,000)</u>	<u>(150,000)</u>	<u>(45,000)</u>	<u>1,198,318</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	(264,863)	(879)	(44,769)	(66,050)	(57,089)	134,418	20,052	690
Fund balance (deficits) at beginning of year	462,005	85,597	199,940	611,036	520,103	134,507	(41,420)	77
Fund balance (deficits) at end of year	\$ 197,142	\$ 84,718	\$ 155,171	\$ 544,986	\$ 463,014	\$ 268,925	\$ (21,368)	\$ 767

The accompanying notes are an integral part of these financial statements.

ST. MARY PARISH COUNCIL

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 Nonmajor Special Revenue Funds
 For the Year Ending December 31, 2019

	Boat Landing Permit Fund	Housing Program	DWI Court	DWI Court - Patient Fee Fund	OJP Enhancement Grant	Fairview Treatment Center	Claire House	Total Nonmajor Special Revenue Funds
REVENUES								
Taxes								
Sales and use								\$ 1,614,149
Intergovernmental revenues								
Federal		\$ 389,109			13,948	\$ 142,917	\$ 537,139	1,183,457
Medicaid						1,998,375		1,998,375
State			\$ 47,834					435,780
Local								124,238
Riverboat fees								1,400,000
Licenses & Permits	\$ 22,806							22,806
Fees, Charges, & Commission	27,056			\$ 695		20,535		152,400
Investment earnings & interest	2,353		(120)	51				34,815
Other revenues								1,533
Total revenues	<u>52,215</u>	<u>389,109</u>	<u>47,714</u>	<u>746</u>	<u>13,948</u>	<u>2,161,827</u>	<u>537,139</u>	<u>6,967,553</u>
EXPENDITURES								
Current:								
General government								273,771
Public safety								2,241,586
Public works								232,361
Culture & Recreation	1,818							430,492
Health & Welfare			64,931	255	65,411	2,247,230	591,825	3,456,003
Urban redevelopment & Housing		387,723						387,723
Capital outlay	<u>128,943</u>							<u>128,943</u>
Total expenditures	<u>130,761</u>	<u>387,723</u>	<u>64,931</u>	<u>255</u>	<u>65,411</u>	<u>2,247,230</u>	<u>591,825</u>	<u>7,150,879</u>
Excess (deficiency) of revenues over (under) expenditures	(78,546)	1,386	(17,217)	491	(51,463)	(85,403)	(54,686)	(183,326)
OTHER FINANCING SOURCES								
Operating transfers in								1,500,000
Operating transfers out								(1,880,602)
Total other financing sources (uses)	-	-	-	-	-	-	-	(380,602)
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	(78,546)	1,386	(17,217)	491	(51,463)	(85,403)	(54,686)	(563,928)
Fund balance (deficits) at beginning of year	<u>314,605</u>	<u>5,521</u>	<u>599</u>	<u>6,827</u>	<u>-</u>	<u>491,556</u>	<u>216,786</u>	<u>3,007,739</u>
Fund balance (deficits) at end of year	\$ <u>236,059</u>	\$ <u>6,907</u>	\$ <u>(16,618)</u>	\$ <u>7,318</u>	\$ <u>(51,463)</u>	\$ <u>406,153</u>	\$ <u>162,100</u>	\$ <u>2,443,811</u>

The accompanying notes are an integral part of these financial statements.

ST. MARY PARISH COUNCIL

Budgetary Comparison Schedule
Gaming Receipt Fund
For the Year Ended December 31, 2019

	Original <u>Budget</u>	Final <u>Budget</u>	<u>Actual</u>	Variance with Final Budget Positive <u>(Negative)</u>
REVENUES				
Riverboat fees	\$ 1,500,000	\$ 1,400,000	\$ 1,400,000	\$ -
Investment earnings & interest	3,000	9,000	9,066	66
Other revenues			501	501
Total revenues	<u>1,503,000</u>	<u>1,409,000</u>	<u>1,409,567</u>	<u>567</u>
EXPENDITURES				
Current:				
General government	186,895	188,095	187,401	694
Public safety	96,000	96,000	80,199	15,801
Culture & Recreation	<u>75,000</u>	<u>72,910</u>	<u>72,910</u>	-
Total expenditures	<u>357,895</u>	<u>357,005</u>	<u>340,510</u>	<u>16,495</u>
Excess of revenues over expenditures	<u>1,145,105</u>	<u>1,051,995</u>	<u>1,069,057</u>	<u>17,062</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers out				
General Fund	(640,000)	(640,000)	(640,000)	-
Jail Operating & Maintenance Fund	(525,000)	(625,000)	(625,000)	-
Certificate of Indebtedness Sinking Fund	<u>(68,920)</u>	<u>(68,920)</u>	<u>(68,920)</u>	-
Total other financing sources (uses)	<u>(1,233,920)</u>	<u>(1,333,920)</u>	<u>(1,333,920)</u>	-
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	(88,815)	(281,925)	(264,863)	17,062
Fund balance at beginning of year	<u>439,445</u>	<u>462,005</u>	<u>462,005</u>	-
Fund balance at end of year	<u>\$ 350,630</u>	<u>\$ 180,080</u>	<u>\$ 197,142</u>	<u>\$ 17,062</u>

ST. MARY PARISH COUNCIL

Budgetary Comparison Schedule
 Witness Fee Fund
 For the Year Ended December 31, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
REVENUES				
Fees, Charges, & Commission	\$ 55,000	\$ 55,000	\$ 49,221	\$ (5,779)
Total revenues	<u>55,000</u>	<u>55,000</u>	<u>49,221</u>	<u>(5,779)</u>
EXPENDITURES				
Current:				
General government				
Witness Fees	21,500	16,500	9,383	7,117
Payment to 16th JDC Crimnal Court Fund		<u>40,717</u>	<u>40,717</u>	<u>-</u>
Total expenditures	<u>21,500</u>	<u>57,217</u>	<u>50,100</u>	<u>7,117</u>
Excess (deficiency) of revenues over (under) expenditures	33,500	(2,217)	(879)	1,338
Fund balance at beginning of year	<u>70,000</u>	<u>85,597</u>	<u>85,597</u>	<u>-</u>
Fund balance at end of year	<u>\$ 103,500</u>	<u>\$ 83,380</u>	<u>\$ 84,718</u>	<u>\$ 1,338</u>

ST. MARY PARISH COUNCIL

Budgetary Comparison Schedule
 Juror Compensation Fund
 For the Year Ended December 31, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
REVENUES				
Fees, Charges, & Commission	\$ 50,000	\$ 38,000	\$ 41,501	\$ 3,501
Total revenues	<u>50,000</u>	<u>38,000</u>	<u>41,501</u>	<u>3,501</u>
EXPENDITURES				
Current:				
General government	<u>35,000</u>	<u>35,000</u>	<u>36,270</u>	<u>(1,270)</u>
Total expenditures	<u>35,000</u>	<u>35,000</u>	<u>36,270</u>	<u>(1,270)</u>
Excess revenues over expenditures	<u>15,000</u>	<u>3,000</u>	<u>5,231</u>	<u>2,231</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers out				
General Fund	<u>(50,000)</u>	<u>(50,000)</u>	<u>(50,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(50,000)</u>	<u>(50,000)</u>	<u>(50,000)</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	(35,000)	(47,000)	(44,769)	2,231
Fund balance at beginning of year	<u>180,000</u>	<u>199,940</u>	<u>199,940</u>	<u>-</u>
Fund balance at end of year	<u>\$ 145,000</u>	<u>\$ 152,940</u>	<u>\$ 155,171</u>	<u>\$ 2,231</u>

ST. MARY PARISH COUNCIL

Budgetary Comparison Schedule
 Wards 5 & 8 Sales Tax Fund
 For the Year Ended December 31, 2019

	<u>Original</u> <u>Budget</u>	<u>Final</u> <u>Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes				
Sales and use	\$ 245,000	\$ 285,000	\$ 328,744	\$ 43,744
Investment earnings & interest	<u>3,000</u>	<u>3,000</u>	<u>15,694</u>	<u>12,694</u>
Total revenues	<u>248,000</u>	<u>288,000</u>	<u>344,438</u>	<u>56,438</u>
EXPENDITURES				
Current:				
General government	4,300	3,300		3,300
Public safety				
Fire fighting	10,000	45,000	37,558	7,442
Public works				
Street lighting	55,000	55,000	43,781	11,219
Wax Lake East Drainage District	12,000	12,000	3,433	8,567
Bayou Vista Area Sidewalks		11,000	6,867	4,133
City of Patterson		15,000	15,000	-
Culture & Recreation				
Town of Berwick	3,000	3,000	3,000	-
Other	1,700	2,700	1,000	1,700
Recreation District #3	108,000	108,000	107,767	233
Recreation District #4	<u>50,000</u>	<u>50,000</u>	<u>42,082</u>	<u>7,918</u>
Total expenditures	<u>244,000</u>	<u>305,000</u>	<u>260,488</u>	<u>44,512</u>
Excess (deficiency) of revenues over (under) expenditures	4,000	(17,000)	83,950	100,950
OTHER FINANCING SOURCES (USES)				
Operating transfer out				
Kemper Williams Park	<u>(50,000)</u>	<u>(150,000)</u>	<u>(150,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(50,000)</u>	<u>(150,000)</u>	<u>(150,000)</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	(46,000)	(167,000)	(66,050)	100,950
Fund balance at beginning of year	<u>504,898</u>	<u>611,036</u>	<u>611,036</u>	<u>-</u>
Fund balance at end of year	<u>\$ 458,898</u>	<u>\$ 444,036</u>	<u>\$ 544,986</u>	<u>\$ 100,950</u>

The accompanying notes are an integral part of these financial statements.

ST. MARY PARISH COUNCIL

Budgetary Comparison Schedule
 Wards 1, 2, 3, 4, 7, & 10 Sales Tax Fund
 For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes				
Sales and use	\$ 325,000	\$ 400,000	\$ 427,706	\$ 27,706
Investment earnings & interest	1,500	1,500	7,152	5,652
Other revenues			600	600
Total revenues	<u>326,500</u>	<u>401,500</u>	<u>435,458</u>	<u>33,958</u>
EXPENDITURES				
Current:				
Public safety				
Baldwin Police Dept.	-	13,000	13,000	-
Fire fighting	50,523	73,358	61,857	11,501
Public works				
Sidewalks & crosswalks		26,000	26,048	(48)
Street lighting	130,500	133,200	131,232	1,968
Sewerage		6,000	6,000	-
Culture & Recreation				
Elizabeth B. Davis Park	42,190	33,190	25,418	7,772
Hebert-Washington Park	40,188	37,088	34,674	2,414
City of Franklin	8,334	46,584	46,583	1
Baldwin & Charenton Recreation		1,500		1,500
St. Joseph Recreation Area	6,595	1,360	599	761
Centerville Park	12,000	21,150	21,150	-
Recreation District #5		26,875	5,500	21,375
Recreation District #7	30,000	42,500	41,999	501
Sorrell Park	500	500	441	59
Enrichment Programs	23,000	24,500	24,500	-
Other	1,000	3,500	1,051	2,449
Health & Welfare				
St. Mary Community Action Agency	2,500	4,000	1,149	2,851
General Assistance	1,500	5,500	6,346	(846)
Total expenditures	<u>348,830</u>	<u>499,805</u>	<u>447,547</u>	<u>52,258</u>
Excess (deficiency) of revenues over (under) expenditures	(22,330)	(98,305)	(12,089)	86,216
OTHER FINANCING SOURCES				
Operating transfers out				
General Fund		(45,000)	(45,000)	-
Total other financing sources (uses)		(45,000)	(45,000)	-
Net change in fund balance	(22,330)	(143,305)	(57,089)	86,216
Fund balance at beginning of year	368,856	520,103	520,103	-
Fund balance at end of year	<u>\$ 346,526</u>	<u>\$ 376,798</u>	<u>\$ 463,014</u>	<u>\$ 86,216</u>

ST. MARY PARISH COUNCIL

Budgetary Comparison Schedule
Jail Operating & Maintenance Fund
For the Year Ended December 31, 2019

	Original <u>Budget</u>	Final <u>Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes				
Sales and use	\$ 840,000	\$ 900,000	\$ 857,699	\$ (42,301)
Local				
Sheriff	100,000	100,000	124,238	24,238
Fees, Charges, & Commission	2,000	2,000	2,516	516
Investment earnings & interest	<u>1,000</u>	<u>1,000</u>	<u>619</u>	<u>(381)</u>
Total revenues	<u>943,000</u>	<u>1,003,000</u>	<u>985,072</u>	<u>(17,928)</u>
EXPENDITURES				
Current:				
Public safety				
Administration	610,000	610,713	590,608	20,105
Adult Correctional Institution	1,295,000	1,299,000	1,235,691	63,309
Cost for Juvenile Prisoners	15,000	15,000	11,875	3,125
Adult Correctional Institution - Morgan City Jail	<u>200,000</u>	<u>200,000</u>	<u>210,798</u>	<u>(10,798)</u>
Total expenditures	<u>2,120,000</u>	<u>2,124,713</u>	<u>2,048,972</u>	<u>75,741</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,177,000)</u>	<u>(1,121,713)</u>	<u>(1,063,900)</u>	<u>57,813</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in				
General Fund	900,000	875,000	875,000	-
Gaming Receipt Fund	525,000	625,000	625,000	-
Operating transfers out				
Jail Sinking Fund	(424,055)	(424,055)	(287,316)	(136,739)
Jail Reserve Fund	<u>(21,550)</u>	<u>(21,550)</u>	<u>(14,366)</u>	<u>(7,184)</u>
Total other financing sources (uses)	<u>979,395</u>	<u>1,054,395</u>	<u>1,198,318</u>	<u>(143,923)</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	(197,605)	(67,318)	134,418	(86,110)
Fund balance at beginning of year	<u>205,000</u>	<u>134,507</u>	<u>134,507</u>	<u>-</u>
Fund balance at end of year	<u>\$ 7,395</u>	<u>\$ 67,189</u>	<u>\$ 268,925</u>	<u>\$ (86,110)</u>

ST. MARY PARISH COUNCIL

Budgetary Comparison Schedule
 16th JDC - St. Mary Parish Drug Court
 For the Year Ended December 31, 2019

	Original <u>Budget</u>	Final <u>Budget</u>	<u>Actual</u>	Variance with Final Budget Positive <u>(Negative)</u>
REVENUES				
Federal grant	\$ 120,000	\$ 112,500	\$ 100,344	\$ (12,156)
State grant	380,000	362,500	387,946	25,446
Patient fees	20,000	20,000	9,526	(10,474)
Other revenues			432	432
Total revenues	<u>520,000</u>	<u>495,000</u>	<u>498,248</u>	<u>3,248</u>
EXPENDITURES				
Current				
Health and welfare				
Personal services and benefits	353,950	315,625	305,989	9,636
Operating services	86,345	98,895	98,837	58
Supplies	10,050	8,390	4,751	3,639
Professional services	51,655	53,775	56,431	(2,656)
Lab fees	20,000	20,315	9,256	11,059
Travel	5,000	5,000	2,282	2,718
Bad debts			650	(650)
Total expenditures	<u>527,000</u>	<u>502,000</u>	<u>478,196</u>	<u>23,804</u>
Excess (deficiency) of revenues over (under) expenditures	(7,000)	(7,000)	20,052	27,052
Fund balance (deficit) at beginning of year	<u>28,000</u>	<u>28,000</u>	<u>(41,420)</u>	<u>(69,420)</u>
Fund balance (deficit) at end of year	<u>\$ 21,000</u>	<u>\$ 21,000</u>	<u>\$ (21,368)</u>	<u>\$ (42,368)</u>

ST. MARY PARISH COUNCIL

Budgetary Comparison Schedule
 Job Readiness Program Fund
 For the Year Ended December 31, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
REVENUES				
Fees, Charges, & Commission	\$ 850	\$ 850	\$ 1,350	\$ 500
Total Revenues	<u>850</u>	<u>850</u>	<u>1,350</u>	<u>500</u>
EXPENDITURES				
Current:				
Health & Welfare	<u>800</u>	<u>800</u>	<u>660</u>	<u>140</u>
Total expenditures	<u>800</u>	<u>800</u>	<u>660</u>	<u>140</u>
Excess (deficiency) of revenues over (under) expenditures	50	50	690	640
Fund balance at the beginning of year	<u>65</u>	<u>77</u>	<u>77</u>	<u>-</u>
Fund balance at the end of year	<u>\$ 115</u>	<u>\$ 127</u>	<u>\$ 767</u>	<u>\$ 640</u>

ST. MARY PARISH COUNCIL

Budgetary Comparison Schedule
Boat Landing Permit Fund
For the Year Ended December 31, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
REVENUES				
Licenses & permits	\$ 20,000	\$ 20,000	\$ 22,806	\$ 2,806
Fees, Charges, & Commission	34,250	24,050	27,056	3,006
Investment earnings & interest	<u>1,000</u>	<u>2,000</u>	<u>2,353</u>	<u>353</u>
Total revenues	<u>55,250</u>	<u>46,050</u>	<u>52,215</u>	<u>6,165</u>
EXPENDITURES				
Current:				
Culture & Recreation	1,500	1,500	1,818	(318)
Capital outlay	<u>105,500</u>	<u>155,000</u>	<u>128,943</u>	<u>26,057</u>
Total expenditures	<u>107,000</u>	<u>156,500</u>	<u>130,761</u>	<u>25,739</u>
Excess (deficiency) of revenues over (under) expenditures	(51,750)	(110,450)	(78,546)	31,904
Fund balance at beginning of year	<u>295,000</u>	<u>314,605</u>	<u>314,605</u>	<u>-</u>
Fund balance at end of year	<u>\$ 243,250</u>	<u>\$ 204,155</u>	<u>\$ 236,059</u>	<u>\$ 31,904</u>

ST. MARY PARISH COUNCIL

Budgetary Comparison Schedule
Housing Program
For the Year Ended December 31, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental revenues				
Federal grants	\$ 381,500	\$ 380,500	\$ 389,109	\$ 8,609
Total revenues	<u>381,500</u>	<u>380,500</u>	<u>389,109</u>	<u>8,609</u>
EXPENDITURES				
Current:				
Urban redevelopment & housing				
Housing assistance and administrative	<u>380,500</u>	<u>380,500</u>	<u>387,723</u>	<u>(7,223)</u>
Total expenditures	<u>380,500</u>	<u>380,500</u>	<u>387,723</u>	<u>(7,223)</u>
Excess (deficiency) of revenues over (under) expenditures	1,000	-	1,386	1,386
Fund balance at beginning of year	<u>14,591</u>	<u>14,591</u>	<u>5,521</u>	<u>9,070</u>
Fund balance at end of year	<u>\$ 15,591</u>	<u>\$ 14,591</u>	<u>\$ 6,907</u>	<u>\$ 10,456</u>

ST. MARY PARISH COUNCIL

Budgetary Comparison Schedule
DWI Court
For the Year Ended December 31, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final Budget Positive <u>(Negative)</u>
REVENUES				
Federal grant	\$ 62,000	\$ 62,000	\$ 47,834	\$ (14,166)
Interest earnings			(120)	(120)
Total Revenue	<u>62,000</u>	<u>62,000</u>	<u>47,714</u>	<u>(14,286)</u>
EXPENDITURES				
Health & welfare	<u>62,000</u>	<u>62,000</u>	<u>64,931</u>	<u>(2,931)</u>
Total Expenditure	<u>62,000</u>	<u>62,000</u>	<u>64,931</u>	<u>(2,931)</u>
Excess of (deficiency) of revenues over (under) expenditures	-	-	(17,217)	(17,217)
Fund balance at beginning of year		<u>599</u>	<u>599</u>	-
Fund balance (deficit) at end of year	<u>\$ -</u>	<u>\$ 599</u>	<u>\$ (16,618)</u>	<u>\$ (17,217)</u>

ST. MARY PARISH COUNCIL

Budgetary Comparison Schedule
 DWI Court - Patient Fee Fund
 For the Year Ended December 31, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive <u>(Negative)</u>
REVENUES				
Fees, charges, & commission	\$ 250	\$ 250	\$ 695	\$ 445
Investment earnings & interest	40	40	51	11
Total revenues	<u>290</u>	<u>290</u>	<u>746</u>	<u>456</u>
EXPENDITURES				
Health & Welfare	<u>5,450</u>	<u>5,450</u>	<u>255</u>	<u>5,195</u>
Total expenditures	<u>5,450</u>	<u>5,450</u>	<u>255</u>	<u>5,195</u>
Excess (deficiency) of revenues over (under) expenditures	(5,160)	(5,160)	491	5,651
Fund balance at beginning of year	<u>6,460</u>	<u>6,827</u>	<u>6,827</u>	<u>-</u>
Fund balance at end of year	<u>\$ 1,300</u>	<u>\$ 1,667</u>	<u>\$ 7,318</u>	<u>\$ 5,651</u>

ST. MARY PARISH COUNCIL

Budgetary Comparison Schedule
 OJP Enhancement Grant
 For the Year Ended December 31, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
REVENUES				
Other revenues	\$ 129,686	\$ 129,686	\$ 13,948	\$ (115,738)
Total revenues	<u>129,686</u>	<u>129,686</u>	<u>13,948</u>	<u>(115,738)</u>
EXPENDITURES				
Current				
Health & welfare	<u>129,686</u>	<u>129,686</u>	<u>65,411</u>	<u>64,275</u>
Total expenditures	<u>129,686</u>	<u>129,686</u>	<u>65,411</u>	<u>64,275</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>(51,463)</u>	<u>(51,463)</u>
Fund balance (deficit) at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance (deficit) at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (51,463)</u>	<u>\$ (51,463)</u>

ST. MARY PARISH COUNCIL

Budgetary Comparison Schedule (Non GAAP Basis)
 Fairview Treatment Center
 For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Federal grant		\$ 142,917	\$ 142,917	\$ -
Medicaid	\$ 2,813,500	2,116,234	1,950,524	(165,710)
Patient fees	2,000	10,578	15,500	4,922
Total revenues	<u>2,815,500</u>	<u>2,269,729</u>	<u>2,108,941</u>	<u>(160,788)</u>
EXPENDITURES				
Current				
Health & welfare				
Personal services and benefits	1,644,582	1,347,914	1,347,903	11
Travel	21,000	7,016	7,016	-
Supplies	87,233	59,176	94,118	(34,942)
Professional services	443,692	590,293	436,643	153,650
Facility fees	383,800	214,692	356,197	(141,505)
Lab fees	10,500	5,499	5,498	1
Capital outlay	<u>155,000</u>	<u>34,621</u>	<u>8,952</u>	<u>25,669</u>
Total expenditures	<u>2,745,807</u>	<u>2,259,211</u>	<u>2,256,327</u>	<u>2,884</u>
Excess (deficiency) of revenues over (under) expenditures	<u>69,693</u>	<u>10,518</u>	<u>(147,386)</u>	<u>157,904</u>
Net change in fund balance - Non-GAAP Basis	<u>69,693</u>	<u>10,518</u>	<u>(147,386)</u>	<u>157,904</u>
 Reconciliation of Non-GAAP (Cash) Budget Basis to GAAP Basis:				
Revenues - Difference			\$ 52,886	
 Expenditures - Differences				
Facility fees			(208)	
Personal services			(5,243)	
Professional fees			8,608	
Capital Outlay			<u>5,940</u>	
Total difference in expenditures			<u>9,097</u>	
Net change in fund balance - GAAP Basis			<u>\$ (85,403)</u>	

Note on Budgeting Basis:

Fairview Treatment Center budgets on a cash basis rather than on GAAP Basis.

ST. MARY PARISH COUNCIL

Budgetary Comparison Schedule
 Claire House
 For the Year Ended December 31, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
REVENUES				
Federal grant	\$ 579,363	\$ 579,363	\$ 537,139	\$ (42,224)
Total revenues	<u>579,363</u>	<u>579,363</u>	<u>537,139</u>	<u>(42,224)</u>
EXPENDITURES				
Current				
Health and welfare				
Personal services and benefits	415,363	413,663	408,099	5,564
Operating services	146,500	147,500	134,430	13,070
Supplies	12,000	13,600	10,289	3,311
Professional services	3,000	4,000	3,496	504
Capital Outlay	<u>2,500</u>	<u>600</u>	<u>35,511</u>	<u>(34,911)</u>
Total expenditures	<u>579,363</u>	<u>579,363</u>	<u>591,825</u>	<u>(12,462)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>(54,686)</u>	<u>(54,686)</u>
Fund balance at beginning of year	<u>216,786</u>	<u>216,786</u>	<u>216,786</u>	<u>-</u>
Fund balance at end of year	<u>\$ 216,786</u>	<u>\$ 216,786</u>	<u>\$ 162,100</u>	<u>\$ (54,686)</u>

ST. MARY PARISH COUNCIL
COMBINING FINANCIAL STATEMENTS
DEBT SERVICE FUNDS - NON MAJOR

SALES TAX BOND SINKING FUND

The Sales Tax Bond Sinking Fund accounts for the Council's share of a one percent sales tax which is to be used for the retirement the 2011 bond issue totaling \$6,865,000. Any amounts accumulated in excess of debt service requirements can be used by the parish for any lawful purpose.

SALES TAX BOND RESERVE FUND

The Sales Tax Bond Reserve Fund is a reserve fund required by the 2011 \$6,865,000 bond issue indenture.

THREE-FOURTHS PERCENT SALES TAX BOND RESERVE FUND

The Three-Fourths Percent Sales Tax Bond Reserve Fund is a reserve fund required by the 2012 \$3,890,000 bond issue, and the 2015 \$2,190,000 Sales Tax Refunding Bond Issue.

THREE-FOURTHS PERCENT SALES TAX BOND SINKING FUND

The Three-Fourths Percent Sales Tax Bond Sinking Fund accumulates that portion of the three-fourths percent sales tax needed for the payment of 2012 \$3,890,000 bond issue, and 2015 \$2,190,000 Sewerage Sales Tax Refunding Bond Issue.

ST. MARY PARISH LIBRARY SINKING FUND

The Library General Obligation Sinking Fund accounts for the receipt of ad valorem taxes and payment of the 2009 \$2,500,000 of general obligation bonds.

CERTIFICATES OF INDEBTEDNESS SINKING FUND

This fund accounts for the transfer of revenues for the repayment of the \$600,000 Certificates of Indebtedness, \$2,345,000 Series 2012 Revenue Refunding Bonds, the \$10,000,000 Limited Tax Revenue Bonds Series 2018 and the \$10,000,000 Limited Tax Revenue Bond Series 2019..

JAIL SINKING FUND

The Jail Sinking Fund accounts for the payment of \$3,490,000 Series 2010 Jail Revenue and Refunding Bonds, and the transfer of excess revenues over expenditures from the Jail Operating Fund.

JAIL RESERVE FUND

The Jail Reserve Fund is a reserve fund required by the \$3,490,000 Series 2010 Jail Revenue and Refunding Bonds.

ST. MARY PARISH COUNCIL

Combining Balance Sheet
Nonmajor Debt Service Funds
December 31, 2019

	Sales Tax Bond <u>Sinking Fund</u>	Sales Tax Bond Reserve <u>Fund</u>	3/4% Sales Tax Bond <u>Reserve Fund</u>	3/4% Sales Tax Bond <u>Sinking Fund</u>	St. Mary Parish Library <u>Sinking Fund</u>	Certificates of Indebtedness <u>Sinking Fund</u>	Jail Sinking <u>Fund</u>	Jail Reserve <u>Fund</u>	Total Nonmajor Debt Service <u>Funds</u>
ASSETS									
Cash and cash equivalents	\$ 169,999	\$ 638,255	\$ 719,780	\$ 572,441	\$ 93,657	\$ 9,125	\$ 351,301	\$ 205,463	\$ 2,760,021
Investments	44,277	212	2	769	343				45,603
Due from other governments	314,654				125,741				440,395
Advance to other funds					163,020		41,850		204,870
Total assets	<u>528,930</u>	<u>638,467</u>	<u>719,782</u>	<u>573,210</u>	<u>382,761</u>	<u>9,125</u>	<u>393,151</u>	<u>205,463</u>	<u>3,450,889</u>
LIABILITIES AND FUND EQUITY									
Liabilities									
Advance from other funds	\$ 437,197								\$ 437,197
Total liabilities	<u>437,197</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>437,197</u>
Fund equity									
Fund balances									
Restricted for debt service	170,000	604,650	719,782	310,000	126,000		351,300	81,500	2,363,232
Assigned for debt service		33,817		263,210	256,761	9,125	41,851	123,963	728,727
Unassigned	(78,267)								(78,267)
Total fund equity	<u>91,733</u>	<u>638,467</u>	<u>719,782</u>	<u>573,210</u>	<u>382,761</u>	<u>9,125</u>	<u>393,151</u>	<u>205,463</u>	<u>3,013,692</u>
Total liabilities and fund equity	<u>\$ 528,930</u>	<u>\$ 638,467</u>	<u>\$ 719,782</u>	<u>\$ 573,210</u>	<u>\$ 382,761</u>	<u>\$ 9,125</u>	<u>\$ 393,151</u>	<u>\$ 205,463</u>	<u>\$ 3,450,889</u>

The accompanying notes are an integral part of these financial statements.

ST. MARY PARISH COUNCIL

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Debt Service Funds
For the Year Ending December 31, 2019

	Sales Tax Bond <u>Sinking Fund</u>	Sales Tax Bond Reserve <u>Fund</u>	3/4% Sales Tax Bond <u>Reserve Fund</u>	3/4% Sales Tax Bond <u>Sinking Fund</u>	St. Mary Parish Library <u>Sinking Fund</u>	Certificate of Indebtedness <u>Sinking Fund</u>	Jail Sinking <u>Fund</u>	Jail Reserve <u>Fund</u>	Total Nonmajor Debt Service <u>Funds</u>
REVENUES									
Taxes									
Sales and use	\$ 1,778,512								\$ 1,778,512
Ad Valorem					\$ 142,763				142,763
Investment earnings & interest	<u>14,993</u>	<u>\$ 4,664</u>	<u>\$ 5,256</u>	<u>\$ 5,804</u>	<u>2,211</u>	<u>\$ 1,084</u>	<u>\$ 2,333</u>	<u>\$ 1,453</u>	<u>37,798</u>
Total revenues	<u>1,793,505</u>	<u>4,664</u>	<u>5,256</u>	<u>5,804</u>	<u>144,974</u>	<u>1,084</u>	<u>2,333</u>	<u>1,453</u>	<u>1,959,073</u>
EXPENDITURES									
Debt service									
Principal	325,000			610,000	115,000	275,000	400,000		1,725,000
Interest	221,988			87,154	64,785	657,981	23,555		1,055,463
Fees	<u>2,300</u>			<u>2,450</u>	<u>1,000</u>	<u>69,137</u>	<u>500</u>		<u>75,387</u>
Total expenditures	<u>549,288</u>	<u>-</u>	<u>-</u>	<u>699,604</u>	<u>180,785</u>	<u>1,002,118</u>	<u>424,055</u>	<u>-</u>	<u>2,855,850</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,244,217</u>	<u>4,664</u>	<u>5,256</u>	<u>(693,800)</u>	<u>(35,811)</u>	<u>(1,001,034)</u>	<u>(421,722)</u>	<u>1,453</u>	<u>(896,777)</u>
OTHER FINANCING SOURCES (USES)									
Proceeds from bonds						10,000,000			10,000,000
Operating transfers in				705,000		504,920	287,316	14,366	1,511,602
Operating transfers out	<u>(1,350,000)</u>					<u>(9,929,850)</u>			<u>(11,279,850)</u>
Total other financing sources (uses)	<u>(1,350,000)</u>	<u>-</u>	<u>-</u>	<u>705,000</u>	<u>-</u>	<u>575,070</u>	<u>287,316</u>	<u>14,366</u>	<u>231,752</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	<u>(105,783)</u>	<u>4,664</u>	<u>5,256</u>	<u>11,200</u>	<u>(35,811)</u>	<u>(425,964)</u>	<u>(134,406)</u>	<u>15,819</u>	<u>(665,025)</u>
Fund balance at beginning of year	<u>197,516</u>	<u>633,803</u>	<u>714,526</u>	<u>562,010</u>	<u>418,572</u>	<u>435,089</u>	<u>527,557</u>	<u>189,644</u>	<u>3,678,717</u>
Fund balance at end of year	<u>\$ 91,733</u>	<u>\$ 638,467</u>	<u>\$ 719,782</u>	<u>\$ 573,210</u>	<u>\$ 382,761</u>	<u>\$ 9,125</u>	<u>\$ 393,151</u>	<u>\$ 205,463</u>	<u>\$ 3,013,692</u>

The accompanying notes are an integral part of these financial statements.

GENERAL SUPPLEMENTARY INFORMATION

St. Mary Parish Council
Compensation Paid Council Members
For the Year Ended December 31, 2019

Councilmen at Large

Gabriel Beadle	\$ 10,180
Paul Naquin, Jr.	9,600
Kevin Voisin	9,623

Single Members:

James Wallace Bennet, Jr.	5,400
Sterling J. Fryou, Sr.	5,400
Patrick Hebert	5,400
Glen Hidalgo	5,400
J. Bertrand Ina	5,400
Craig Alonzo Mathews	5,400
Dale James Rogers	5,400
Kenneth Singleton	<u>5,400</u>

\$ 72,603

ST. MARY PARISH COUNCIL

Schedule of Compensation, Benefits, and Reimbursements to
Agency Head, Political Subdivision Head, or Chief Executive Officer
For the Year Ended December 31, 2019

Parish President: David J. Hanagriff

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 12,000
Benefits-Insurance	20,916
Benefits-Retirement	1,380
Cell phone allowance	1,440
Automobile allowance	14,400
Total	<u>\$ 50,136</u>

Chief Administrative Officer: Henry C. LaGrange

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 97,383
Benefits-Insurance	14,934
Benefits-retirement	11,199
Reimbursement-Travel	449
Total	<u>\$ 123,965</u>

These amounts represent all compensation, benefits, and reimbursements for the year.

ST. MARY PARISH COUNCIL
Schedule of Insurance Policies In Force
For the Year Ended December 31, 2019

<u>Coverage</u>	<u>Amounts or Limits</u>	<u>Expires</u>	<u>Company</u>
Workers' Compensation and Employer's Liability	\$1,000,000	01/01/2020	PGRMA
Ferry-Hull and Machinery	\$75,000	05/16/2020	Alianz Global Corp
Ferry-Protection & Indemnity	\$1,000,000	05/16/2020	Lloyds' of London
Property	\$31,591,030	06/15/2020	Lloyds' of London
Equipment Floater	\$9,513,502	06/15/2020	Continental Casualty Company
Boiler & Machinery	\$27,000,000	06/15/2020	Continental Casualty Company
Property-Burns Point Dwelling	\$24,000	06/28/2020	Louisiana Citizens
Airport Liability	\$1,000,000	09/29/2020	ACE Property & Casualty Insurance Co.
General Liability	\$3,000,000	12/31/2020	Atlantic Specialty Insurance Company
Auto Liability Coverage	\$1,000,000	12/31/2020	Atlantic Specialty Insurance Company
Public Entity Management Liability Coverage	\$3,000,000	12/31/2020	Atlantic Specialty Insurance Company
Public Entity Employment Practices (Liability Protection Coverage)	\$3,000,000	12/31/2020	Atlantic Specialty Insurance Company
Employee Benefit Plans Administration (Liability Protection Coverage)	\$3,000,000	12/31/2020	Atlantic Specialty Insurance Company

SUPPLEMENTARY INFORMATION REQUIRED BY UNIFORM GUIDANCE

St. Mary Parish Council
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2019

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR NAME/ <u>PROGRAM TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	<u>GRANT NUMBER</u>	<u>PASS-THROUGH IDENTIFYING NUMBER</u>	<u>EXPENDITURES INCURRED</u>
<u>U.S. Department of the Interior</u>				
Bureau of Land Management				
Office of the Secretary of the Interior				
Payment in Lieu of Taxes	15.226			\$ 7,180
GoMESA	15.435			<u>833,307</u>
Total U.S. Department of Interior				<u>840,487</u>
<u>U.S. Department of Housing and Urban Development</u>				
Passed through Louisiana Office of Community Development Disaster Recovery Unit				
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228		(SEE NOTE 2)	2,377,078
Housing - Federal Housing Commissioner				
Section 8 Housing Choice Vouchers	14.871			<u>387,723</u>
Total U.S. Department of Housing and Urban Development				<u>2,764,801</u>
<u>U.S. Department of Transportation</u>				
Airport Improvement Program	20.106	3-22-0044-017-201B 3-22-0044-018-2019	(SEE NOTE 5)	399,046
Alcohol Open Container Requirement	20.607			<u>64,931</u>
Total U.S. Department of Transportation				<u>463,977</u>
<u>U.S. Department of Justice</u>				
Drug Court Discetionary Grant Program	16.585	2018-DC-BX-0064		<u>65,411</u>
Total U.S. Department of Justice				<u>65,411</u>

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR NAME/ PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH IDENTIFYING NUMBER	EXPENDITURES INCURRED
<u>U.S. Department of Health and Human Services</u>			
Passed through Louisiana Department of Health Office of Public Health Bureau of Community Preparedness			
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	93.074		\$ 8,353
Passed through Louisiana Supreme Court Drug Court Office			
Temporary Assistance for Needy Families (TANF)	93.558	(SEE NOTE 3)	\$ 692,169
Passed through Louisiana Department of Health and Hospitals			
Block Grants for Prevention and Treatment of Substance Abuse	93.959	FTC2000299225	<u>142,917</u>
Total U.S. Department of Health and Human Services			<u>843,439</u>
<u>Department of Homeland Security</u>			
Passed through Governor's Office of Homeland Security and Emergency Preparedness			
Hazard Mitigation Grant	97.039	(SEE NOTE 4)	623,586
Passed through State of Louisiana Office of State Police			
Emergency Management Performance Grants	97.042		29,583
Homeland Security Grant Program	97.067		<u>54,661</u>
Total Department of Homeland Security			<u>707,830</u>
Total Primary Government Federal Financial Assistance			<u>\$ 5,685,945</u>

ST. MARY PARISH COUNCIL

Notes to Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2019

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedule of expenditures of federal awards is a summary of activity of the Council's federal award programs presented on the basis of accounting in accordance with generally accepted accounting principles for fund accounting. In 2019, the Council did not charge nor allocate any indirect costs to federal awards.

NOTE 2 - DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

The following is a detail of certain expenditures from the Department of Housing and Urban Development.

Community Development Block Grant/State's Program and Non-Entitlement Grants in Hawaii (CFDA 14.228)

<u>Funds</u>	<u>Pass-Through Identifying Number</u>	<u>Expenditures</u>
CDBG Recovery Fund	684903	\$2,350,499
Capital Improvement Fund	200036678/736349	<u>26,579</u>
		<u>\$2,377,078</u>

NOTE 3 - DEPARTMENT OF HEALTH AND HUMAN SERVICES

The following is a detail of certain expenditures from the Department of Health and Human Services.

Temporary Assistance for Needy Families (CFDA 93.558)

<u>Funds</u>	<u>Pass-Through Identifying Number</u>	<u>Expenditures</u>
16 th Judicial District Drug Court Fund		\$ 100,344
Claire House	CH2000299126	<u>591,825</u>
Total Temporary Assistance for Needy Families		\$ <u>692,169</u>

NOTE 4 - DEPARTMENT OF HOMELAND SECURITY

The following is a detail of certain expenditures from the Department of Homeland Security.

<u>Program</u>	<u>CFDA Number</u>	<u>Amount</u>
Public Assistance (Presidentially Declared Disasters (FEMA))	97.036	\$646,963

NOTE 4 – DEPARTMENT OF HOMELAND SECURITY (continued)

FEMA grant is funded 75% by federal funds. Total expenditures incurred in current year were \$862,617 of which \$646,963 qualifies for 75% reimbursement.

In accordance with federal compliance requirements FEMA expenditures listed above are not reported in the current year's Schedule of Expenditures of Federal Award (SEFA) due to approval of the programs Project Worksheets (PWs) subsequent to the Council's year end. These expenditures will be reported in the Council's subsequent year SEFA.

Hazard Mitigation Grant (CFDA 97.039)

In the current year the Hazard Mitigation grant is funded 75% by federal funds. Total expenditures for the current year were \$831,498 of which \$623,586 qualifies for 75% reimbursement.

NOTE 5 – U.S. DEPARTMENT OF TRANSPORTATION

Airport Improvement Program (CFDA 20.106)

In the current year, the Airport Improvement Program receives federal, state, and local funds. Total expenditures for the current year for the Airport Fence Rehab Project was \$467,860 of which \$399,046 is federal, \$44,338 is state, and the remaining \$24,476 is local.

NOTE 6 – PROGRAMS AUDITED BY OTHER AUDITORS

Expenditures for the following programs included in the accompanying SEFA were audited by other auditors:

<u>Program</u>	<u>CFDA Number</u>	<u>Amount</u>
Temporary Assistance for Needy Families (TANF)	93.558	\$591,825
Block Grants for Prevention and Treatment of Substance Abuse	93.959	142,917

Neither of these two programs were determined to be major programs in the current year.

INTERNAL ACCOUNTING CONTROL AND COMPLIANCE AND OTHER MATTERS



a corporation of
certified public accountants

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

Chairman and Members of the Council
St. Mary Parish
Franklin, Louisiana

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information, and the respective budgetary comparisons for the General Fund, Road Construction & Maintenance Fund, and Sanitation Fund of the St. Mary Parish Council (Council), as of and for the year ended December 31, 2019 (for the year ended June 30, 2019 for Fairview Treatment Center and Claire House) and the related notes to the financial statements, which collectively comprise the basic financial statements of the Council's primary government and have issued our report thereon dated September 17, 2020. Our report includes a reference to other auditors who audited the financial statements of Fairview Treatment Center and Claire House, as described in our report on the Council's financial statements. This report includes our consideration of the results of the other auditor's testing of internal control over financial reporting and compliance and other matters that are reported on separately by those other auditors. However, this report, insofar as it relates to the results of the other auditors, is based solely on the reports of the other auditors.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Council'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control. Accordingly, we do not express an opinion on the effectiveness of the Council's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit and based on reports of other auditors, we did not identify any deficiencies in internal control, that we consider to be a material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

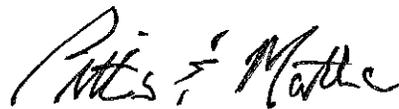
As part of obtaining reasonable assurance about whether the Council's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests and those of other auditors disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards which are described in the accompanying Schedule of Findings and Questioned Costs as items 2019-001, 2019-002, and 2019-003.

St. Mary Parish Council's Response to Findings

The Council's response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The Council's response was not subject to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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



CERTIFIED PUBLIC ACCOUNTANTS

September 17, 2020
Morgan City, Louisiana



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED
BY THE UNIFORM GUIDANCE

Chairman and Members of the Council
St. Mary Parish
Franklin, Louisiana

Report on Compliance for Each Major Federal Program

We have audited the St. Mary Parish Council's (Council) compliance with the types of compliance requirements described in OMB Compliance Supplement that could have a direct and material effect on each of the Council's major federal programs for the year ended December 31, 2019. The Council's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion for each of the Council's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Those standards and the Uniform Guidance, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Council's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Council's compliance.

Opinion on Each Major Federal Program

In our opinion, the Council, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2019.

Report on Internal Control Over Compliance

Management of the Council is responsible for establishing and maintaining effective internal control over compliance with the types of compliance referred to above. In planning and performing our audit of compliance, we considered the Council's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Council's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions; to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Uniform Guidance. Accordingly, this report is not suitable for any other purpose. However, under Louisiana Revised Statute 24:513, this report is considered a public record and may be distributed by the Legislative Auditor.



CERTIFIED PUBLIC ACCOUNTANTS

September 17, 2020
Morgan City, Louisiana

ST. MARY PARISH COUNCIL
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2019

A. SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses an unmodified opinion on the basic financial statements of the St. Mary Parish Council's primary government.
2. No material weaknesses were disclosed during the audit of the primary government financial statements that are required to be reported in the Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.
3. Three instances of noncompliance material to the primary government financial statements of the St. Mary Parish Council were disclosed during the audit
4. No findings related to the audit of major federal award programs are reported as material weaknesses in the Independent Auditor's Report on Compliance with Requirements that Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance.
5. The auditors' report on compliance for the major federal award programs for the St. Mary Parish Council expresses an unmodified opinion on all major federal programs.
6. No audit findings relative to the major federal award programs for the St. Mary Parish Council are reported in Part C of this Schedule.
7. The programs tested as major programs include:

Community Development Block Grants/States Program and Non-Entitlement Grants
In Hawaii (CFDA No. 14.228)
Airport Improvements Program (CFDA No. 20.106)
8. The threshold for distinguishing types A and B programs was \$750,000.
9. St. Mary Parish Council was not determined to be a low risk auditee.

B. FINDINGS - FINANCIAL STATEMENT AUDIT

NONCOMPLIANCE

ITEM NO. 2019-001 Budget Monitoring

Auditors' Comments

Condition: During the course of the audit for the year ended December 31, 2019, it was noted that some of the Parish's individual funds needed budget amendments that were not made.

Criteria: State Statute require that budgets be amended when actual revenues are less than budgeted revenues by five percent or more or actual expenditures exceed budgeted expenditures by five percent or more. These conditions are explained in detail below.

Effect: Failure to amend budgets to recognize anticipated shortfalls in funds prevents the governmental body from effectively curtailing projects and/or services in accordance with actual available resources.

Cause: Although the cause of the above condition was not fully determined the following appears to have a significant effect. Although the Parish makes accruals for payables and receivables at year end, adjustments are not made in the interim period. When significant differences exist between payables and receivables from year to year, the amount of funds that appear to be available or costs that appear to have been incurred can be distorted. Failure to recognize the effect of these differences can lead to variances between budgeted and actual activity.

Recommendation: The Council should fine tune its ongoing budget monitoring program to periodically consider accruals for major revenues and expenditures.

A more detailed description of the conditions and criteria is presented below:

Auditors' Detailed Comments

Notification was not made and the following budgets were not amended although actual revenues were less than budgeted revenues by five percent or more:

<u>Funds</u>	<u>Actual Amount</u>	<u>Budgeted Amount</u>	<u>Variance</u>	<u>Percent</u>
Witness Fee Fund	\$ 49,221	\$ 55,000	\$(5,779)	10.51%
Claire House	537,139	579,363	(42,224)	7.29%
DWI Court	47,714	62,000	(14,286)	23.04%
OJP Enhancement Grant	13,948	129,686	(115,738)	89.24%
Fairview Treatment Center	2,108,941	2,269,729	(160,788)	7.08%

Management's Response:

We continually monitor budgeted and actual amounts throughout the year and during the budget amendment process we strive to project amounts as close as possible to anticipated year end results. With the lead time required for ordinance introduction and layover, as prescribed in our Parish Charter, it is sometimes difficult to anticipate revenues and expenditures through year end. We will continually monitor budget variances, especially close to year end, and recommended to the Council when variances exceed the percentages as specified in the State Statute.

ITEM NO. 2019-002 Fund Deficit

Auditors' Comments

Condition: During the course of the audit it was noted that four funds had a deficit fund balance.

Criteria: State statute prohibits expending amounts in excess of fund balance, revenues, and other financing sources.

Effect: Violation of state statute.

Cause: For this special revenue fund, the Council expended amounts in excess of fund balance, revenues, and other financing sources.

Recommendation: A detailed study should be made to develop additional or alternative funding sources or to consider reallocating existing funding.

The following fund was in violation of state statutes and had a deficit fund balance at year end:

<u>Fund</u>	<u>Deficit Amount</u>
<u>Major Fund</u>	
Road Construction & Maintenance	\$(23,172)
<u>Nonmajor Special Revenue Fund</u>	
16 th JDC St. Mary Parish Drug Court	\$(41,420)
DWI Court	(16,618)
OJP Enhancement Grant	(51,463)

Management's Response:

The fund deficit in Road Construction & Maintenance and OJP Enhancement Grant will be funded by future revenues. The fund deficit in DWI Court will be funded by future revenues or transfers from DWI Patient Fee Fund. The deficit in the 16th JDC St. Mary Parish Drug Court Fund will be funded by future revenues or other fund transfers.

ITEM NO. 2019-003 Noncompliance with Bond Covenants

Condition: The Council maintains eight debt services funds. At year end, one of the debt service funds, the Sales Tax Bond Sinking Fund, failed to meet the specified funding requirements. Management corrected this situation shortly after year end by properly funding the Sales Tax Bond Sinking Fund.

Criteria: The bond issuance agreement contains several positive and negative covenants designed to protect the bond holder creditors. Among these are requirements to establish and fund a bond sinking fund and a bond reserve fund at certain required minimum levels.

Effect: Failure to comply with the funding requirements for the bond sinking fund at year end.

Cause: When transferring excess funds from the sinking fund at year end, the necessary required remaining balance was miscalculated.

Recommendation: Prior to transferring any funds from debt service funds, the required remaining balances should be calculated and compared to the required amounts.

Management's Response:

The debt service sinking fund was fully funded shortly after year end. In the future, we will review funding requirements to confirm that the required balances are maintained. All interest and principal payments were timely made as schedule in the bond agreements.

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS
AUDIT

NONE

SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND RELATED CORRECTIVE
ACTION PREPARED BY MANAGEMENT OF ST. MARY PARISH COUNCIL

Internal Control Weakness

Material Weakness

Item No. 2018-001 Failure to Collect Certain Fees

Condition: During the course of the prior year, it was discovered that one governmental entity failed to make certain payments to the Council during 2018.

Corrective Action: This matter has been resolved.

Item No. 2018-002 Failure to Record Grant Activity in Financial Statements

Condition: The financial statements as initially issued omitted capital outlays and related Federal grant revenue.

Corrective Action: This matter has been resolved.

Items of Noncompliance

Item No. 2018-003 Budget Monitoring

Condition: During the course of the audit for the year ended December 31, 2018, it was noted that several of the Parish's individual funds needed budget amendments that were not made.

Corrective Action: This has not been corrected.

Item No. 2018-004 Fund Deficits

Condition: During the course of the audit, it was noted that one fund had a deficit fund balance.

Corrective Action: This has not been corrected.

SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND RELATED CORRECTIVE ACTION PREPARED BY MANAGEMENT OF ST. MARY PARISH COUNCIL (continued)

Noncompliance, Questioned Costs, Material Weakness Related to Federal Awards

Noncompliance and Questioned Costs

Item No. 2018-005 Period of Performance

Community Development Block Grants/State’s Program and Non-Entitlement Grants in Hawaii (CFDA No. 14.228) Passed through Louisiana Offices of Community Development (Pass-through ID No. 736349)

Auditors’ Comments

Condition: In 2018, the Council received two types of grants funded under this major program both passed through the State of Louisiana Office of Community Development as follows:

<u>Office Passed Through</u>	<u>Passed Through ID#</u>	<u>Number of Projects</u>	<u>Amount of Assistance</u>	<u>Questioned Costs</u>
Disaster Recovery Unit	684903	5	\$1,927,851	None
Division of Administration	736349	1	694,921	\$76,500

The audit procedures related to the portion of this major program funded under pass-through ID# 684903 resulted in no findings of non-compliance, material weaknesses in internal control, nor questioned costs.

The audit procedures related to the portion of this major program fund under pass-through ID# 736349 resulted in the following findings:

Compliance Requirements – Non-compliance with certain Period of Performance Compliance Requirements

Questioned Costs – Questioned Costs in the amount of \$76,500 (the amount known and likely questioned costs are the same).

Internal Control Over Compliance – Material Weakness

Corrective Action: This condition has been corrected.

SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND RELATED CORRECTIVE ACTION PREPARED BY MANAGEMENT OF ST. MARY PARISH COUNCIL (continued)

Material Weakness

ITEM NO. 2018-006 Allowable Costs/Cost Principles (Failure to Record Grant Activity in Financial Statements)

Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii (CFDA No. 14.228) Passed through Louisiana Offices of Community Development (Pass-through ID No. 736349)

Condition: Prior to the reissuance of its 2018 financial statements the Council omitted \$694,921 in capital outlays as well as the related \$694,921 in associated Federal grant revenue from its general ledger and financial statements.

Corrective Action: This condition has been corrected.

ST. MARY PARISH GOVERNMENT

DAVID HANAGRIFF, PRESIDENT

FIFTH FLOOR - COURTHOUSE

FRANKLIN, LOUISIANA 70538-6198

September 17, 2020

HENRY "BO" LAGRANGE
CHIEF ADMINISTRATIVE OFFICER

Mr. Daryl G. Purpera, CPA, CFE
Legislative Auditor, State of Louisiana
P.O. Box 94397
Baton Rouge, LA 70804-9397

DIRECTOR OF FINANCE
PAUL J. GOVERNALE, CPA,
CGFO, CGFM

Dear Mr. Purpera:

The St. Mary Parish Government respectfully submits the following corrective action plan relative to findings in the audit for the year ended December 31, 2019:

DIRECTOR OF PERSONNEL
JILLIAN E. FISHER

Findings – Financial Statement Audit
Noncompliance
Item No. 2019-001 Budget Monitoring

DIRECTOR OF PLANNING AND ZONING
TAMMY LUKE

Management's Response:

We continually monitor budgeted and actual amounts throughout the year and during the budget amendment process we strive to project amounts as close as possible to anticipated year end results. With the lead time required for ordinance introduction and layover, as prescribed in our Parish Charter, it is sometimes difficult to anticipate revenues and expenditures through year end. We will continually monitor budget variances, especially close to year end, and recommended to the Council when variances exceed the percentages as specified in the State Statute.

DIRECTOR OF PUBLIC WORKS
JEAN PAUL BOURG

DIRECTOR OF ECONOMIC DEVELOPMENT
FRANK G. FINK

Item 2019-002 Fund Deficit

Management's Response:

The deficit in the Road Construction and Maintenance Fund and the OJP Enhancement Grant Fund will be funded by future revenues. The fund deficit in the DWI Court fund will be funded by future revenues or transfers from the DWI patient fee fund.

The deficit in the 16th JDC St. Mary Parish Drug Court Fund will be funded by future revenues or fund transfers.

OFFICE OF HOMELAND SECURITY
AND EMERGENCY PREPAREDNESS
DAVID A. NAQUIN

Item 2019-003 Noncompliance with Bond Covenants

Management's Response:

The debt service sinking fund was fully funded shortly after year end. In the future, we will review funding requirements to confirm that the required balances are maintained. All interest and principal payments were timely made as scheduled in the bond agreements.

FRANKLIN
(337) 828-4100

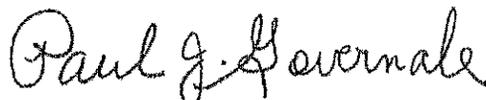
FAX (337) 828-4092

E-mail: admin@stmaryparishla.gov

OFFICE HOURS
8:00 A.M. TO 12:00 P.M.
1:00 P.M. TO 4:30 P.M.

Any questions concerning this corrective action plan should be directed to Mr. Henry C. LaGrange, Chief Administrative Officer or Mr. Paul J. Governale, Director of Finance.

Sincerely,



Paul J. Governale, CPA, CGFO, CGFM
Director of Finance, St. Mary Parish Government

St. Mary Parish Council

PRIMARY GOVERNMENT
ST. MARY PARISH, STATE OF LOUISIANA

SCHEDULE OF PROCEDURES PERFORMED AND
ASSOCIATED FINDINGS BASED UPON THE
STATEWIDE AGREED-UPON PROCEDURES

FOR THE YEAR ENDED
December 31, 2019

WITH
AGREED UPON PROCEDURES REPORT
BY
INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the Chairman and Members
Of the St. Mary Parish Council
and the Louisiana Legislative Auditor:

We have performed the procedures enumerated in the attached Schedule of Procedures Performed and Associated Findings Based Upon the Statewide Agreed-Upon Procedures (Schedule), which were agreed to by St. Mary Parish Council (Council) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2019 through December 31, 2019. The Council's management is responsible for those C/C areas identified in the SAUPs presented in the attached Schedule. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described in the attached Schedule either for the purpose for which this report has been requested or for any other purpose.

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

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


CERTIFIED PUBLIC ACCOUNTANTS

Morgan City, Louisiana
September 17, 2020

ST. MARY PARISH COUNCIL
PRIMARY GOVERNMENT
ST MARY PARISH, STATE OF LOUISIANA
Schedule of Procedures Performed and Associated Findings Based upon the
Statewide Agreed-Upon Procedures
For the Year Ended DECEMBER 31, 2019

Guide to Presentation Format

This report contains these items presented in this order:

- Statewide Agreed-Upon Procedures (AUPS) prescribed by the Louisiana Legislative Auditor (LLA),
- Procedures performed by the Independent Certified Public Accountant,
- Findings based upon the procedures performed, and
- Management’s Comments relative to the findings, if applicable.

In order to facilitate understanding this report - the procedures and findings are presented in the following format:

<u>Order of Presentation</u>	<u>Presentation Format</u>
Area or function	Centered all CAPITALS IN BOLD TYPE
Statewide Agreed-Upon Procedures Prescribed (AUPS) by Louisiana Legislative Auditor (LLA)	Regular type highlighted with numbers or letters (if there are multiple parts)
Actual procedures performed by Independent Certified Public Accountant	Denoted as Procedure Performed: (in bold type) followed by procedure in regular type
Finding based upon procedure performed	Denoted as Findings: (in bold type) followed by findings in regular type
Management’s response to findings	Denoted as Management’s Response: (in bold type) followed by <i>managements response in italics</i>

The Parish is not subject to all possible Louisiana Legislative Auditor - State Wide Agreed-Upon Procedures. The numbers of the procedures in this report coincide with the numbers assigned to the specified procedures on the Louisiana Legislative Auditor’s website. Therefore, because of certain excluded procedures, the procedure numbers used in this report are not in consecutive order.

WRITTEN POLICIES AND PROCEDURES

1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):

Budgeting

- a) Budgeting, including preparing, adopting, monitoring, and amending the budget

Procedure Performed: Obtained from management the "Home Rule Charter" and read the written policy for budgeting.

Findings: Found the Council has written policies that includes the specified functions listed above.

Purchasing

- b) Purchasing, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.

Procedure Performed: Obtained from management and read Ordinance NO. 1350. and Ordinance NO. 1297 the councils written policy and procedures for purchasing.

Findings: Found that the Council has written policies that include specified functions listed above with the exception of controls to ensure compliance with public bid law

Disbursements

- c) Disbursements, including processing, reviewing, and approving

Procedure Performed: Inquired of management and obtained management's written confirmation that they do not have written policies and procedures for disbursements.

Findings: Found that the Council does not have any written policies and procedures regarding disbursements.

Receipts/Collections

- d) Receipts/Collections, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

WRITTEN POLICIES AND PROCEDURES (CONTINUED)

Procedure Performed: Inquired of management and obtained management's written confirmation that they do not have written policies and procedures for Receipts/Collections.

Findings: Found that the Council does not have any written policies and procedures regarding receipts and collections.

Payroll/Personnel

- e) Payroll/Personnel, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

Procedure Performed: Obtained from management the "Personnel Policy Manual" and read the written policy for payroll and personnel.

Findings: Found the Council has written policies that includes the specified functions listed above.

Contracting

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

Procedure Performed: Obtained from management the "Financial Management Policies" and read the written policies for contracting.

Findings: Found the Council has written policies that includes the specified functions listed above.

Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)

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

Procedure Performed: Obtained from management the "Financial Management Policies" and read the written policies for credit cards.

Findings: Found the Council has written policies that includes the specified functions listed above.

WRITTEN POLICIES AND PROCEDURES (CONTINUED)

Travel and expense reimbursement

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

Procedure Performed: Obtained from management the "Personnel Policy Manual" and read the written policy for travel and expense reimbursement.

Findings: Found the Council has written policies that includes the specified functions listed above.

Ethics

- i) Ethics, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.

Procedure Performed: Inquired of management and obtained management's written confirmation that they do not have written policies and procedures for ethics.

Findings: Found that the Council does not have any written policies and procedures regarding ethics.

Debt Service

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

Procedure Performed: Inquired of management and obtained management's written confirmation that they do not have written policies and procedures for debt service.

Findings: Found that the Council does not have written policies and procedures regarding debt service.

Disaster Recovery/Business Continuity

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

Procedure Performed: Inquired of management and obtained management's written confirmation that they do not have written policies and procedures for disaster recovery/business continuity.

WRITTEN POLICIES AND PROCEDURES (CONTINUED)

Findings: Found that the Council does not have written policies and procedures regarding disaster recovery/business continuity.

Management's response:

The Council has policies and procedures in all the areas above except for Disaster Recovery/Business Continuity.

However, the procedures are not in writing except for the following:

Budgeting

Purchasing

Contracting

Credit Card and,

Payroll/personnel which includes travel and expense reimbursement.

We do plan to put into writing our policies and procedures related to:

Disbursements

Receipts and,

Disaster Recovery/Business Continuity

In addition, we will add a section on Ethics to our "Personnel Policy Manual."

BOARD OR FINANCE COMMITTEE

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

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

Procedure Performed: Obtained and read the board minutes for the fiscal period (January 1, 2019 to December 31, 2019), as well as the board's enabling legislation, charter, bylaws in effect during the fiscal period.

Findings: Found that twenty-four semimonthly Council meetings and one finance committee meeting were scheduled during the fiscal period. The Council met all twenty-four semimonthly meetings and the one finance committee meeting with a quorum present.

- b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds. *Alternately, for those entities reporting on the non-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

Procedure Performed: Obtained and read the minutes for the fiscal period,

Findings: Found the minutes did not reference or include monthly budget-to-actual comparisons on any funds.

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

Procedure Performed: Obtained and read the Council's prior year audit report and observed the unrestricted fund balance in the general fund.

Findings: Found that the general fund did not have a negative ending unrestricted fund balance in the prior year audit report.

Management's response:

Although monthly budget-to-actual comparisons are not referenced in the minutes, periodic comparisons are reviewed during the budget and budget amendment processes.

BANK RECONCILIATIONS

3. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:
 - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);
 - b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledger, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
 - c) Management has documentation reflecting that it has research reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Procedures Performed: Obtained the listing of bank accounts from management, and received management's written representation that the list is complete. Randomly selected 4 bank accounts and the main operating account out of a total of 14 accounts and requested bank reconciliations and bank statements for all 5 accounts for the one month randomly selected. Obtained and inspected bank statements and bank reconciliations prepared for the month selected for all accounts selected.

Findings:

- a) Observed there is evidence that the bank reconciliation was prepared within 2 months of the related statement closing date for 1 of the 5 accounts.
- b) Observed there is evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed 3 of the 5 bank reconciliations.
- c) Observed that there were reconciling items outstanding for more than 12 months in 2 out of the 5 accounts selected, clearing (275 checks totaling \$13,362) and judicial warrants (218 checks totaling \$7,440). Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months for the clearing account and the judicial warrants account.

Management' response:

In the future management will have documentation showing the bank reconciliations were prepared within two months of the related closing date and have them reviewed by the Director of Finance.

COLLECTIONS

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

Procedure Performed: Obtained from management a listing of deposits sites for the fiscal period where deposits for cash/checks/money orders are prepared and management's representation that the listing is complete.

Findings: Found that the Council has only 1 deposit site.

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
 - a) Employees that are responsible for cash collections do not share cash drawers/registers.
 - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
 - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
 - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.

Procedure Performed: Obtained from management a listing of collection locations relating to the one deposit site and management's representation that the listing is complete. The list contained 23 cash collection locations. We randomly selected 1 collection location for the 1 deposit site and inquired of employees about the segregation of job duties.

Findings:

- a) Found that the secretary, who is responsible for cash collection at the collection location does not share cash drawers/registers.
- b) Found that the secretary responsible for collecting cash is not responsible for preparing/making bank deposits.

COLLECTIONS (CONTINUED)

- c) Found that the secretary responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers.
 - d) Found that the secretary responsible for collecting cash is not responsible for reconciling cash collections to the general ledger and/or subsidiary ledger.
6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.

Procedure Performed: Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.

Findings: Found that 9 out of 24 employees who have access to cash are covered by a bond or insurance policy for theft.

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
- a) Observe that receipts are sequentially pre-numbered.
 - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - c) Trace the deposit slip total to the actual deposit per the bank statement.
 - d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).
 - e) Trace the actual deposit per the bank statement to the general ledger.

Procedure Performed: Randomly selected two deposit dates for the Council's five bank accounts selected for procedure #3 under "Bank Reconciliations". The LAMP Transfer account at Patterson State Bank had no deposits during the year so another account was chosen at random. Obtained supporting documentation (payment detail reports, current day transaction reports, reconciliations, general ledger, revenue vouchers, and bank statements) for all five accounts and performed the following procedures;

- a) Observed the Council has receipts (revenue vouchers) for one of the five accounts; however, they are not sequentially pre-numbered.

COLLECTIONS (CONTINUED)

- b) Traced revenue vouchers to payment detail reports and current day transaction reports (used in lieu of deposit slips for transfers) for one of the five accounts. Three of the remaining accounts only received deposits via transfers and ACH deposits. For these accounts we traced the deposits on the bank statement to the payment detail reports and current day transaction reports. The remaining account does not have any collection documentation.
- c) Traced the payment detail report and current day transaction report totals to the actual deposit per the bank statement.
- d) Observed that all deposits more than \$100 were made within one business day of receipt.
- e) Traced the actual deposit per the bank statement to the general ledger.

Findings:

Found that the amounts from the credit card processing account represent \$1.00 fees paid by patrons for use of 9 boat launches. The collection of these fees is automated and do not have accompanying collection documents. The total amounts collected for the two months randomly selected were \$362 for the month of January and \$359 for the month of September.

- a) Found the Council has receipts (revenue vouchers) for one of the five accounts; however, they are not sequentially pre-numbered. The deposits for three of the five remaining accounts do not have receipts because they consist of transfers and ACH deposits from the State. A substantial amount of the Council's collections are received from other governmental entities for advalorem tax, sales tax, and grants. There is no collection documentation for the credit card processing account as noted above.
- b) Collection documentation (revenue vouchers) agrees to the payment detail reports for one of the five accounts. The deposits on the bank statement were tied to payment detail reports and current day transaction reports for three of the remaining five accounts because these deposits consist of transfers and ACH deposits from the State and do not have collection documentation. There is no collection documentation for the credit card processing account as noted above.
- c) Payment detail reports and current day transaction report's totals agree to the deposit amounts on the bank statements for 4 of the 5 accounts. There is no collection documentation for the credit card processing account as noted above.
- d) Found all deposits more than \$100 were made within one business day of receipt for all accounts. There was no deposit more than \$100 in the credit card processing account.
- e) The actual deposit per bank statements agrees with the collection recorded in the general ledger for all five accounts.

Management' response:

No comment

**NON-PAYROLL DISBURSEMENTS (EXCLUDING CARD PURCHASES/PAYMENTS,
TRAVEL REIMBURSEMENTS, AND PETTY CASH PURCHASES):**

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

Procedure Performed: We obtained a listing of locations that process payments from management and management's representation that the listing is complete.

Findings: Found the Council has one location that processes payments.

9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
 - b) At least two employees are involved in processing and approving payments to vendors.
 - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
 - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

Procedure Performed: We obtained a listing of employees involved with non-payroll purchasing and payment functions and, inquired of these employees' about their job duties.

Findings:

- a) At least two employees are involved in initiating a purchase request and placing an order/making purchase.
- b) At least two employees are involved in processing and approving payments to vendors.
- c) The two employees involved in processing payments are not prohibited from adding or modifying vendor's files.

NON-PAYROLL DISBURSEMENTS (EXCLUDING CARD PURCHASES/PAYMENTS, TRAVEL REIMBURSEMENTS, AND PETTY CASH PURCHASES) (CONTINUED):

- d) The Director of Finance, who is responsible for signing checks, gives the signed checks to the custodian, who is not responsible for processing payments, to mail.
10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:
- a) Observe that the disbursement matched the related original invoice/billing statement.
 - b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

Procedure Performed: We obtained the Council's non-payroll disbursements transaction population (excluding cards and travel reimbursements) and management's representation that the population was complete. We randomly selected 5 disbursements from the listing and obtained and observed supporting documentation for each transaction.

Findings:

- a) Found that disbursements matched the related original invoice.
- b) Found that disbursement documentation included evidence that the Parish is following its policies as it relates to the segregation of duties tested under #9 a, b, and d above. However, duties are not segregated as it relates to procedures listed under #9 c above.

Management's response:

No comment

ETHICS

20. Using the 5 randomly selected employees/official from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:
- a) Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
 - b) Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

Procedure Performed: We obtained and read ethic's certificates from management for the 5 randomly selected employees. Observed that the documentation demonstrates each employee completed one hour of ethics training during the fiscal period. Obtained management's written confirmation that the Council does not have written policies regarding ethics.

Findings:

- a) Found that the ethics certificates demonstrate that each employee completed one hour of ethics training during the fiscal period.
- b) Found that the Council does not have written policies regarding ethics, therefore employees did not read the Council's ethics policy during the fiscal year.

Management's response:

We will put our policies and procedures in this area in writing, and we will have each employee/official attest through signature verification that he or she has read the entity's ethics policy during the fiscal period.