# CAMERON PARISH SHERIFF (AS EX-OFFICIO TAX COLLECTOR)

Cameron, Louisiana

Financial Report

Year Ended June 30, 2020

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#### INDEPENDENT AUDITOR'S REPORT

The Honorable Ron Johnson Cameron Parish Sheriff Cameron, Louisiana

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

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

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

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

#### Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and the aggregate remaining fund information of the Cameron Parish Sheriff, as of June 30, 2020, and the respective changes in financial position, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Emphasis of Matter**

As described in Note 13 to the financial statements, in 2020, the Cameron Parish Sheriff adopted new accounting guidance, GASB 84, Fiduciary Activities. Our opinion is not modified with respect to this matter.

#### **Other Matters**

#### Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information 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 an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The Cameron Parish Sheriff has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

#### Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Cameron Parish Sheriff's basic financial statements. The other supplementary information on page 45 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The other supplementary information 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 December 28, 2020, on our consideration of the Cameron Parish Sheriff's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Cameron Parish Sheriff's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Cameron Parish Sheriff's internal control over financial reporting and compliance.

Kolder, Slaven & Company, LLC

Certified Public Accountants

Abbeville, Louisiana December 28, 2020

# BASIC FINANCIAL STATEMENTS

### **GOVERNMENT-WIDE**

# FINANCIAL STATEMENTS (GWFS)

# Statement of Net Position June 30, 2020

### ASSETS

Interest-bearing deposits	\$ 13,447,954
Due from other governmental units	118,635
Prepaid items	100,946
Capital assets, net	969,214
Total assets	14,636,749
DEFERRED OUTFLOWS OF RESOURCES	
Pension related	1,527,391
Other post employment benefits related	1,417,821
Total deferred outflows of resources	2,945,212
LIABILITIES	
Accounts and other payables	11,402
Salaries payable	128,629
Long-term liabilities:	
Net pension liability	2,672,508
Other post employment benefits payable	18,365,445
Total liabilities	21,177,984
DEFERRED INFLOWS OF RESOURCES	
Pension related	517,590
Unearned revenue	3,209,778
Total deferred inflows of resources	3,727,368
NET POSITION	
Net investment in capital assets	969,214
Unrestricted	(8,292,605)
Total net position	<u>\$ (7,323,391)</u>

### Statement of Activities Year Ended June 30, 2020

			Program Revenues		
Functions/Programs		Expenses	Charges for Services	Operating Grants and Contributions	Net (Expense) Revenue And Changes in Net Position
Governmental activities: Public safety:					
Law enforcement		\$10,031,648	<u>\$ 930,574</u>	<u>\$ 452,962</u>	<u>\$(8,648,112)</u>
	Taxes:				
	Property taxes, levied for general purposes				8,302,689
	Grants and contributions not restricted to specific progra	ms:			
	State sources				11,634
	Interest earnings				66,994
	Miscellaneous				1,004,979
	Gain on disposal of capital assets				8,819
	Nonemployer pension contribution				239,330
	Total general revenues				9,634,445
	Change in net position				986,333
	Net position - beginning				(8,309,724)
	Net position - ending				<u>\$(7,323,391)</u>

FUND FINANCIAL STATEMENTS (FFS)

### Balance Sheet - Governmental Fund General Fund June 30, 2020

### ASSETS

Interest-bearing deposits Due from other governmental agencies Prepaid items Total assets	\$13,483,097 83,492 <u>100,946</u> <u>\$13,667,535</u>
LIABILITIES	
Accounts payable Salaries payable Total liabiliites	\$ 11,402 128,629 140,031
DEFERRED INFLOWS OF RESOURCES	
Unearned revenues	3,209,778
FUND BALANCE	
Nonspendable - prepaid items Unassigned Total fund balance	100,946 10,216,780 10,317,726
Total liabilities, deferred inflows of resources and fund balance	\$13,667,535

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

Total fund balance for governmental fund		\$10,317,726
Capital assets, net		969,214
Pension:		
Net pension liability	\$(2,672,508)	
Deferred inflows of resources	(517,590)	
Deferred outflows of resources	1,527,391	(1,662,707)
OPEB:		
Net OPEB liability	(18,365,445)	
Deferred outflows of resources	1,417,821	(16,947,624)
Net position of governmental activities		<u>\$ (7,323,391)</u>

# Statement of Revenues, Expenditures, and Changes in Fund Balance Governmental Fund - General Fund Year Ended June 30, 2020

Revenues:	
Ad valorem taxes	\$ 8,302,689
Intergovernmental revenues	468,705
Fees, charges, and commissions for services -	
Outsourced law enforcement assistance	663,786
Commissions on licenses, taxes, etc.	51,224
Fines and forfeitures	21,908
Civil and criminal fees	55,572
Court costs and attendance	37,813
Feeding, keeping, and transporting prisoners	96,162
Other	1,004,979
Interest income	 66,994
Total revenues	 10,769,832
Expenditures:	
Current -	
Public safety	8,377,240
Capital outlay	448,110
Debt service:	
Principal	 3,733
Total expenditures	 8,829,083
Excess of revenues over expenditures	 1,940,749
Other financing sources (uses):	
Proceeds from sale of assets	 17,676
Net change in fund balance	1,958,425
Fund balance, beginning	 8,359,301
Fund balance, ending	\$ 10,317,726

# Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Fund to the Statement of Activities Year Ended June 30, 2020

Net change in fund balance per Statement of Revenues, Expenditures and Changes in Fund Balance		\$ 1,958,425
Capital outlay Depreciation expense	\$ 431,741 (333,427)	98,314
		,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,
Transactions involving capital assets:		
Proceeds on disposal of assets	(17,676)	
Gain on disposal	8,819	(8,857)
Long-term debt: Decrease in accrued interest payable		3,571
The effect of recording net pension and OPEB liability/asset, and the related		
deferred outflows of resources, and deferred inflows of resources:		
Change in pension expense	(318,898)	
Nonemployer pension contribution revenue recognized	239,330	
Change in OPEB expense	(985,552)	(1,065,120)
Changes in net position per Statement of Activities		\$ 986,333

### Statement of Fiduciary Net Position Fiduciary Funds June 30, 2020

	Custodial Funds
ASSETS	
Cash Interest-bearing deposits	\$ 2,921 536,257
Total Assets	539,178
LIABILITIES	
Accounts payable	241,503
NET POSITION	
Fiduciary net position - held for others	\$ 297,675

### Statement of Changes in Fiduciary Net Position Fiduciary Funds Year Ended June 30, 2020

	Custodial
	Funds
Additions:	
Sheriff's sales, suits, and seizures	\$ 62,722
Garnishments	612
Bonds	447,622
Inmate deposits	43,997
Taxes, fees, etc., paid to	
tax collector	39,255,458
Interest	823
Total additions	39,811,234
Deductions:	
Taxes, fees, etc., distributed	
to taxing bodies and others	39,143,641
Deposits settled to -	
State agencies	55,107
Clerk of Court	13,035
Police Jury	169,752
District Attorney	65,927
Judicial expense fund	25,667
Crime lab	21,381
Indigent defender board	78,113
Inmate withdrawals	43,401
Total deductions	39,616,024
Net change in fiduciary net position	195,210
Net position - beginning, as restated	102,465
Net position - ending	\$ 297,675

#### Notes to Financial Statements

#### INTRODUCTION

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

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

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

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

#### (1) <u>Summary of Significant Accounting Policies</u>

The accompanying basic financial statements of the Cameron Parish Sheriff have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

#### A. <u>Reporting Entity</u>

For financial reporting purposes, the Sheriff includes all funds, account groups, activities, et cetera, that are controlled by the Sheriff as an independently elected parish official. As an independently elected parish official, the Sheriff is solely responsible for the operations of his office, which include the hiring and retention of employees, authority over budgeting, responsibility for deficits, and the receipt and disbursement of funds. Other than certain operating expenditures of the Sheriff's office that are paid or provided by the parish police jury as required by Louisiana law, the Sheriff is financially independent.

Accordingly, the Sheriff is a separate governmental reporting entity. Certain units of the local government, over which the Sheriff exercises no oversight responsibility, such as the parish council, parish school board, other independently elected officials, and municipalities within the parish, are excluded from the accompanying financial statements. These units are considered separate reporting entities and issue financial statements separate from those of the parish Sheriff.

#### Notes to Financial Statements

#### B. Basis of Presentation

#### Government-Wide Financial Statements (GWFS)

The statement of net position and the statement of activities display information about the Sheriff as a whole. These statements include all the financial activities of the Sheriff except the fiduciary funds. Information contained in these statements reflects the economic resources measurement focus and the accrual basis of accounting. Governmental activities generally are financed through taxes, intergovernmental revenues and other non-exchange revenues.

The statement of activities presents a comparison between direct expenses and program revenues for the Sheriff's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of services offered by the Sheriff, and (b) grants and contributions that are restricted to meeting the operational or capital requirement of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

#### Fund Financial Statements (FFS)

The Sheriff uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain Sheriff functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts. The various funds of the Sheriff are classified into two categories: governmental and fiduciary. The emphasis on fund financial statements is on major funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the Sheriff or its total assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues, or expenditures of the individual governmental fund is at least 10 percent of the corresponding total for all governmental funds. The governmental fund of the Sheriff is considered to be a major fund. The funds of the Sheriff are described below:

#### Governmental Fund -

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

#### Fiduciary Funds -

Custodial Funds – Fiduciary funds consist of Custodial funds of the Sheriff. Custodial funds account for assets held by the Sheriff for various local governments and inmates and others. Fiduciary fund statements are prepared using the economic resources measurement focus and full accrual basis of accounting.

#### Notes to Financial Statements

#### C. Measurement Focus/Basis of Accounting

The amounts reflected in the General Fund are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balance reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of Sheriff operations.

The amounts reflected in the General Fund use the modified accrual basis of accounting. 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 of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Sheriff considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental fund uses the following practices in recording revenues and expenditures:

#### Revenues

The Sheriff is the ex-officio tax collector of the parish and is responsible for the collection and distribution of ad valorem property taxes. Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied by the parish government in June and are actually billed to taxpayers by the Sheriff in October. Billed taxes are due by December 31, becoming delinquent on January 1 of the following year. The taxes are based on assessed values determined by the Tax Assessor of Cameron Parish and are collected by the Sheriff. The taxes are remitted to the appropriate taxing bodies net of deductions for assessor's compensation and pension fund contributions. Ad valorem taxes and the related state revenue sharing are recorded in the year taxes are due and payable. The taxes are generally collected in December, January, and February of the fiscal year.

Intergovernmental revenues and fees, charges and commissions for services are recorded when the Sheriff is entitled to the funds.

Interest on interest-bearing deposits is recorded or accrued as revenues when earned. Substantially all other revenues are recorded when received.

#### Notes to Financial Statements

#### Expenditures

The Sheriff's primary expenditures include salaries and insurance, which are recorded when the liability is incurred. Capital expenditures and purchases of various operating supplies are regarded as expenditures at the time purchased.

#### Other Financing Sources (Uses)

Transfers between funds that are not expected to be repaid are accounted for as other financing sources (uses) when the transfer is authorized by the Sheriff. Proceeds from the issuance of debt in the Sheriff's name are accounted for as other financing sources.

### D. <u>Cash and Interest-Bearing Deposits</u>

Cash and interest-bearing deposits include amounts in demand deposits, interestbearing demand deposits, and time deposits. They are stated at cost, which approximates market. See Note (2) for other disclosures.

#### E. <u>Bad Debts</u>

Uncollectible amounts due for accounts receivable are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivables. Although the specific charge-off method is not in conformity with generally accepted accounting principles (GAAP), no allowance for uncollectible receivables was made due to immateriality.

### F. <u>Prepaid Expenses</u>

Prepaid expense consists of insurance premiums paid during the current fiscal year that benefit the next fiscal year.

#### G. <u>Capital Assets</u>

Capital assets, which include buildings, furniture, fixtures, equipment, and vehicles, are reported in the governmental activities columns in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Sheriff maintains a threshold level of \$2,500 or more for capitalizing capital assets. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

#### Notes to Financial Statements

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

	Estimated
Asset Class	<u>Useful Lives</u>
Vehicles	5
Office furniture	5-10
Equipment	5-10

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

#### H. <u>Vacation and Sick Leave</u>

All full-time employees of the Sheriff's office earn from 5 to 28 days of vacation leave and from 6 to 12 days of sick leave each year, depending on their length of service. Vacation and sick leave cannot be accumulated, and upon resignation or retirement, unused leave is forfeited. The Sheriff has no accumulated and vested benefits relating to vacation and sick leave which requires accrual or disclosure to conform to generally accepted accounting principles.

#### I. <u>Unearned Revenues</u>

A portion of the Sheriff's receipts are contingent upon certain compliance requirements imposed upon the sheriff or disputes from individuals or entities as to the timing or amount due. These amounts will be recognized as revenue in the period in which the compliance requirements are met or the dispute is settled.

#### J. Deferred Outflows of Resources and Deferred Inflows of Resources

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

In addition to liabilities, the statement of net position and or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until then.

#### Notes to Financial Statements

#### K. Equity Classifications

In the government-wide statements, net position is displayed in three components:

- a. Net investment in capital assets Consists of net capital assets reduced by outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increased by balances of deferred outflows of resources related to those assets.
- b. Restrict net position Consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Constraints may be placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position Net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in either of the other two categories of net position.

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

*Nonspendable* – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

*Restricted* – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

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

Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the Sheriff's adopted policy, only he may assign amounts for specific purposes.

*Unassigned* – all other spendable amounts.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Sheriff considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or

#### Notes to Financial Statements

unassigned fund balances are available, the Sheriff considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Sheriff has provided otherwise in his commitment or assignment actions.

#### L. <u>Estimates</u>

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

#### M. <u>Pensions</u>

The net pension liability, deferred outflows of resources, and deferred inflows of resources related to pensions, and pension expense, has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. Non-employer contributions are recognized as revenues in the government-wide financial statements. In the governmental fund financials, contributions are recognized as expenditures when due.

#### N. <u>Postemployment Benefits Other than Pensions (OPEB)</u>

The net OPEB liability, deferred outflows of resources, and deferred inflows of resources related to OPEB, and OPEB expense, has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. In the governmental fund financial statements contributions are recognized as expenditures when due.

#### (2) <u>Cash and Interest-Bearing Deposits</u>

Under state law, the Sheriff may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The Sheriff may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

These deposits are stated at cost, which approximates market. Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the Sheriff's deposits may not be recovered or will not be able to recover the collateral securities that are in the possession of an outside party. The Sheriff does not have a policy for custodial credit risk; however, under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the pledging financial institution. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the financial institution. These

#### Notes to Financial Statements

securities are held in the name of the pledging financial institution in a holding or custodial bank that is mutually acceptable to both parties. Deposit balances (bank balances) are secured as follows:

Bank balances	<u>\$14,062,541</u>
Deposits are secured as follows:	
Federal deposit insurance	\$ 1,533,550
Uninsured and collateral held by the pledging bank,	
not in the Sheriff's name	12,528,991
Total	\$14,062,541

#### (3) <u>Capital Assets</u>

Capital asset activity was as follows:

Governmental activities:	Beginning Balance	Additions	Deletions	Ending Balance
Vehicles, furniture, and equipment	\$2,872,328	\$ 431,741	\$(129,902)	\$3,174,167
Less: accumulated depreciation	(1,992,571)	(333,427)	121,045	(2,204,953)
Net capital assets	\$ 879,757	\$ 98,314	<u>\$ (8,857)</u>	\$ 969,214

Depreciation expense in the amount of \$333,427 was charged to public safety.

#### (4) Deferred Compensation Plan

The Sheriff offers its employees participation in the Louisiana Deferred Compensation Plan adopted by the Louisiana Deferred Compensation Commission and established in accordance with the Internal Revenue Code Section 457. The plan is reported as an agency fund in the State of Louisiana's financial statements. The plan, available to all Sheriff employees, permits the employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or proof of hardship.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the State of Louisiana (without being restricted to the provisions of benefits under the plan) subject only to the claims of the general creditors of the State of Louisiana. Participants' rights under the plan are equal to those of general creditors of the State of Louisiana in an amount equal to the fair market value of the deferred account for each participant.

#### Notes to Financial Statements

The Sheriff pays a 100% match for all contributions made by employees for deferred compensation up to the Internal Revenue Service and state statute limitations. The Sheriff's match for the year is \$188,355.

### (5) <u>Ex-officio Tax Collector</u>

The amount of cash on hand in the tax collector account consists of:

Payments received in June and disbursed in July were for:

Occupational licenses	\$ 32,517
Ad Valorem taxes	<u>198,857</u> \$ 231,374
Protest taxes	247,875
Total	<u>\$ 479,249</u>

### Notes to Financial Statements

The amount of taxes collected for the current year by taxing authority was as follows:

	Ad Valorem
	Taxes
Ambulance District #1	\$ 1,426,614
Ambulance District #2	3,628,875
Cameron Hospital District #1	1,023,988
Cameron Hospital District #2	958,215
Cameron Parish Police Jury	13,365,524
Grand Lake Fire District #14	147,496
Fire District #15	26,075
Fire District #16	28,645
Fire District #7	65,700
Fire District #9	79,314
Gravity Drainage District #3	198,826
Gravity Drainage District #4	39,562
Gravity Drainage District #5	154,777
Gravity Drainage District #7	802,403
Gravity Drainage District #8	84,146
Gravity Drainage District #9	225,609
Hackberry Fire District #1	277,591
Hackberry Recreation District	601,472
Johnson Bayou Recreation District	1,039,837
Law Enforcement District	8,031,241
Recreation District #5	152,826
Recreation District #6	268,911
Recreation District #7	37,887
Recreation District #9	70,186
Cameron Parish School Board	10,838,116
Cameron Parish Assessor	903,235
Water District #10	699,409
Water District #11	187,301
Water District #2	291,943
Water District #7	98,752
Water District #9	189,994
Water/Wastewater District 1	145,179
West Calcasieu-Cameron Hospital	352,519
Total	<u>\$46,442,168</u>

### Notes to Financial Statements

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

	Unpaid on
	Movables
Ambulance District #1	\$ 42,668
Ambulance District #2	61,916
Cameron Hospital District #1	27,633
Cameron Hospital District #2	7,736
Cameron Parish Police Jury	177,351
Johnson Bayou Fire District #10	11,905
Grand Lake Fire District #14	520
Fire District #15	2,267
Fire District #16	797
Fire District #7	13
Fire District #9	2,424
Gravity Drainage District #3	4,939
Gravity Drainage District #4	1,130
Gravity Drainage District #5	3,698
Gravity Drainage District #7	7,062
Gravity Drainage District #8	322
Gravity Drainage District #9	12,308
Hackberry Fire District #1	15,107
Hackberry Recreation District	32,765
Johnson Bayou Recreation District	8,380
Law Enforcement District	157,989
Mosquito Abatement	62,475
Recreation District #5	539
Recreation District #6	7,895
Recreation District #7	1,613
Recreation District #9	1,095
Cameron Parish School Board	214,289
Cameron Parish Assessor	17,805
Water District #10	6,220
Water District #11	660
Water District #2	15,856
Water District #7	20
Water District #9	5,714
Water/Wastewater District 1	4,526
West Calcasieu-Cameron Hospital	19,273
Total	\$ 936,910

#### Notes to Financial Statements

#### (6) <u>Litigation and Claims</u>

The Cameron Parish Sheriff is subject to various lawsuits and claims, many of which arise in the normal course of business. Although their outcome is not presently determinable, it is the opinion of legal counsel that resolution of these matters will not have a material adverse effect on the financial condition of the Cameron Parish Sheriff.

#### (7) <u>Pension Plan</u>

The employer pension schedules for the Sheriff's Pension and Relief Fund are prepared using the accrual basis of accounting. Employer contributions, for which the employer allocations are based are recognized in the period in which the employee is compensated for services performed. For purposes of measuring the net pension liability/asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Sheriffs' Pension and Relief Fund (Fund) and additions to/deductions from the Fund's fiduciary net position have been determined on the same basis as they are reported by the Fund. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. The following is a description of the plan and its benefits and is provided for general information purposes only.

Plan Description: Employees of the Sheriff are provided with retirement benefits through a costsharing multiple-employer defined benefit pension plan established in accordance with the provisions of Louisiana Revised Statute 11:2171 to provide retirement, disability and survivor benefits to employees of sheriff's offices throughout the State of Louisiana, employees of the Louisiana Sheriffs' Association and the Sheriff's Pension and Relief Fund's office. The Fund issued a stand-alone audit report that can be obtained on the Legislative Auditor's website, www.lla.la.gov.

Retirement Benefits: For members who become eligible for membership on or before December 31, 2011: Members with twelve years of creditable service may retire at age fifty-five; members with thirty years of service may retire regardless of age. The retirement allowance is equal to three and one- third percent of the member's average final compensation multiplied by his years of creditable service, not to exceed (after reduction for optional payment form) 100% of average final compensation. Active, contributing members with at least ten years of creditable service may retire at age sixty. The accrued normal retirement benefit is reduced actuarially for each month or fraction thereof that retirement begins prior to the member's earliest normal retirement date assuming continuous service.

For members whose first employment making them eligible for membership in the system began on or after January 1, 2012: Members with twelve years of creditable service may retire at age sixty-two; members with twenty years of service may retire at age sixty; members with thirty years of creditable service may retire at age fifty-five. The benefit accrual rate for such members with less than thirty years of service is three percent; for members with thirty or more years of service the accrual rate is three and one-third percent. The retirement allowance is equal to the benefit accrual rate times the member's average final compensation multiplied by his years of creditable service, not to exceed (after reduction for optional payment form) 100% of average final compensation. Members with twenty or more years of service may retire with a reduced retirement at age fifty.

#### Notes to Financial Statements

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

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

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

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

Survivor Benefits: Survivor benefits for death solely as a result of injuries received in the line of duty are based on the following. For a spouse alone, a sum equal to 50% of the member's final average compensation with a minimum of \$150 per month. If a spouse is entitled to benefits and has a child or children under eighteen years of age (or over said age if physically or mentally incapacitated and dependent upon the member at the time of his death), an additional sum of 15% of the member's final average compensation is paid to each child with total benefits paid to spouse and children not to exceed 100%. If a member dies with no surviving spouse, surviving children under age eighteen will receive monthly benefits of 15% of the member's final average compensation up to a maximum of 60% of final average compensation if there are more than four children. If a member is eligible for normal retirement at the time of death, the surviving spouse receives an automatic Option 2 benefit. The additional benefit payable to children shall be the same as those available for members who die in the line of duty. In lieu of receiving Option 2 benefit, the surviving spouse may receive a refund of the member's accumulated contributions. All benefits payable to surviving children shall be extended through age twenty- three, if the child is a full time student in good standing enrolled at a board approved or accredited school, college, or university.

Deferred Benefits: The Fund does provide for deferred benefits for vested members who terminate before being eligible for retirement. Benefits become payable once the member reaches the appropriate age for retirement.

#### Notes to Financial Statements

Back Deferred Retirement Option Plan (Back-DROP): In lieu of receiving a service retirement allowance, any member of the Fund who has more than sufficient service for a regular service retirement may elect to receive a "Back-DROP" benefit. The Back-DROP benefit is based upon the Back-DROP period selected and the final average compensation prior to the period selected. The Back-DROP period is the lesser of three years or the service accrued between the time a member first becomes eligible for retirement and his actual date of retirement. For those individuals with thirty or more years, the Back-DROP period is the lesser of four years or service accrued between the time a member first becomes eligible for retirement and his actual date of retirement. At retirement, the member's maximum monthly retirement benefit is based upon his service, final average compensation and plan provisions in effect on the last day of creditable service immediately prior to the commencement of the Back-DROP period. In addition to the monthly benefit at retirement, the member receives a lump-sum payment equal to the maximum monthly benefit as calculated above multiplied by the number of months in the Back- DROP period. In addition, the member's Back-DROP account will be credited with employee contributions received by the retirement fund during the Back-DROP period. Participants have the option to opt out of this program and take a distribution, if eligible, or to rollover the assets to another qualified plan.

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

Employer Contributions: According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ending June 30, 2019, the actual employer contribution rate was 12.25% with an additional -0-% allocated from the Funding Deposit Account. Employer proportionate share of contributions for the year ended June 30, 2019 was \$485,709.

In accordance with state statute, the Fund receives ad valorem taxes, insurance premium taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities, but are not considered special funding situations. Non-employer contributions are recognized as revenue in the amount of \$239,330 and excluded from pension expense for the year ended June 30, 2019.

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

At June 30, 2020, the Sheriff reported a liability of \$2,672,508 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Sheriff's proportion of the net pension liability was based on a projection of the Sheriff's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2019, the Sheriff's proportion was .565%, which was an increase of .003% from its proportion measured as of June 30, 2018.

For the year ended June 30, 2019, the Sheriff recognized pension expense of \$812,201 net of employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions.

#### Notes to Financial Statements

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between expected and actual experiences	\$ -	\$ 511,998
Changes of assumptions	816,756	-
Net difference between projected and actual earnings on pension plan investments	96,171	-
Change in proportion and differences between Employer contributions and proportionate share of contributions	121,161	5,592
Employer contributions subsequent to the measurement date	493,303	<u> </u>
Total	\$1,527,391	<u>\$ 517,590</u>

Deferred outflows of resources of \$493,303 related to pensions resulting from the Sheriff's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal		
Year		
Ended		
6/30/2021	\$	211,822
6/30/2022		(63,055)
6/30/2023		139,131
6/30/2024		175,404
6/30/2025		53,196
Total	<u>\$</u>	516,498

Contributions – Proportionate Share: Differences between contributions remitted to the Fund and the employer's proportionate share are recognized in pension expense using the straight line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with a pension through the pension plan. The resulting deferred inflow/outflow and amortization is not reflected in the schedule of employer amounts due to differences that could arise between contributions reported by the Fund and contributions reported by the participating employer.

#### Notes to Financial Statements

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

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

Valuation Date	June 30, 2019
Actuarial Cost Method	Entry Age Normal Method
Actuarial Assumptions:	
Expected Remaining Service Lives	6 years
Investment Rate of Return	7.10%, net of investment expense
Discount Rate	7.10% per annum
Projected Salary Increases	5.5% (2.50% Inflation, 3.00% Merit)
Mortality	RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Table for active members, healthy annuitants and beneficiaries RP-2000 Disabled Lives Mortality Table for Disable Annuitants
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the Fund and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.

The mortality rate assumptions were set after reviewing an experience study performed over the period July 1, 2009 through June 30, 2014. The data was then assigned credibility weighting and combined with a standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent to the estimated duration of the Fund's liabilities. Annuity values calculated based on this mortality were compared to those produced by using a setback of standard tables. The result of the procedure indicated that these tables would produce liability values approximating the appropriate generational mortality tables used.

The long-term expected rate of return on pension plan investments was determined using a buildingblock method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are

#### Notes to Financial Statements

combined to produce the long-term expected rate of return by weighting the expected future real rates of returns by the target asset allocation percentage and by adding expected inflation.

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

	Expected Rate of Return		
	Real Long-ter		Long-term
		Return	Expected
	Target Asset	Arithmetic	Real Rates
Asset Class	Allocation	Basis	of Return
Equity Securities	62%	7.1%	4.4%
Bonds	23%	3.0%	0.7%
Alternative Investments	15%	4.6%	0.6%
Totals	100%		5.7%
Inflation			2.4%
Expected Arithmetic Nominal Return			8.1%

The discount rate used to measure the total pension liability was 7.10%, which was a .15% decrease from the discount rate used as of June 30, 2018. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the Fund's actuary. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate: The following presents the employer's proportionate share of the net pension liability using the discount rate of 7.10%, as well as what the employer's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate:

	Changes in Discount Rate:					
	Current					
	1.0	% Decrease	Di	iscount Rate	1.	0% Increase
		6.10%		7.10%		8.10%
Employer's proportionate share of the net pension liability	S	5,588,624	\$	2,672,508	\$	218,332
Ponsion nuonity	φ	5,500,024	ψ	2,012,000	ψ	210,332

#### Notes to Financial Statements

#### (8) <u>Postemployment Benefits Other Than Pensions (OPEB)</u>

The Sheriff recognizes the cost of postemployment healthcare and life insurance benefits in the year when employee services are received, recognizes a liability for OPEB obligations, known as the net OPEB liability, on the statement of net position, and provides information useful in assessing potential demands on the Sheriff's future cash flows. Changes in the net OPEB liability will be immediately recognized as OPEB expense on the statement of activities or reported as deferred inflows/outflows of resources depending on the nature of the change.

Plan Description: The Sheriff provides certain continuing health care and life insurance benefits for its retired employees. Substantially all of the Sheriff's employees become eligible for these benefits if they reach normal retirement age while working for the Sheriff. The plan is an agent multiple-employer defined benefit health care plan administered by the Louisiana Sheriff's Association Office of Group Benefits. The plan does not issue a publicly available financial report.

The monthly premiums of these benefits for retirees and similar benefits for active employees are paid by the Sheriff. The Sheriff recognizes the cost of providing these benefits (the Sheriff's portion of premiums) as an expenditure when the monthly premiums are due. The benefits are financed on a pay-asyou-go basis.

Plan Membership: Plan membership was as follows:

		Employee +
		Dependent
Status	Single	Coverage
Active	30	57
Retired	19	19
Surviving Spouse	3	
Total	52	76

Benefits Provided: The plan provides healthcare, dental, vision and life insurance benefits for retirees and their dependents.

Generally, employees who retire after age 55 with 15 years of service, or 30 years of service without regard to age, are eligible for benefits. Coverage is also provided to spouses of retirees who are currently receiving benefits. If the retiree pre-deceases the spouse, coverage for the surviving spouse continues.

Retirees are not required to contribute for individual coverage. A monthly contribution is required for dependent coverage prior to age 65. A Medicare supplement contribution is required for an eligible spouse. A life insurance benefit of  $2\frac{1}{2}$  times final salary or \$10,000 is provided at retirement prior to 65. Amounts are reduced to 75% of the original amount at 65 and 50% of original amount at age 70. An eligible spouse is provided a \$10,000 life insurance benefit. No retiree contribution is required, and these benefits continue for life.

#### Notes to Financial Statements

Net OPEB Liability of the Sheriff: The components of the net OPEB liability of the Sheriff were as follows:

Total OPEB Liability OPEB Plan Fiduciary Net Position	\$ 18,365,445 
Net OPEB Liability	\$ 18,365,445
Plan Fiduciary Net Position as a	
percentage of the Total OPEB Liability	0%

Actuarial Assumptions: The total OPEB liability was determined by an actuarial valuation as of June 30, 2020. The following actuarial assumptions applied to all periods in the measurement, unless otherwise specified:

In the June 30, 2020 actuarial valuation individual entry age normal cost method – level percentage of projected salary was used. The significant actuarial assumptions used in the valuation of the plan are as follows:

- 1. The service cost was determined for each employee as the Actuarial Present Value of Benefits allocated to the valuation year. The benefit attributed to the valuation year is that incremental portion of the total projected benefit earned during the year in accordance with the plan's benefit formula. This allocation is based on each participant's service between date of hire and date of expected termination.
- 2. The annual per capita medical cost for age 65 and older is the annualized Medical supplement premium of \$5,392. The annual per capita dental/vision cost is a level \$309. The average per capita claim cost determined as of June 30, 2020 is:

Age	Medical
55	\$ 10,623
56	\$ 10,942
57	\$ 11,270
58	\$ 11,608
59	\$ 11,957
60	\$ 12,315
61	\$ 12,685
62	\$ 13,065
63	\$ 13,457
64	\$ 13,861

- 3. 100% of employees who elect coverage while in active employment and who are eligible for retiree benefits are assumed to elect continued medical coverage in retirement.
- 4. 50% of members electing coverage are assumed to also elect coverage for a spouse.

#### Notes to Financial Statements

- 5. Health care cost trends are level 4.75% for medical and level 1.00% for dental/vision.
- 6. Mortality rates were based on RPH-2014 Total Table with Projection MP-2019.
- 7. The turnover rates were developed from assumptions used in valuing the Louisiana Sheriff's Pension and Relief Fund (LSPRF).
- 8. Salary increases were 3.50%.

Discount Rate: The discount rate used to measure the total OPEB liability was 2.21%. The discount rate was selected by reviewing the recent published Bond Pay GO-20 bond index.

Changes in Actuarial Methods Since Prior Valuation: The actuarial cost method was updated from Projected Unit Cost Method to Individual Entry Age Normal Cost Method in accordance with GASB 75.

In addition to the actuarial method used, actuarial cost estimates depend to an important degree on the assumptions made relative to various occurrences, such as rate of expected investment earnings by the fund, rates of mortality among active and retired employees, rates of termination from employment and retirement rates.

The following presents changes in the net OPEB liability.

Balance as of June 30, 2019	\$ 15,962,072
Changes for the year:	
Sevice cost	597,317
Interest cost	634,053
Changes in assumptions	1,607,623
Benefit payments	(435,620)
Net change in total OPEB liability	2,403,373
Balance as of June 30, 2020	\$ 18,365,445
Total OPEB expense recognized is as follows:	
Sevice cost	\$ 597,317
Interest cost	634,053
Changes in assumptions or other inputs	189,802
Total OPEB expense	\$ 1,421,172

## Notes to Financial Statements

Sensitivity of the Net OPEB Liability to changes in the Discount Rate: The following presents the Sheriff's net OPEB liability calculated using the discount rate of 2.21%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (1.21%) or one percentage point higher (3.21%) that the current rate:

		Current	
	1% Decrease	Discount Rate	1% Increase
	1.21%	2.21%	3.21%
Net OPEB Liability	\$ 22,437,463	\$ 18,365,445	\$ 15,242,275

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates: The following presents the Sheriff's net OPEB liability, calculated using the current healthcare cost trend rates of 4.75%, as well as what the Sheriff's net OPEB liability would be if it were calculated using trend rates that are one percentage point lower (3.75%) or one percentage point higher (5.75%) than the current trend rates:

		Current	
	1% Decrease	Trend Rate	1% Increase
	3.75%	4.75%	5.75%
Net OPEB Liability	\$ 15,105,627	\$ 18,365,445	\$22,814,698

OPEB Deferred Outflow of Resources and Deferred Inflows of Resources

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between expected and actual experiences	\$ -	\$ -
Changes of assumptions	1,417,821	-
Net difference between projected and actual investments		
Total	\$1,417,821	<u>\$ -</u>

#### Notes to Financial Statements

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

Fiscal		
Year		
Ended		
6/30/2021	\$	189,802
6/30/2022		189,802
6/30/2023		189,802
6/30/2024		189,802
6/30/2025		189,802
Thereafter		468,811
Total	<u>\$1</u>	1,417,821

### (9) <u>Risk Management</u>

The Sheriff is exposed to various risks of loss related to torts; thefts of, damage to, and destruction of assets; errors and omissions; and injuries to employees. To handle such risk of loss, the Sheriff maintains commercial insurance policies covering automobile liability, medical payments, uninsured motorist, and collision; surety bond coverage; and marine liability. In addition to the above policies, the Sheriff maintains a public official's liability policy and a law enforcement policy. No claims were paid, which exceeded the policies' coverage amount, on any of the policies during the past three years.

#### (10) Expenditures of the Sheriff's Office Paid by the Parish Police Jury

The Sheriff's office is located in the parish law enforcement building. The cost of maintaining and operating the parish law enforcement building, as required by statute, is paid by the Cameron Parish Police Jury. These expenditures are not included in the accompanying financial statements.

## (11) <u>Occupational Licenses</u>

Collections settled during the year for occupational licenses are as follows:

	Collected	Settled	Unsettled
Cameron Parish Police Jury	\$ 290,929	\$289,021	\$ 27,639
Cameron Parish Sheriff's Office	50,711	50,375	4,877
Total	\$ 341,640	\$339,396	\$ 32,516

#### Notes to Financial Statements

#### Compensation, Benefits, and Other Payments to Sheriff

A detail of compensation, benefits, and other payments paid to the Sheriff, Ron Johnson is as follows:

Purpose	Amount
Salary	\$ 164,256
Benefits- Health & Life Insurance	10,112
Benefits-Retirement	43,847
Benefits- Deferred Compensation	12,500
Vehicle provided by government	1,200
Travel	158
Registration fees	275
Conference travel	388
Total	\$ 232,736

#### (12) <u>Tax Abatement</u>

Louisiana's State Constitution Chapter VII Section 21 authorizes the State Board of Commerce and Industry to create a ten (10) year ad valorem tax abatement program for new manufacturing establishments in the State. Under the terms of this program, qualified businesses may apply for an exemption of local ad valorem taxes on capital improvements and equipment related to manufacturing for the first ten year of its operation; after which the property will be added to the local tax roll and taxed at the value and millage in force at the time. The future value of this exempt property could be subject to significant fluctuations from today's value; however the Sheriff could receive a substantial increase in ad valorem tax revenues once the exemption on this property expires. Because these taxes are not assessed due, no adjustments have been made to the Sheriff's financial statements to record a receivable. The Sheriff's ad valorem tax revenues were reduced by \$16,981,607 as a result of the tax abatement.

#### (13) <u>New Accounting Pronouncements</u>

As of July 1, 2019, the Sheriff adopted GASB Statement No. 84, Fiduciary Activities. This Statement establishes new criteria for identifying fiduciary activities which, when met, require that the activities be reported in a fiduciary fund in the basic financial statements. A statement of fiduciary net position and a statement of changes in fiduciary net position are required to be presented for these activities. This Statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds (formerly agency funds).

With the adoption of GASB Statement No. 84, a statement of fiduciary net position and a statement of changes in fiduciary net position have been presented as part of the basic financial statements. These statements consist of the Sheriff's custodial funds (formerly agency funds).

# Notes to Financial Statements

The changes have the following effect on the accounts listed below at June 30, 2019:

	As	After
	Originally	Adoption of
Accounts affected	Presented	GASB 84
Accounts payable	\$ -	\$ 276,646
Due to taxing bodies and others	\$ 379,111	\$ -
Net position - held for others	\$ -	\$ 102,465

## (14) Subsequent Events – Hurricanes Laura and Delta

In the fall of 2020, Cameron Parish was devastated by two major hurricanes resulting in the Sheriff temporarily relocating its office. At the present time, the total loss to the Sheriff and the amount of any reimbursement is unknown.

# REQUIRED SUPPLEMENTARY INFORMATION

# General Fund Budgetary Comparison Schedule Year Ended June 30, 2020

	D	-lt		Variance Positive
	Original	dget Final	Actual	(Negative)
Revenues:	Oliginal	1 11141	Actual	(Regative)
Ad valorem taxes	\$ 7,775,000	\$ 8,350,000	\$ 8,302,689	\$ (47,311)
Intergovernmental revenues	925,000	992,212	468,705	(523,507)
Fees, charges, and commissions for services -	,	,		(
Outsourced law enforcement assistance	280,000	485,000	663,786	178,786
Commissions on licenses, taxes, etc.	45,000	45,000	51,224	6,224
Fines and forfeitures	25,000	23,500	21,908	(1,592)
Civil and criminal fees	68,000	61,500	55,572	(5,928)
Court costs and attendance	35,200	41,715	37,813	(3,902)
Feeding, keeping, and transporting prisoners	130,600	66,100	96,162	30,062
Other	47,800	52,559	1,004,979	952,420
Interest income	35,000	70,000	66,994	(3,006)
Total revenues	9,366,600	10,187,586	10,769,832	582,246
Expenditures:				
Current -				
Public safety	8,689,012	8,498,792	8,377,240	121,552
Capital outlay	401,000	440,500	448,110	(7,610)
Debt service:				
Principal		-	3,733	(3,733)
Total expenditures	9,090,012	8,943,025	8,829,083	113,942
Excess of revenues				
over expenditures	276,588	1,244,561	1,940,749	696,188
Other financing sources (uses):				
Proceeds from sale of assets			17,676	17,676
Net change in fund balance	276,588	1,244,561	1,958,425	713,864
Fund balance, beginning	8,359,301	8,359,301	8,359,301	
Fund balance, ending	\$ 8,635,889	\$ 9,603,862	\$ 10,317,726	<u>\$ 713,864</u>

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

Total OPEB Liability *			
	2020	2019	2018
Service cost	\$ 597,317	\$ 597,317	\$ 575,007
Interest	634,053	583,189	580,012
Changes of benefit terms	-	-	-
Differences between expected and actual experience	-	-	-
Changes of assumptions	1,607,623	-	-
Benefit payments	(435,620)	(498,136)	(498,136)
Net change in total OPEB liability	2,403,373	682,370	656,883
Total OPEB liability - beginning	15,962,072	15,279,702	14,622,819
Total OPEB liability - ending	\$ 18,365,445	\$15,962,072	\$15,279,702
Covered-employee payroll	\$ 3,482,577	\$ 3,320,446	\$ 3,320,446
Net OPEB liability as a percentage of covered-employee payroll	527.35%	480.72%	460.17%

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

\* Equal to net OPEB liability

# Schedule of Employer's Share of Net Pension Liability -Sheriff's Pension and Relief Fund For the Year Ended June 30, 2020\*

Year ended June 30,	Employer Proportion of the Net Pension Liability (Asset)	Pr Sł N	Employer oportionate nare of the et Pension Liability (Asset)	Employer's Covered Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2020	0.565%	\$	2,672,508	\$ 3,932,981	68.0%	88.91%
2019	0.562%	\$	2,155,889	\$ 3,869,546	55.7%	90.41%
2018	0.536%	\$	2,318,879	\$ 3,709,167	62.5%	88.49%
2017	0.537%	\$	3,405,731	\$ 3,664,698	92.9%	82.10%
2016	0.538%	\$	2,396,887	\$ 3,572,347	67.1%	86.61%
2015	0.503%	\$	1,993,696	\$ 3,164,715	63.0%	87.34%

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

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

# Schedule of Employer Contributions For the Year Ended June 30, 2020

				tributions in				a . 11 . 1
			R	elation to				Contributions
	Cor	ntractually	Co	ontractual	Cont	ribution	Employer's	as a % of
Year ended	F	Required	F	Required	Defi	iciency	Covered	Covered
June 30,	Co	ntribution	Co	ntribution	(E)	(cess)	Payroll	Payroll
2020	\$	493,303	\$	493,303	\$	-	\$ 4,026,956	12.25%
2019	\$	481,790	\$	481,790	\$	-	\$ 3,932,981	12.25%
2018	\$	493,368	\$	493,368	\$	-	\$ 3,869,546	12.75%
2017	\$	491,463	\$	491,463	\$	-	\$ 3,709,167	13.25%
2016	\$	503,896	\$	503,896	\$	-	\$ 3,664,698	13.75%
2015	\$	509,059	\$	509,059	\$	-	\$ 3,572,347	14.25%

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

## Notes to the Required Supplementary Information

## (1) <u>Budgets and Budgetary Accounting</u>

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

- 1. The chief administrative deputy prepares a proposed budget for the general fund and submits it to the Sheriff for the fiscal year no later than fifteen days prior to the beginning of each fiscal year.
- 2. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
- 3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
- 4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is legally adopted prior to the commencement of the fiscal year for which the budget is being adopted.
- 5. All budgetary appropriations lapse at the end of each fiscal year.
- 6. The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted or as finally amended by the Sheriff.

For the year ended June 30, 2020, expenditures did not exceed appropriations in the General Fund.

## (2) <u>OPEB Plan</u>

Changes of Benefit Terms -

There were no changes of benefit terms.

Changes of Assumptions -

Year ended June 30,	Discount Rate	Mortality Table
2018	3.88%	RPH-2014 Total Table with Projection MP-2017
2019	3.88%	RPH-2014 Total Table with Projection MP-2017
2020	2.21%	RPH-2014 Total Table with Projection MP-2019

# Notes to the Required Supplementary Information

# (3) <u>Pension Plan</u>

Changes of Benefit Terms -

There were no changes of benefit terms.

Changes of Assumptions -

* Year ended June 30,	Discount Rate	Investment Rate of Return	Inflation Rate	Expected Remaining Lives	Projected Salary Increase
2015	6.00%	7.70%	3.000%	6	6.00%
2016	7.60%	7.70%	2.875%	6	5.50%
2017	7.50%	7.60%	2.875%	7	5.50%
2018	7.40%	7.50%	2.775%	7	5.50%
2019	7.25%	7.25%	2.600%	6	5.50%
2020	7.10%	7.10%	2.500%	6	5.50%

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

# OTHER SUPPLEMENTARY INFORMATION

### STATE OF LOUISIANA, PARISH OF CAMERON

#### AFFIDAVIT

#### The Honorable Ron Johnson, Sheriff of Cameron Parish

BEFORE ME, the undersigned authority, personally came and appeared, Ron Johnson, the Sheriff of Cameron, State of Louisiana, who after being duly sworn, deposed and said:

The following information is true and correct:

\$479,249 is the amount of cash on hand in the tax collector account on June 30, 2020;

He further deposed and said:

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

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

Signature

Sheriff of Cameron Parish

SWORN to and subscribed before me, Notary, this 28th day of December 2020, in my office in <u>Comeron</u>, Louisiana.

> (Signature) (Print), # 72 639 Savoie Notary Public 30-2024 (Commission)



INTERNAL CONTROL, COMPLIANCE, AND OTHER MATTERS

# KOLDER, SLAVEN & COMPANY, LLC

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

The Honorable Ron Johnson Cameron Parish Sheriff Cameron, 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 major fund, and the aggregate remaining fund information of the Cameron Parish Sheriff, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Cameron Parish Sheriff's basic financial statements and have issued our report thereon dated December 28, 2020.

#### **Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Cameron Parish Sheriff's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Cameron Parish Sheriff's internal control. Accordingly, we do not express an opinion on the effectiveness of the Cameron Parish Sheriff's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weakness. We did identify certain deficiencies in internal control, described in the accompanying schedule of current and prior year audit findings and management's corrective action plan as items 2020-001 and 2020-002 that we consider to be significant deficiencies.

## **Compliance and Other Matters**

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

#### **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 result 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 distributed by the Legislative Auditor as a public document.

> Kolder, Slaven & Company, LLC Certified Public Accountants

Abbeville, Louisiana December 28, 2020

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

# Part I: Current Year Findings and Management's Corrective Action Plan

## A. Internal Control Over Financial Reporting

2020-001 Inadequate Segregation of Accounting Functions

Fiscal year finding initially occurred: Unknown

CONDITION: The Sheriff did not have adequate segregation of functions within the accounting system.

CRITERIA: AU-C §315.04, Understanding the Entity and its Environment and Assessing the Risks of Material Misstatement, defines internal control as follows:

"Internal control is a process, affected by those charged with governance, management, and other personnel, designed to provide reasonable assurance about the achievement of objectives with regard to reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations."

CAUSE: The cause of the condition is the fact that the Sheriff does not have a sufficient number of staff performing administrative and financial duties so as to provide adequate segregation of accounting and financial duties.

EFFECT: Failure to adequately segregate accounting and financial functions increases the risk that errors and/or irregularities including fraud and/or defalcations may occur and not be prevented and/or detected.

RECOMMENDATION: Management should reassign incompatible duties among different employees to ensure that a single employee does not have control of more than one of the following responsibilities: (1) authorization; (2) custody; (3) recordkeeping; and (4) reconciliation.

CORRECTIVE ACTION PLAN: We evaluated the cost vs. benefit of fully segregating accounting functions and determined that it would not be cost effective to fully segregate these functions. We evaluated our processes, and to the extent practicable with our current staffing level, have reassigned duties and functions and have created compensating controls. While this may not be sufficient to eliminate this finding, we feel that we have taken appropriate steps to reduce the financial statement risk caused by inadequate segregation of accounting functions.

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

## 2020-002 Application of Generally Accepted Accounting Principles (GAAP)

Fiscal year finding initially occurred: Unknown

CONDITION: Management and staff lack the expertise and/or experience in the selection and application of generally accepted accounting principles, as applicable to governmental entities in the financial statement preparation process.

CRITERIA: The Sheriff's internal control over financial reporting includes those policies and procedures that pertain to its ability to record, process, summarize, and report financial data consistent with the assertions embodied in the financial statement, including the ability of its management and staff to detect potential misstatements that may exist in the financial statements and related disclosures.

CAUSE: The cause of the condition results from a reliance on the external auditor as part of the internal control process.

EFFECT: Financial statements and related supporting transactions may reflect a departure from generally accepted accounting principles.

RECOMMENDATION: Management should evaluate the additional costs required to achieve the desired benefit and determine if it is economically feasible in relation to the benefit received.

CORRECTIVE ACTION PLAN: We evaluated the cost vs. benefit of establishing enhanced controls over financial reporting and determined that it would not be cost effective to enhance these controls. Currently, our financial staff receive annual training related to their job duties. Additionally, we carefully review the financial statements, related noted and all proposed journal entries. All questions are adequately answered by our Auditors to allow us to appropriately supervise these functions. We feel that we have taken appropriate steps to reduce the financial statement risk cause by this finding.

## B. <u>Compliance</u>

None reported.

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

# Part II: Prior Year Findings:

# A. <u>Internal Control Over Financial Reporting</u>

2019-001 Inadequate Segregation of duties

CONDITION The Sheriff did not have adequate segregation of duties within the accounting function.

RECOMMENDATION: Management should reassign incompatible duties among different employees to ensure that a single employee does not have control of more than one of the following responsibilities: (1) authorization; (2) custody; (3) recordkeeping; and (4) reconciliation.

CURRENT STATUS: Unresolved. See item 2020-001.

# 2019-002 Application of Generally Accepted Accounting Principles (GAAP)

CONDITION: Management and staff lack the expertise and/or experience in the selection and application of generally accepted accounting principles, as applicable to governmental entities in the financial statement preparation process.

RECOMMENDATION: Management should evaluate the additional costs required to achieve the desired benefit and determine if it is economically feasible in relation to the benefit received.

CURRENT STATUS: Unresolved. See item 2020-002.

B. <u>Compliance</u>

None reported.