

VERNON PARISH SHERIFF  
Leesville, Louisiana

*Financial Statements*  
*For the Year Ended June 30, 2023*

VERNON PARISH SHERIFF  
LEESVILLE, LOUISIANA

TABLE OF CONTENTS

	<u>Page No.</u>
<b>Independent Auditor's Report</b>	1-3
<b>Basic Financial Statements</b>	
Government-Wide Financial Statements:	
Statement of Net Position	5
Statement of Activities	6
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet	8
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	9
Statement of Revenues, Expenditures, and Changes in Fund Balances	10
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	11
Fiduciary - Agency Funds:	
Fiduciary Fund Descriptions	12
Statement of Fiduciary Assets and Liabilities	13
Statement of Changes in Fiduciary Net Position	14
Notes to Financial Statements	15-34
<b>Required Supplemental Information:</b>	
Budget Comparison Schedule - General Fund	36
Notes to Budgetary Comparison Schedule	37
Schedule of Changes in Net OPEB Liability and Related Ratios	38
Schedule of Vernon Parish Sheriff's Contributions to Pension Plan	39
Schedule of Sheriff's Proportionate share of the Net Pension Liability	40

VERNON PARISH SHERIFF  
LEESVILLE, LOUISIANA

TABLE OF CONTENTS

	<u>Page No.</u>
<b>Other Supplemental Information</b>	
Sheriff Affidavit	42
Schedule of Compensation, Benefits and Other Payments to Agency Head	43
Justice System Funding Schedule – Collecting/Disbursing Entity	45-47
Justice System Funding Schedule – Receiving Entity	48
<b>Other Reports Required by Government Auditing Standards</b>	
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <u>Government Auditing Standards</u>	49-50
Schedule of Findings and Questioned Costs	51
Summary Schedule of Prior Audit Findings	52
Independent Accountant’s Report on Applying Agreed Upon Procedures	53-62

INDEPENDENT AUDITORS' REPORT

The Honorable John S. Craft  
Vernon Parish Sheriff  
Leesville, Louisiana

***Report on the Audit of the Financial Statements***

***Opinions***

We have audited the accompanying financial statements of the governmental activities of the Vernon Parish Sheriff, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Sheriff's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of the Vernon Parish Sheriff, as of June 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Vernon Parish Sheriff and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

***Responsibilities of Management for the Financial Statements***

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

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

The Honorable John S. Craft  
Vernon Parish Sheriff  
Leesville, Louisiana

***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the Sheriff's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Vernon Parish Sheriff's ability to continue as a going concern for a reasonable period of time.

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

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the budgetary comparison information 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.

The Honorable John S. Craft  
Vernon Parish Sheriff  
Leesville, Louisiana

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 the 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 assurances.

Management 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 the 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***

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

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2023 on our consideration of the Vernon Parish Sheriff's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Vernon Parish Sheriff's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* in considering the Vernon Parish Sheriff's internal control over financial reporting and compliance.



West Monroe, Louisiana  
December 13, 2023

GOVERNMENT-WIDE FINANCIAL STATEMENTS

**VERNON PARISH SHERIFF**  
**LEESVILLE, LOUISIANA**

**Statement of Net Position**  
**June 30, 2023**

	<u>Governmental Activities</u>
<i>Assets</i>	
Cash and Cash Equivalents	\$ 7,474,255
Accounts Receivable	184,970
Right of Use Lease Asset	469,051
Capital Assets:	
Non Depreciable	129,390
Depreciable	985,173
Net Pension Asset	<u>-</u>
Total Assets	<u>9,242,839</u>
<i>Deferred Outflows of Resources</i>	
Resources Related to Pensions	5,348,032
OPEB Related	3,775,644
<i>Liabilities</i>	
Accounts Payable	\$ 517,027
Short-Term Lease Liability	203,234
Long-Term Liabilities	
Compensated Absences	520,392
Long-Term Lease Liability	282,339
Net Pension Liability	5,013,371
Net Post Employment Benefit Obligation	<u>14,111,488</u>
Total Liabilities	20,647,851
<i>Deferred Inflows of Resources</i>	
Resources Related to Pensions	550,698
OPEB Related	4,270,455
<i>Net Position</i>	
Net Investment in Capital Assets	1,583,614
Net Position - Unrestricted	<u>(8,686,103)</u>
Total Net Position	<u>\$ (7,102,489)</u>

The accompanying notes are an integral part of this financial statement.

**VERNON PARISH SHERIFF**  
**LEESVILLE, LOUISIANA**

**Statement of Activities**  
**For the Year Ended June 30, 2023**

	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Net (Expense) Revenue and Changes in Net Position</u>
Governmental Activities:					
Public Safety	\$ 10,868,410	\$ 2,765,973	\$ 2,496,098	\$ -	(5,606,339)
Interest Expense	23,731	-	-	-	(23,731)
Total Governmental Activities	<u>\$ 10,892,141</u>	<u>\$ 2,765,973</u>	<u>\$ 2,496,098</u>	<u>\$ -</u>	<u>\$ (5,630,070)</u>

General Revenues:	
Property tax levied for public safety	\$ 3,581,714
Sales tax levied for public safety	4,239,617
State Revenue Sharing	230,320
Other	288,355
Interest Earned	9,285
Total General Revenues	<u>8,349,291</u>
Changes in Net Position	2,719,221
Net Position - Beginning	<u>(9,821,710)</u>
NET POSITION - ENDING	<u>\$ (7,102,489)</u>

The accompanying notes are an integral part of this financial statement.

FUND FINANCIAL STATEMENTS

**VERNON PARISH SHERIFF**  
**LEESVILLE, LOUISIANA**

**Balance Sheet, Governmental Funds**  
**June 30, 2023**

	<u>General Fund</u>	<u>Vernon Communications District</u>	<u>Total</u>
<u>Assets</u>			
Cash and Cash Equivalents	\$ 6,296,111	\$ 1,178,144	\$ 7,474,255
Accounts Receivable	184,970	-	184,970
<b><u>TOTAL ASSETS</u></b>	<b><u>\$ 6,481,081</u></b>	<b><u>\$ 1,178,144</u></b>	<b><u>\$ 7,659,225</u></b>
 <u>LIABILITIES AND FUND BALANCE</u>			
<u>Liabilities</u>			
Accounts Payable	\$ 517,027	\$ -	\$ 517,027
Due to Other Agencies	-	-	-
<u>Total Liabilites</u>	<u>517,027</u>	<u>-</u>	<u>517,027</u>
 <u>Fund Balance</u>			
Assigned	-	1,178,144	1,178,144
Unassigned	5,964,054	-	5,964,054
<b><u>TOTAL LIABILITIES AND FUND BALANCE</u></b>	<b><u>\$ 6,481,081</u></b>	<b><u>\$ 1,178,144</u></b>	<b><u>\$ 7,659,225</u></b>

The accompanying notes are an integral part of this financial statement.

**VERNON PARISH SHERIFF**  
**LEESVILLE, LOUISIANA**  
**JUNE 30, 2023**

**Reconciliation of the Balance Sheet of the Governmental Funds  
to the Statement of Net Position**

*Amounts reported for governmental activities in the Statement of Net Position are  
different because:*

Fund Balance, Governmental Funds:	\$ 7,142,198
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	1,583,614
Net pension liability does not require the use of current financial resources and therefore is not reported in the funds.	(5,013,371)
Long-term obligations are not due and payable in the current period and therefore are not reported in the fund statements:	
Compensated Absences	(520,392)
Net OPEB obligation	(14,111,488)
Lease Liability, including accrued interest	(485,573)
The net effect of deferred outflows of resources and deferred inflows of resources related to pensions do not require the use of current financial resources and therefore are not reported in the funds.	<u>4,302,523</u>
Net Position of Governmental Activities	<u><u>\$ (7,102,489)</u></u>

The accompanying notes are an integral part of this financial statement.

**VERNON PARISH SHERIFF**  
**LEESVILLE, LOUISIANA**

**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**For the Year Ended June 30, 2023**

	General Fund	Vernon Communications District	Total
<u>Revenues</u>			
Ad Valorem Taxes	\$ 3,581,714	\$ -	\$ 3,581,714
Sales Taxes	4,239,617	-	4,239,617
Opioid Abatement Settlement	61,625	-	61,625
Intergovernmental Revenue			
Federal	240,890	-	240,890
State	504,495	-	504,495
Local	912,861	-	912,861
State Revenue Sharing	230,320	-	230,320
Fees, Charges & Services			
Fees - 911	-	1,099,517	1,099,517
Licenses	62,669	-	62,669
Fines & Costs	254,598	-	254,598
Civil	305,652	-	305,652
Housing Prisoners	1,043,537	-	1,043,537
Use of Money - Interest Earning	9,285	-	9,285
Other	94,854	-	94,854
<b>TOTAL REVENUES</b>	<b>11,542,117</b>	<b>1,099,517</b>	<b>12,641,634</b>
<u>Expenditures</u>			
Public Safety:			
Personal Services and Related Benefits	7,477,780	547,808	8,025,588
Operating Services	1,652,001	189,020	1,841,021
Materials and Supplies	247,854	-	247,854
Travel and Other Charges	23,272	-	23,272
Debt Service			
Principal Payments on Leases	175,051	-	175,051
Interest Payments on Leases	23,114	-	23,114
Capital Outlay	408,748	-	408,748
<b>TOTAL EXPENDITURES</b>	<b>10,007,820</b>	<b>736,828</b>	<b>10,744,648</b>
<u>Other Financing Sources</u>			
Other Financing - Lease financing	201,706	-	201,706
<u>Excess (Deficiency) of Revenues Over Expenditures</u>			
	1,736,003	362,689	2,098,692
<u>Fund Balance - Beginning of the Year</u>	<u>4,228,051</u>	<u>815,455</u>	<u>5,043,506</u>
<b><u>FUND BALANCE - END OF THE YEAR</u></b>	<b><u>\$ 5,964,054</u></b>	<b><u>\$ 1,178,144</u></b>	<b><u>\$ 7,142,198</u></b>

The accompanying notes are an integral part of this financial statement.

**VERNON PARISH SHERIFF**  
**LEESVILLE, LOUISIANA**  
**FOR THE YEAR ENDED JUNE 30, 2023**

**Reconciliation of the Statement of Revenues, Expenditures,  
and Changes in Fund Balances of Governmental Funds  
To the Statement of Activities**

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

Net change in fund balances - total governmental funds \$ 2,098,692

Governmental funds report capital outlays as expenditures,  
however, in the statement of activities, the cost of those  
assets is depreciated over their estimated useful lives.

Expenditures for capital assets	207,042	
Gain on Disposition of Assets	89,924	
Less current year depreciation	<u>(382,401)</u>	(85,435)

Governmental funds report current year pension contributions as  
expenditures. However, in the statement of activities, these  
contributions are reported as deferred inflows of resources and the  
Sheriff's proportionate share of the plans pension expense is  
reported as pension expense. 489,554

Payments of long-term debt, including contributions to the OPEB obligation,  
are reported as expenditures in governmental funds. However, these amounts  
are a reduction of long-term liabilities in the Statement of Net Position and  
are not reflected in the Statement of Activities:

Principal Payments on Leases and Accrued Interest	201,090	
Change in compensated absences payable	(50,225)	
Change in OPEB obligation	(787,603)	
Nonemployer contributions to pension plan	<u>879,803</u>	

Changes in net position of governmental activities \$ 2,719,221

The accompanying notes are an integral part of this financial statement.

VERNON PARISH SHERIFF  
LEESVILLE, LOUISIANA  
FIDUCIARY FUND TYPE – AGENCY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2023

**Sheriff's Fund** – Accounts for funds held in civil suits, sheriff's sales, and garnishments. It also accounts for collection of bonds, fines, and costs and payments of these collections to the recipients in accordance with applicable laws. The Sheriff's Fund is comprised of the Civil, Bonds, Fines and Costs Funds, and the Probation Fund for the Sheriff.

**Tax Collector Fund** – Article V, Section 27, of the Louisiana Constitution of 1974 provides that the Sheriff will serve as the collector of state and parish taxes and fees. The Tax Collector fund accounts for the collection and distribution of these taxes and fees to the appropriate taxing bodies.

**Inmate Fund** – Accounts for money deposited by various prison inmates while incarcerated by the Sheriff. Withdrawals are made for purchases by the inmates. Remaining balances to the credit of a prisoner are refunded upon release or transfer to another prison.

**VERNON PARISH SHERIFF**  
**LEESVILLE, LOUISIANA**

**Statement of Fiduciary Assets and Liabilities**  
**June 30 , 2023**

	<u>Sheriff's Fund</u>	<u>Inmate Trust Fund</u>	<u>Tax Collector Fund</u>	<u>Total</u>
<b><u>ASSETS</u></b>				
Cash and Cash Equivalents	\$ 1,152,058	\$ 29,539	\$ 886,074	\$ 2,067,671
<b>TOTAL ASSETS</b>	<u>1,152,058</u>	<u>29,539</u>	<u>886,074</u>	<u>2,067,671</u>
 <b><u>LIABILITIES</u></b>				
Deposits Due Others	1,152,058	29,539	886,074	2,067,671
<b>TOTAL LIABILITIES</b>	<u>\$ 1,152,058</u>	<u>\$ 29,539</u>	<u>\$ 886,074</u>	<u>\$ 2,067,671</u>

The accompanying notes are an integral part of this financial statement.

**VERNON PARISH SHERIFF**  
**LEESVILLE, LOUISIANA**  
**FIDUCIARY FUND TYPES - AGENCY FUNDS**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**DUE TO TAXING BODIES AND OTHERS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

	Sheriff's Fund	Inmate Trust Fund	Tax Collector Fund	Total
<b><u>BALANCES AT BEGINNING OF YEAR</u></b>	\$ 836,598	\$ 39,088	\$ 892,353	\$ 1,768,039
<b><u>ADDITIONS</u></b>				
Deposits:				
Bonds	64,698	-	-	64,698
Fines and Costs	1,106,516	-	-	1,106,516
Advance Deposits	1,565,422	-	-	1,565,422
Taxes, Fees, Etc. paid to Tax Collector	84	-	22,091,079	22,091,163
Interest Earned	209	-	15,321	15,530
Inmate Deposits	-	281,266	-	281,266
<b><u>TOTAL ADDITIONS</u></b>	<b><u>2,736,929</u></b>	<b><u>281,266</u></b>	<b><u>22,106,400</u></b>	<b><u>25,124,595</u></b>
<b><u>TOTAL AVAILABLE</u></b>	<b><u>3,573,527</u></b>	<b><u>320,354</u></b>	<b><u>22,998,753</u></b>	<b><u>26,892,634</u></b>
<b><u>REDUCTIONS</u></b>				
Taxes, Fees, Etc. Distributed	9,775	-	21,884,242	21,894,017
Deposits Settled To:	-	-	-	-
Sheriff's General Fund	1,068,390	-	-	1,068,390
Police Jury	51,306	-	-	51,306
District Attorney	122,136	-	-	122,136
Clerk of Court	43,634	-	-	43,634
Indigent Defender Board	135,115	-	-	135,115
Attorneys, Appraisers, Etc.	-	-	-	-
Other Settlements	991,113	-	228,437	1,219,550
Withdrawals by/for Inmates	-	290,815	-	290,815
<b><u>TOTAL REDUCTIONS</u></b>	<b><u>2,421,469</u></b>	<b><u>290,815</u></b>	<b><u>22,112,679</u></b>	<b><u>24,824,963</u></b>
<b><u>BALANCE AT END OF YEAR</u></b>	<b><u>\$ 1,152,058</u></b>	<b><u>\$ 29,539</u></b>	<b><u>\$ 886,074</u></b>	<b><u>\$ 2,067,671</u></b>

The accompanying notes are an integral part of this financial statement.

VERNON PARISH SHERIFF  
LEESVILLE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023

**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 establishment of neighborhood watch programs, anti-drug abuse programs, etc. In addition, when requested, the Sheriff provides assistance to other law enforcement agencies within Vernon and surrounding parishes.

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

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. BASIS OF PRESENTATION**

The accompanying financial statements of the Vernon Parish Sheriff have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments, issued in June 1999.

**B. REPORTING ENTITY**

GASB Statement 14, *The Reporting Entity*, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the Vernon Parish Sheriff is considered a primary government, since it is a special purpose government that has a separately elected official, is legally separate, and is fiscally independent of other state or local governments. As described in GASB Statement No. 14, fiscally independent means that the Sheriff may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. The Sheriff also has no component units, as other legally separate organizations for which the Sheriff is financially accountable. There are no other primary governments with which the Sheriff has a significant relationship.

For financial reporting purposes, in conformance with GASB Codification Section 2100, the Sheriff includes all funds, account groups, and activities that are controlled by the Sheriff as an independently elected official. As such, 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. This report only includes all funds which are controlled by or dependent upon the Vernon Parish Sheriff.

VERNON PARISH SHERIFF  
LEESVILLE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023

**C. BASIC FINANCIAL STATEMENTS - GOVERNMENT - WIDE STATEMENTS**

The Government-Wide Financial Statements include the Statement of Net Position and the Statement of Activities. These statements report financial information for the Sheriff as a whole.

The Statement of Net Position and the Statement of Activities display information about the reporting government as a whole. These statements include all the financial activities of the Sheriff, except for fiduciary funds. Fiduciary funds are reported only in the Statement of Fiduciary of Assets and Liabilities at the fund financial statement level.

In the Statement of Net Position, governmental activities are presented on a consolidated basis and are presented on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term obligations. Net position is reported in three parts; net investment in capital assets, net of any related debt; restricted net position; and unrestricted net position.

**D. BASIC FINANCIAL STATEMENTS - FUND FINANCIAL STATEMENTS**

The financial transactions of the Sheriff are reported in individual funds in the fund financial statements. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. Fund financial statements report detailed information about the Sheriff. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column.

A fund is a separate accounting entity with a self-balancing set of accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Funds are classified into two categories; governmental and fiduciary. Each category, in turn, is divided into separate "fund types". Governmental funds are used to account for a government's general activities, where the focus of attention is on the providing of services to the public. Fiduciary funds are used to account for assets held for others. The Sheriff's current operations require the use of only governmental and fiduciary funds. The governmental and fiduciary fund types used by the Sheriff are described as follows:

**Government Fund Types**

**General Fund** - The General Fund, as provided by Louisiana Revised Statute 13:781, is the principal fund of the Sheriff and is used to account for the operations of the Sheriff's office. The various fees and charges due to the Sheriff's office are accounted for in this fund. General operating expenditures are paid from this fund. The general fund is the only fund classified as a major fund.

**Special Revenue Funds** - The Inmate Commissary Fund is used to account for the proceeds of specific revenue sources such as sales to inmates. The Vernon Communication District Fund is used to account for the operations of the Parish E911 service. Those revenues are restricted to expenditures for specified purposes.

**Fiduciary Fund Type - Agency Funds**

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

VERNON PARISH SHERIFF  
LEESVILLE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023

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

**Government-Wide Financial Statements**

The government-wide financial statements were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, Accounting and Financial Reporting for Nonexchange Transactions.

**Fund Financial Statements**

Governmental funds 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 Balances 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 differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Governmental funds and the agency 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 Vernon Parish Sheriff considers all revenues available if they are collected within 60 days after the fiscal year end. Those revenues susceptible to accrual include ad valorem taxes, state revenue sharing, interest revenue, commissions, and charges for services. Federal, state and local aid and grants are recorded when the Sheriff is entitled to the funds.

Other intergovernmental revenues are accrued, when their receipt occurs soon enough after the end of the accounting period so as to be both measurable and available. All miscellaneous revenues are not susceptible to accrual because generally they are not measurable until received in cash.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred except that principal and interest on general long-term debt is recognized when due.

**F. BUDGETARY ACCOUNTING**

Formal budgetary accounting is employed as a management control. The Vernon Parish Sheriff prepares and adopts a budget each year for its general fund in accordance with Louisiana Revised Statutes. The operating budget is prepared based on prior year's revenues and expenditures and the estimated increase therein for the current year, using the modified accrual basis of accounting. The budget is legally adopted and amended, as necessary, by the Sheriff. All Budget appropriations lapse at year end. Budget amounts included in the accompanying financial statements include the original budget and all subsequent amendments.

VERNON PARISH SHERIFF  
LEESVILLE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023

**G. SALES TAX**

The voters of Vernon Parish approved a one-half percent (½%) sales tax effective April 1, 2004, dedicated for the purpose of providing additional funding for the law enforcement district. The tax is perpetual. The Vernon Parish Sales Tax Department collects the tax and remits to the Sheriff. For this service the Sheriff pays a pro-rata share of administrative expense of the tax collection.

**H. ENCUMBRANCES**

Encumbrance accounting is not used in the Sheriff's operations.

**I. CASH AND CASH EQUIVALENTS**

Cash and cash equivalents include amounts in demand deposits, interest bearing demand deposits, and time deposits. Under state law, the sheriff must deposit funds in demand deposits, interest bearing demand deposits, money market accounts or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. Tax collections must be deposited in a bank domiciled in the parish where the funds are collected.

**J. CAPITAL ASSETS**

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 \$5,000 or more for capitalizing capital assets.

Capital assets are recorded in the GWFS, but are not reported in the FFS. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes by the Sheriff, no salvage value is taken into consideration for depreciation purposes. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Depreciation</u>	<u>Estimated Lives</u>
Vehicles	5 Years
Furniture & Fixtures	10-20 Years
Buildings	40 Years

**K. RISK MANAGEMENT**

The Sheriff's office is exposed to various risks related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

Louisiana law provides that the Sheriff may join with other Sheriffs to form an interlocal risk management agency for the development and administration of an interlocal risk management program. The Vernon Parish Sheriff has joined together with other Sheriffs to form the Louisiana Sheriff's Risk Management Program, a public entity risk pool currently operating as a common risk management and insurance program for Louisiana Sheriffs. The Sheriff pays an annual premium to the pool for its general and professional liability insurance coverage.

VERNON PARISH SHERIFF  
LEESVILLE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023

**K. RISK MANAGEMENT – Continued**

The agreement for formation of the Louisiana Sheriff's Risk Management Program, administered by the Louisiana Sheriff's Association, provides for the pool to be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of \$3,000,000 for each insured event. The Sheriff estimates the range of contingent losses, if any, to be borne by the government will not exceed the available insurance coverage. The Louisiana Sheriff's Risk Management Program has published its own financial report which can be obtained from the Louisiana Sheriff's Association, 1175 Nicholson Drive, Baton Rouge, La 70804.

In addition to the above, the Sheriff has obtained commercial insurance for all the aforementioned risks and settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

**L. COMPENSATED ABSENCES**

Full-time deputies of the Sheriff's office, depending on length of service, earn from 5 to 20 days of vacation and sick leave each year. Vacation leave must be taken in the year earned. Accumulated sick leave is not paid upon termination of employment. At June 30, 2023, there are no accumulated and vested benefits relating to sick leave that require disclosure or accrual to conform with generally accepted accounting principles.

Comp. time is earned for overtime hours worked. The comp time is calculated based on 1 ½ time of hourly rate (including supplemental pay). Comp time is taken by time off, however, comp time earned and accrued is paid upon termination of the employee. Comp time earned in excess of 480 hours must be paid to the employee. Comp time is measured by any amounts actually paid in the government funds. The comp time is measured when actually earned in the government-wide statements and comp time earned and not paid is recorded as a liability. Comp time earned and accrued at June 30, 2023 totaled \$520,392.

**M. BAD DEBTS**

Uncollectible accounts receivable is charged directly against earnings when they are determined to be uncollectible. Use of this method does not result in a material difference from the valuation method required by generally accepted accounting principles. Management feels all receivables at year end are collectable and no allowance for bad debts is necessary.

**N. ESTIMATES**

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

**O. EQUITY CLASSIFICATIONS - GOVERNMENT-WIDE STATEMENTS**

Net position represents the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. The Sheriff reports three categories of net position, as follows:

VERNON PARISH SHERIFF  
LEESVILLE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023

**O. EQUITY CLASSIFICATIONS - GOVERNMENT-WIDE STATEMENTS - Continued**

- **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 increase by balances of deferred outflows of resources related to those assets.
- **Restricted net position** - net position is considered restricted if their use is constrained to a particular purpose. Restrictions are imposed by external organizations such as federal or state laws or buyers of the Sheriff's bonds. Restricted net position is reduced by liabilities and deferred inflows of resources related to the restricted assets.
- **Unrestricted net position** - consists of all other net position that does not meet the definition of the above two components and is available for general use by the Sheriff.

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, management applies unrestricted net position first, unless a determination is made to use restricted net position. The Sheriff's policy concerning which to apply first varies with the intended use and legal requirements. Management typically makes this decision on a transactional basis at the incurrence of the expenditure.

**P. FUND EQUITY OF FUND FINANCIAL STATEMENTS**

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

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

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

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

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

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

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

VERNON PARISH SHERIFF  
LEESVILLE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023

**Q. PENSION PLANS**

The Vernon Parish Sheriff's Office is a participating employer in a cost-sharing, multiple-employer defined benefit pension plan as described in Note 6. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of each of the plans, and additions to/deductions for the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments have been reported at fair value within the plan.

**R. OTHER POSTEMPLOYMENT BENEFITS**

The sheriff follows GASB Statement No. 75 "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions", which requires the accrual of other postemployment benefits for retired employees. The sheriff has recorded a liability for other postemployment benefits (see Note 7). In the government-wide financial statements, the other postemployment benefits liability is recorded as an expense and non-current liability and allocated on a functional basis. In the fund financial statements, other postemployment benefit expenditures are recognized in the amount contributed to the plan or expected to be liquidated with expendable available financial resources. Expendable available financial resources generally refer to other postemployment benefit payments due and payable as of the end of the year.

**S. LEASES**

Lessee leases: The Government is a lessee under noncancellable lease agreements for facilities and equipment used for a variety of purposes and uses, including office, meeting and gathering space, residential facilities, medical equipment, vehicles and other. In accordance with GASB Statement No. 87, *Leases*, the Government recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the financial statements. Lease liabilities are recorded for lease contracts with an initial individual value of \$5,000 or more and with lease periods greater than one year.

At the commencement of a lease, the Government initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life. Key estimates and judgments related to leases include (1) the discount rate used to present value the expected lease payment, (2) lease term, and (3) lease payments.

- The Government uses the interest rate charged by the lessor as the discount rate, if provided. When the interest rate charged by the lessor is not provided, the Government uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease terms includes the noncancellable period of the lease and optional renewal periods. Lease payments included in the measurement of the lease liability are composed of fixed payments through the noncancellable term of the lease and renewal periods that management considers reasonably certain to be exercised.

VERNON PARISH SHERIFF  
LEESVILLE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023

**S. LEASES - Continued**

The Government monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with capital assets and lease liabilities are reported with long-term debt on the statement of net position.

**ACCOUNTING CHANGES AND STANDARDS IMPLEMENTED**

The Government has implemented GASB Statement No. 87, *Leases*. Under this Statement, lease contracts, as defined, are financings of the right to use an underlying asset. A lessor is required to recognize a lease receivable and a deferred inflow of resources, and a lessee recognizes a lease liability and intangible right-to-use asset, thereby enhancing the relevance and consistency of information about governments' leasing activities. Lease receivables as well as lease liabilities are measured at the present value of lease payments over the term of each respective contract. Options to renew the lease are included in the lease term if reasonably certain to be exercised.

While GASB 87 resulted in the recording of assets and liabilities (and deferred inflows if lessor lease) that were not previously recognized, changes to the accounting for lease payments and collections, there were no effects to beginning net position or fund balances as a result of this statement's implementation. Beginning with the implementation in the current fiscal year, lease payments are accounted for as repayment of debt principal and interest, and lease collections are accounted for collection of receivables.

**NOTE 2 - LEVIED TAXES**

Act 689 of the regular session of the Louisiana Legislature of 1976 provided initial financing authorization for the levy of an ad valorem tax millage for the law enforcement district. Voters of the district subsequently approved an increase in the ad valorem tax beyond initial authorization. The following is a summary of authorized and levied ad valorem taxes:

	<u>Expiration</u>	<u>Authorized Millage</u>	<u>Levied Millage</u>
Law Enforcement District	Indefinite	12.37	12.37
Law Enforcement District	2030	7.92	7.92

VERNON PARISH SHERIFF  
LEESVILLE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023

**NOTE 3 - CASH AND CASH EQUIVALENTS**

For the purpose of these financial statements, the Sheriff considers cash and cash equivalents to be amounts held in demand deposits, interest bearing demand deposits, and time deposits.

At June 30, 2023, the Sheriff has cash and cash equivalents (book balances) totaling \$9,541,926 as follows:

	<u>Statement of Net Position</u>	<u>Statement of Fiduciary Asset &amp; Liabilities</u>	<u>Total</u>
Petty Cash	\$ 730	\$ -	\$ 730
Demand Deposits	<u>7,473,525</u>	<u>2,067,671</u>	<u>9,541,196</u>
<b><u>TOTAL</u></b>	<b><u>\$ 7,474,255</u></b>	<b><u>\$ 2,067,671</u></b>	<b><u>\$ 9,541,926</u></b>

These deposits are stated at cost, which approximates market. 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 fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At June 30, 2023, the Sheriff has \$9,724,834 in deposits (collected bank balances). These deposits are secured from risk by \$500,000 of federal deposit insurance and \$18,402,880 was collateralized by securities by pledging banks in the Sheriff's name.

**NOTE 4 - RECEIVABLES**

The receivables at June 30, 2023, are as follows:

<u>Class of Receivable</u>	<u>General Fund</u>	<u>Agency Funds</u>	<u>Total</u>
Grant Reimbursements	\$ 19,125	\$ -	\$ 19,125
Ad Valorem and Sales Tax	8,373	-	8,373
License	2,797	-	2,797
Fees, Charges, and Commissions for Services	21,094	-	21,094
Feeding and Keeping of Prisoners	56,434	-	56,434
Other	<u>77,147</u>	<u>-</u>	<u>77,147</u>
<b><u>TOTAL</u></b>	<b><u>\$ 184,970</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 184,970</u></b>

VERNON PARISH SHERIFF  
LEESVILLE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023

**NOTE 5 - CAPITAL ASSETS**

A summary of changes in capital assets for the year ended June 30, 2023 follows:

	Balance June 30, <u>2022</u>	<u>Additions</u>	<u>Deletions</u>	Balance June 30, <u>2023</u>
<u>Capital Assets</u>				
Vehicles	\$ 130,684	\$ 32,495	\$ -	\$ 163,179
Furniture & Equipment	734,767	174,547	( 344,000)	565,314
Buildings	2,194,053	-	-	2,194,053
Right of Use Lease Asset	-	810,010	-	810,010
Land	<u>129,390</u>	<u>-</u>	<u>-</u>	<u>129,390</u>
	<u>\$3,188,894</u>	<u>\$1,017,052</u>	<u>\$(344,000)</u>	<u>\$3,861,946</u>
<u>Accumulated Depreciation</u>				
Vehicles	\$( 44,142)	\$( 29,680)	\$ 22,378	\$( 51,444)
Furniture & Equipment	( 536,448)	( 115,489)	411,546	( 240,391)
Right of Use Lease Asset	-	( 340,959)	-	( 340,959)
Buildings	<u>(1,590,687)</u>	<u>( 54,851)</u>	<u>-</u>	<u>(1,645,538)</u>
	<u>(2,171,277)</u>	<u>( 540,979)</u>	<u>433,924</u>	<u>(2,278,332)</u>
<u>Net Capital Assets</u>	<u>\$1,017,617</u>	<u>\$ 476,073</u>	<u>\$ 89,924</u>	<u>\$1,583,614</u>

**NOTE 6 - PENSION PLAN**

Substantially all employees of the Vernon Parish Sheriff's office are members of the Louisiana Sheriffs Pension and Relief Fund (the System), a multiple-employer (cost sharing), public employee retirement system (PERS), controlled and administered by a separate board of trustees. All sheriffs and deputies who are found to be physically fit, earn at least \$400 per month, and who were at least 18 years of age at the time of original employment are required to participate in the System. Employees are eligible to retire at or after age 55 with at least 12 years of credited service and receive a benefit, payable monthly for life, equal to percentage of their final-average salary for each year of credited service. Final - average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least 12 years of service and do not withdraw employee contributions may retire at or after age 55 and receive the benefit accrued to their date of termination as indicated previously. Employees who terminate with at least 20 years of credited service are also eligible to elect early benefits between ages 50 and 55 with reduced benefits equal to the actuarial equivalent of the benefit to which they would otherwise be entitled at age 55. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana Sheriffs' Pension and Relief Fund, 6554 Florida Boulevard, Suite 215, Baton Rouge, Louisiana 70806, or by calling (800) 586-9049.

VERNON PARISH SHERIFF  
LEESVILLE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023

**NOTE 6 - PENSION PLAN - Continued**

Plan members are required by state statute to contribute 10.25 percent of their annual covered salary and the Vernon Parish Sheriff is required to contribute at an actuarially determined rate. The current rate is 11.50 percent of annual covered payroll. Contributions to the System also include one-half of one percent of the taxes shown to be collectible by the tax rolls of each parish and funds as required and available from insurance premium taxes. The contribution requirements of plan members and the Vernon Parish Sheriff are established and may be amended by state statute.

As provided by Louisiana Revised Statue 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Vernon Parish Sheriff's contributions to the System for the years ended June 30, 2021, 2022 and 2023 were \$535,984, \$560,523, and \$553,311, respectively, equal to the required contributions for each year.

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

At June 30, 2023, the Sheriff reported an asset of \$5,013,371 for its proportionate share of the net pension liability of the system. The net pension liability was measured as of June 30, 2022 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, 2022, the Sheriff's proportion was .616813% which was an increase of .016251% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the Sheriff recognized pension expense of \$(594,606) representing its proportionate share of the system's net expense, including amortization of deferred amounts.

At June 30, 2023, the Sheriff reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 230,621	\$ ( 249,095)
Changes of assumptions	748,843	-
Net difference between projected and actual earnings on pension plan investments	2,170,474	-
Changes in proportion and differences between Employer contributions and proportionate share of contributions -	1,644,783	( 301,603)
Employer contributions subsequent to the measurement date	<u>553,311</u>	<u>-</u>
Total	<u>\$5,348,032</u>	<u>\$( 550,698)</u>

The Sheriff reported a total of \$553,311 as deferred outflow of resources related to pension contributions made subsequent to the measurement period of June 30, 2022 which will be recognized as a reduction in net pension liability in the year ended June 30, 2023.

VERNON PARISH SHERIFF  
LEESVILLE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023

**NOTE 6 - 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	
2023	\$( 307,223)
2024	( 390,210)
2025	( 621,336)
2026	<u>1,183,388</u>
	<u>\$ ( 135,381)</u>

**Actuarial Assumptions**

A Summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2022 is as follows:

Valuation Date	June 30, 2022
Actuarial Cost Method	Entry Age Normal Method
Actuarial Assumptions:	
Investment Rate of Return	6.85%, net of investment expense
Discount Rate	6.85%
Projected Salary Increases	5.0 % (2.5% inflation, 2.5% merit)
Mortality Rates	Pub-2010 Public Retirement Plans Mortality Table for Safety
Below-	Median employees multiplied by 120% for males and 115%
for	females for active members, each with full generational
projection	using the appropriate MP2019 scale.

Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Healthy Retirees multiplied by 120% males and 115% females for annuitants and beneficiaries, each with full generational projection using the appropriate MP2019 scale.

Pub-2010 Public Retirement Plans Mortality Table for Safety Disabled Retirees multiplied by 120% for males and 115% for females for disabled annuitants, each with full generational projection using the appropriate MP2019 scale.

Expected Remaining Service Lives	2022 - 5 years
	2021 - 6 years
	2020 - 6 years
	2019 - 6 years
	2018 - 7 years
	2017 - 7 years
	2016 - 7 years



VERNON PARISH SHERIFF  
LEESVILLE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023

**NOTE 6 - PENSION PLAN - Continued**

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

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

	<u>1.0% Decrease</u>	<u>Current Discount Rate</u>	<u>1.0% Increase</u>
LSPRF			
Rates	5.85%	6.85%	7.85%
VPSO Share of NPL	\$8,877,572	\$5,013,371	\$1,791,304

**Change in Net Pension Liability**

The differences between expected and actual experience with regard to economic or demographic factors in the measurement of the pension liability, changes of assumptions about future economic or demographic factors, and changes in the employer's proportionate share of the collective net pension liability and collective deferred outflows of resources and deferred inflows of resources since the prior measurement date were 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 pensions through the pension plan.

**NOTE 7 - CHANGES IN GENERAL LONG-TERM OBLIGATIONS**

The following is a summary of changes in long-term debt for the year ended June 30, 2023:

	Balance June 30, <u>2022</u>	<u>Additional</u>	<u>Reductions</u>	Balance June 30, <u>2023</u>	Amounts Due Within <u>One Year</u>
Compensated Absences	<u>470,167</u>	<u>50,225</u>	<u>-</u>	<u>520,392</u>	<u>-</u>
	<u>\$470,167</u>	<u>\$ 50,225</u>	<u>\$ -</u>	<u>\$ 520,392</u>	<u>\$ -</u>

VERNON PARISH SHERIFF  
LEESVILLE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023

**NOTE 8 – POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS**

**General Information about the OPEB Plan**

*Plan description* – The Vernon Parish Sheriff’s Office (the Sheriff) provides certain continuing health care and life insurance benefits for its retired employees. The Vernon Parish Sheriff’s OPEB Plan (the OPEB Plan) is a single-employer defined benefit OPEB plan administered by the Sheriff. The authority to establish and/or amend the obligation of the employer, employees and retirees rests with the Sheriff. No assets are accumulated in a trust that meets the criteria in Governmental Accounting Standards Board (GASB).

*Benefits Provided* – Benefits are provided through comprehensive plans and are made available to employees upon actual retirement. Employees retirement eligibility (D.R.O.P. entry) provisions are as follows: attainment of 30 years of service at any age, or age 55 and 12 years of service if earlier; or, for employees hired after January 1st, 2012, the earliest of age 55 and 30 years of service, age 60 and 20 years of service, and age 62 with 12 years of service. Notwithstanding this there is a minimum service requirement of 15 years for benefits. There are custom eligibility requirements which may further restrict eligibility as follows: (1) At least sixteen years of service and is at least sixty-five years of age. (2) At least twenty years of service and is at least fifty-five years of age. (3) At least thirty years of continuous service regardless of age.

Life insurance coverage is provided to retirees and 100% of the blended rate (active and retired) is paid by the employer for the amount \$10,000. The amount of insurance coverage while active is continued after retirement, but insurance coverage amounts are reduced to 75% of the original amount at age 65, then to 50% at age 70.

*Employees covered by benefit terms* – As of the measurement date June 30, 2023, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	44
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	111
	155

VERNON PARISH SHERIFF  
LEESVILLE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023

**NOTE 8 – POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS - Continued**

**Total OPEB Liability**

The Sheriff's total OPEB liability is \$14,111,488 as of the measurement date June 30, 2023, the end of the fiscal year.

*Actuarial Assumptions and other inputs* – The total OPEB liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	3.0%
Salary increases	3.0%, including inflation
	3.54%
	3.65% annually
Healthcare cost trend rates	5.5% annually until year 2032, then 4.5%
Mortality	SOA RP-2014 Table

The discount rate was based on the Bond Buyers' 20 Year General Obligation municipal bond index as of June 30, 2023, the end of the applicable measurement period.

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of ongoing evaluations of the assumptions from July 1, 2009 to June 30, 2023.

**Changes in the Total OPEB Liability**

Balance at June 30, 2022	<u>\$ 13,323,885</u>
Changes for the year:	
Service cost	288,516
Interest	476,772
Differences between expected and actual experience	582,040
Changes in assumptions	(227,765)
Benefit payments and net transfers	<u>(331,960)</u>
Net changes	<u>787,603</u>
Balance at June 30, 2023	<u><u>\$ 14,111,488</u></u>

VERNON PARISH SHERIFF  
LEESVILLE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023

**NOTE 8 – POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS –**  
Continued

*Sensitivity of the total OPEB liability to changes in the discount rate* – The following presents the total OPEB liability of the Sheriff, as well as what the Sheriff’s total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.65%) or 1-percentage-point higher (4.65%) than the current discount rate:

	<b>1.0% Decrease (2.65%)</b>	<b>Current Discount Rate (3.65%)</b>	<b>1.0% Increase (4.65%)</b>
Total OPEB liability	\$ 16,574,395	\$14,111,488	\$ 12,156,225

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

	<b>1.0% Decrease (4.5%)</b>	<b>Current Trend (5.5%)</b>	<b>1.0% Increase (6.5%)</b>
Total OPEB liability	\$ 12,439,942	\$ 14,111,488	\$ 16,203,326

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

For the year ended June 30, 2023, the Sheriff recognized OPEB expense of \$630,008. At June 30, 2023, 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 experience	\$ 1,793,686	\$ (1,578,935)
Changes in assumptions	1,981,958	(2,691,520)
Total	\$ 3,775,644	\$ (4,270,455)

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

Years ending June 30:	
2024	59,046
2025	59,046
2026	59,046
2027	59,046
2028	59,046
Thereafter	-

VERNON PARISH SHERIFF  
LEESVILLE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023

**NOTE 9 - TAXES PAID UNDER PROTEST**

Louisiana Revised Statute 47:1576 provides that taxpayers, at the time of payment of all taxes due, give notice to the tax collector of their intention to file suit for recovery of all or a portion of the total taxes paid. Upon receipt of this notice, the amount paid is segregated and held by the tax collector for a period of 30 days. If suit is filed within the 30-day period for recovery of such amounts, the funds are held pending outcome of the suit. If the taxpayer prevails, the tax collector refunds the amount due, with interest at the rate of 2 percent per annum from the date the funds were received by the tax collector. The following is a summary of changes in the taxes paid under protest as recorded in the Tax Collector Agency Fund:

Balance, June 30, 2022	\$ 593,249
Additions:	
Taxes	173,453
Interest	289
Settlements to Taxing Bodies & Others	<u>(90,802)</u>
Balance, June 30, 2023	<u>\$676,189</u>

**NOTE 10 - ON - BEHALF PAYMENTS**

Expenditures for operation and maintenance of the Sheriff's office and the accounting office located in the parish courthouse annex, and the courthouse annex as required by Louisiana Revised Statute 33:4715, are paid by the Vernon Parish Police Jury.

**NOTE 11 - LITIGATION AND CLAIMS**

At June 30, 2023, the sheriff is involved in three litigation matters. Legal counsel has not determined if any of the matters may be a case of liability, but all would be under insurance limits.

VERNON PARISH SHERIFF  
LEESVILLE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023

**NOTE 12 - EX-OFFICIO TAX COLLECTOR**

The amount of cash on hand at June 30, 2023 was \$886,074. The unsettled balances of the Tax Collector Fund at June 30, 2023 consist of:

Refunds & Redemptions	\$209,885
Protested Taxes	<u>676,189</u>
	<u>\$886,074</u>

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

<u>Taxing Authority</u>	<u>Taxes Collected</u>
Vernon Parish Assessor	\$ 1,135,986
Vernon Parish Sheriff	3,925,493
Vernon Parish Police Jury	7,364,581
Vernon Parish School Board	8,075,196
La Agriculture & Forestry Commission	31,525
South Vernon Parish Water District	108,554
West Vernon Parish Water District	105,207
Louisiana Tax Commission	<u>14,998</u>
	<u>\$20,761,540</u>

There were no taxes uncollected due to bankruptcies. The amount of collection on behalf of other taxing authorities is as follows:

<u>Taxing Authority</u>	<u>Vernon Parish Police Jury</u>	<u>Commission paid to Vernon Parish Sheriff</u>	<u>Final Distribution</u>
Occupational License	<u>\$ 417,796</u>	<u>\$ 62,819</u>	<u>\$ 354,977</u>

The Vernon Parish Sheriff's Office does not collect sales tax, hotel/motel tax, tax incremental finance district, public utility insurance premiums or any other taxes other than ad valorem tax and occupational licenses for tax authorities.

**NOTE 13 - RELATED PARTY TRANSACTIONS**

There were no related party transactions that came to our attention.

**NOTE 14 - SUBSEQUENT EVENTS**

Management has evaluated subsequent events through the date the financial statements were available to be issued, December 13, 2023, and determined that no events occurred that require disclosure.

VERNON PARISH SHERIFF  
LEESVILLE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023

**NOTE 15 – LESSEE LEASES**

The Government leases various automobiles. These leases range in terms from 3 to 10 years, with various renewal options available, and payment terms vary in both frequency and amounts. In accordance with GASB Statement No. 87, *Leases*, a liability has been recorded for the present value of lease payments over the lease term for each agreement. As of June 30, 2023, the combined value of the lease liabilities was \$483,257. In determining the present values, discount rates of 6.99% to 8.505% were applied, depending on the duration of the lease agreement and other factors. The recorded value of the right-to-use assets as of the end of the current fiscal year was \$810,010 and accumulated amortization of these asset was \$340,959. The future principal and interest lease payments as of June 30, 2023, are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 203,233	\$ 23,500	\$ 226,733
2025	150,186	13,446	163,632
2026	63,276	7,524	70,800
2027	38,519	3,815	42,334
2028	28,043	763	28,806
2029-3034	-----	-----	-----
Total	<u>\$ 483,257</u>	<u>\$ 49,049</u>	<u>\$ 532,306</u>

REQUIRED SUPPLEMENTAL INFORMATION

**VERNON PARISH SHERIFF**  
**LEESVILLE, LOUISIANA**

**Statement of Revenues, Expenditures and Changes in Fund Balance -  
Budget to Actual  
General Fund  
For the Year Ended June 30, 2023**

	<u>Budgeted Amounts</u>		Actual Amounts Budgetary Basis	Variance With Final Budget Over(Under)
	<u>Original</u>	<u>Final</u>		
<b><u>Operating Revenue</u></b>				
Tax - Ad Valorem	3,142,900	3,601,860	\$ 3,581,714	\$ (20,146)
Tax - Sales	3,700,000	4,290,000	4,239,617	(50,383)
Opioid Abatement Settlement	-	61,600	61,625	25
<b><u>Intergovernmental Revenue</u></b>				
Federal	109,800	162,600	240,890	78,290
State	426,500	487,900	504,495	16,595
Local	547,930	875,120	912,861	37,741
State Revenue Sharing	230,000	230,300	230,320	20
<b><u>Fees, Charges, &amp; Services</u></b>				
Licenses	40,000	60,000	62,669	2,669
Fines & Costs	240,600	259,850	254,598	(5,252)
Civil	163,400	273,350	305,652	32,302
Housing Prisoners	581,850	1,121,300	1,043,537	(77,763)
Use of Money - Interest Earning	5,600	7,250	9,285	2,035
Other	153,775	138,800	94,854	(43,946)
Total Operating Revenues	<u>\$9,342,355</u>	<u>\$ 11,569,930</u>	<u>\$ 11,542,117</u>	<u>(\$27,813)</u>
<b><u>Operating Expenditures</u></b>				
<b><u>General Government</u></b>				
Personnel Services	7,049,910	7,403,673	7,477,780	(74,107)
Operating Services	1,398,745	1,558,282	1,652,001	(93,719)
Materials and Supplies	246,150	348,150	247,854	100,296
Travel and Other Charges	13,100	19,000	23,272	(4,272)
<b><u>Debt Service</u></b>				
Principal	-	-	175,051	(175,051)
Interest	-	-	23,114	(23,114)
Capital Outlay	290,000	273,700	408,748	(135,048)
Total Expenditures	<u>8,997,905</u>	<u>9,602,805</u>	<u>10,007,820</u>	<u>(405,015)</u>
<b><u>Other Financing Sources</u></b>				
Other Financing - Lease financing		-	201,706	(201,706)
<b><u>Excess (Deficiency) of Revenues Over Expenditures</u></b>				
	344,450	1,967,125	1,736,003	231,122
<b><u>Fund Balance - Beginning of the Year</u></b>				
	4,200,000	4,228,051	4,228,051	-
<b><u>FUND BALANCE - END OF THE YEAR</u></b>				
	<u>\$ 4,544,450</u>	<u>\$ 6,195,176</u>	<u>\$ 5,964,054</u>	<u>\$ 231,122</u>

The accompanying notes are an integral part of this financial statement.

VERNON PARISH SHERIFF  
LEESVILLE, LOUISIANA  
NOTES TO THE BUDGETARY COMPARISON SCHEDULES  
FOR THE YEAR ENDED JUNE 30, 2023

General Budget Practices

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

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.

A summary of the proposed budget is published, and the public is notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.

A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.

After holding 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 the which the budget is being adopted.

Appropriations (unexpended budget balances) lapse at year-end.

Encumbrances

Encumbrance accounting, under which purchase orders are recorded in order to reserve that portion of the applicable appropriation, is not employed.

Budget Basis of Accounting

The budget is prepared on the modified accrual basis of accounting, a basis consistent with accounting principles generally accepted in the United States of America (GAAP). Budgeted amounts are originally adopted or amended by the Sheriff. Such amendments were not material in relation to original appropriations.

VERNON PARISH SHERIFF  
LEESVILLE, LOUISIANA  
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS  
FOR THE YEAR ENDED JUNE 30, 2023

	<b>Fiscal year ended 6/30 of</b>					
<b>OPEB Expenses</b>	2018	2019	2020	2021	2022	2023
Service cost	\$ 152,732	\$ 149,239	\$ 805,800	\$ 475,684	\$ 472,896	\$ 288,516
Interest	396,730	410,263	456,843	358,993	391,702	476,772
Changes of benefit terms	-	-	-	-	-	-
Differences between expected/actual experience	166,121	854,502	(1,056,360)	1,153,892	(1,621,543)	582,040
Changes of assumptions	-	255,253	3,401,965	168,783	(3,502,402)	(227,765)
Benefit payments	(263,612)	(278,111)	(251,817)	(265,667)	(314,654)	(331,960)
<b>Net change in total OPEB liability</b>	<b>451,971</b>	<b>1,391,147</b>	<b>3,356,431</b>	<b>1,891,685</b>	<b>(4,574,001)</b>	<b>787,603</b>
<b>Total OPEB liability - beginning</b>	<b>10,806,652</b>	<b>11,258,623</b>	<b>12,649,770</b>	<b>16,006,201</b>	<b>17,897,886</b>	<b>13,323,885</b>
<b>Total OPEB liability - ending (a)</b>	<b>\$ 11,258,623</b>	<b>\$ 12,649,770</b>	<b>\$ 16,006,201</b>	<b>\$ 17,897,886</b>	<b>\$ 13,323,885</b>	<b>\$ 14,111,488</b>
Covered-employee payroll	\$ 4,246,748	\$ 4,373,150	\$ 4,373,577	\$ 4,504,784	\$ 4,389,745	\$ 4,521,437
Net OPEB liability as a percentage of covered-employee payroll	265.11%	289.26%	365.98%	397.31%	303.52%	312.10%
<b>Notes to Schedule:</b>						
<i>Benefit Change:</i>	None	None	None	None	None	None
<i>Changes of Assumptions:</i>						
<i>Discount Rate:</i>	3.62%	3.50%	2.21%	2.16%	3.54%	3.65%
<i>Mortality:</i>	RP-2000	RP-2000	RP-2014	RP-2014	RP-2014	RP-2014
<i>Trend:</i>	5.5%	5.5%	4.5% to 5.5%	4.5% to 5.5%	4.5% to 5.5%	4.5% to 5.5%

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

**VERNON PARISH SHERIFF**  
**LEESVILLE, LOUISIANA**  
**SCHEDULE OF SHERIFF PROPORTIONATE SHARE OF NET PENSION LIABILITY**  
**FOR THE YEAR ENDED JUNE 30, 2023**

<u>Fiscal Year</u>	<u>Agency's proportion of the net pension liability (asset)</u>	<u>Agency's proportionate share of the net pension liability (asset)</u>	<u>Agency's covered payroll</u>	<u>Agency's proportionate share of the net pension liability (asset) as a percentage of its covered payroll</u>	<u>Plan fiduciary net position as a percentage of the total pension liability</u>
2015	0.8451%	\$ 3,346,418	\$ 5,370,905	62.31%	87.34%
2016	0.8101%	\$ 3,610,912	\$ 5,556,857	64.98%	99.23%
2017	0.8137%	\$ 5,164,176	\$ 5,566,364	92.77%	82.10%
2018	0.8036%	\$ 3,479,964	\$ 5,130,486	67.83%	102.00%
2019	0.7723%	\$ 2,961,656	\$ 4,502,102	65.78%	102.00%
2020	0.6445%	\$ 3,048,405	\$ 4,387,776	69.47%	88.91%
2021	0.5943%	\$ 4,113,380	\$ 4,375,373	94.01%	84.73%
2022	0.6006%	\$ (297,609)	\$ 4,575,687	-6.50%	101.04%
223	0.6168%	\$ 5,013,371	\$ 4,811,364	104.20%	83.90%

Amounts presented were determined as of the measurement date (previous fiscal year end).  
Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

**VERNON PARISH SHERIFF**  
**LEESVILLE, LOUISIANA**  
**SCHEDULE OF VERNON PARISH SHERIFF'S CONTRIBUTIONS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

Fiscal Year	(a) Statutorily required contribution	(b) Contributions in relation to the statutorily required contribution	(a-b) Contribution deficiency	Agency's covered payroll	Contributions as a percentage of covered payroll
2015	\$ 765,354	\$ 765,354	\$ -	\$ 5,370,905	14.25%
2016	\$ 764,069	\$ 764,069	\$ -	\$ 5,556,857	13.75%
2017	\$ 737,545	\$ 737,545	\$ -	\$ 5,566,364	13.25%
2018	\$ 654,137	\$ 654,137	\$ -	\$ 5,130,486	12.75%
2019	\$ 550,860	\$ 550,860	\$ -	\$ 4,502,102	12.24%
2020	\$ 537,503	\$ 537,503	\$ -	\$ 4,387,776	12.25%
2021	\$ 535,984	\$ 535,984	\$ -	\$ 4,375,373	12.25%
2022	\$ 560,523	\$ 560,523	\$ -	\$ 4,575,687	12.25%
2023	\$ 553,311	\$ 553,311	\$ -	\$ 4,811,364	11.50%

Amounts presented were determined as of the end of the fiscal year.

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

OTHER SUPPLEMENTAL INFORMATION

**STATE OF LOUISIANA, PARISH OF VERNON**

**AFFIDAVIT**

**JOHN S. CRAFT, Sheriff of VERNON PARISH**

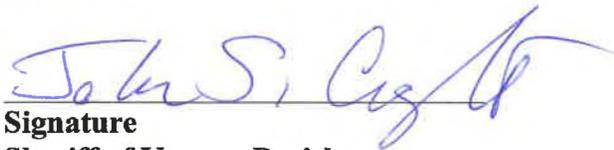
**BEFORE ME**, the undersigned authority, personally came and appeared, JOHN S. CRAFT the sheriff of VERNON Parish, State of Louisiana, who after being duly sworn, deposed and said:

**The following information is true and correct:**

**\$886,074 is the amount of cash on hand in the tax collector fund on JUNE 30, 2023;**

He further deposed and said:

**All itemized statements of the amount of taxes collected for tax year 2022, 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 Vernon Parish

**SWORN** to and subscribed before me, Notary, this 7 day of December 2023, in my office in the Leesville, Louisiana.  
(City/Town)

 (Signature)  
DEBORIA MENDOZA (Print), # 78238  
Notary Public  
DEATH (Commission)

**VERNON PARISH SHERIFF**  
**LEESVILLE, LOUISIANA**  
**SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS**  
**TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER**  
**JUNE 30, 2023**

Agency Head: Sam Craft, Sheriff

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 189,811
Benefits - Insurance	14,022
Benefits - Retirement	21,828
Travel Reimbursement	<u>1,180</u>
Total	<u>\$ 226,841</u>

OTHER SUPPLEMENTAL INFORMATION –  
COMPLIANCE REQUIREMENTS

# Justice System Funding Schedule - Collecting/Disbursing Entity

## As Required by Act 87 of the 2020 Regular Legislative Session

Identifying Information		
<b>Entity Name</b>	Vernon Parish Sheriff's Office	
<b>LLA Entity ID #</b> (This is the ID number assigned to the entity by the Legislative Auditor for identification purposes.)	3123	
<b>Date that reporting period ended</b> (mm/dd/yyyy)	06/30/2023	

<b>Cash Basis Presentation</b>	<b>First Six Month Period Ended 12/31/22</b>	<b>Second Six Month Period Ended 06/30/23</b>
<b>Beginning Balance of Amounts Collected (i.e. cash on hand)</b>	836,599	809,638

### Add: Collections

Civil Fees ( <i>including refundable amounts such as garnishments or advance deposits</i> )	110,003	153,034
Bond Fees - 2% Commissions	80,035	68,582
Bond Fees - Toomy - State Bonding Fees	13,731	14,278
Asset Forfeiture/Sale	526,842	775,445
Criminal Court Costs/Fees	506,675	753,919
Criminal Fines - Other	79,283	77,794
Service/Collection Fees (e.g. credit card fees, report fees, 3rd party service fees)	12,204	11,310
Interest Earnings on Collected Balances	230	253
Other - Prosecution Fees	9,278	11,578
Other - Deposit Slip/Check Fees	-	107
Other - Probation Fines	1,918	8,207
Other - Criminal Cash Bonds	21,384	43,314
<b>Subtotal Collections</b>	<b>1,361,583</b>	<b>1,917,819</b>

**Less: Disbursements To Governments & Nonprofits:** (*Must include one agency name and one collection type on each line and may require multiple lines for the same agency if more than one collection type is applicable. Additional rows may be added as necessary.*)

Vernon Parish Police Jury, Bond Fees	20,506	17,590
Vernon Parish Clerk of Court, Bond Fees	1,764	1,490
Vernon Parish District Attorney, Bond Fees	26,680	22,567
Indigent Defender Board, Bond Fees	22,270	19,080
North Louisiana Crime Lab, Bond Fees	1,764	1,490
Town of New Llano, Bond Fees	-	14
Leesville City Police Department, Bond Fees	-	224
Asset Forfeiture Sale	5,732	12,708
Vernon Parish Police Jury, Criminal Court Costs/Fees	30,331	33,696

<b>Cash Basis Presentation</b>	<b>First Six Month Period Ended 12/31/22</b>	<b>Second Six Month Period Ended 06/30/23</b>
Vernon Parish Clerk of Court, Criminal Court Costs/Fees	28,704	31,418
Vernon Parish District Attorney, Criminal Court Costs/Fees	30,690	36,735
Indigent Defender Board, Criminal Court Costs/Fees	68,946	82,804
North Louisiana Crime Lab, Criminal Court Costs/Fees	64,247	70,430
Louisiana Commission on Law Enforcement Training, Criminal Court Costs/Fees	2,985	3,581
Louisiana Commission on Law Enforcement Victims Rep, Criminal Court Costs/Fees	2,713	2,302
Louisiana Commission on Law Enforcement Drugs, Criminal Court Costs/Fees	1,348	1,459
Louisiana Department of Wildlife & Fisheries, Criminal Court Costs/Fees	93	37
Louisiana Department of Public Safety, Criminal Court Costs/Fees	400	516
Trial Court Case Management Information System, Criminal Court Costs/Fees	4,598	5,513
Louisiana Traumatic Head & Spinal Cord Injury Trust Fund, Criminal Court Costs/Fees	5,392	6,190
Central Louisiana Juvenile Detention Center, Criminal Court Costs/Fees	11,525	13,797
30th Judicial District Expense Fund, Criminal Court Costs/Fees	7,685	9,195
Louisiana Judicial College, Criminal Court Costs/Fees	840	1,018
Louisiana State Police, Criminal Court Costs/Fees	614	787
Leesville City Police Department, Criminal Court Costs/Fees	918	646
Vernon Parish District Attorney, Criminal Fines-Other	39,459	43,674
Vernon Parish Police Jury, Criminal Fines-Other	174,295	185,974
Vernon Parish Clerk of Court, Other-Prosecution Fees	1,600	1,566
Vernon Parish District Attorney, Other-Prosecution Fees	3,315	3,728
Vernon Parish Sheriff, Other-Probation Fines (To Court Fine Acct for Posting)	798	8,977
Vernon Parish Sheriff, Other-Criminal Cash Bonds (To Court Fine Acct for Posting)	4,245	-
Vernon Parish District Attorney, Other-Criminal Cash Bonds (Forfeitures)	1,320	-
Louisiana State Police, Other-L.A.C.E. Details	63,234	82,581
<b>Less: Amounts Retained by Collecting Agency</b>		
Bond Fees	22,270	19,081
Asset Forfeiture Sale	418,302	536,105
Criminal Court Costs/Fees	17,169	20,176
Criminal Fines-Other	39,446	43,671
Service/Collection Fees	33,889	36,840
Interest Earnings	90	105
Other-Prosecution Fees	4,906	5,376
Other-Operation Safe Roads	8,780	4,447
Other-Baliff Salary	3,600	3,600
Other-Deposit Slip/Check Orders	-	84
<b>Less: Disbursements to Individuals/3rd Party Collection or Processing Agencies</b>		

<b>Cash Basis Presentation</b>	<b>First Six Month Period Ended 12/31/22</b>	<b>Second Six Month Period Ended 06/30/23</b>
Civil Fee Refunds	92,591	17,516
Bond Fee Refunds	945	2,731
Other-Criminal Court Costs/Fees-Refunds	976	1,654
Other-Criminal Cash Bonds-Refunds	7,953	18,566
Other Disbursements	-	718
Payments to 3rd Party Collection/Processing Agencies	108,617	162,942
<b>Subtotal Disbursements/Retainage</b>	<b>1,388,544</b>	<b>1,575,400</b>
<b>Total: Ending Balance of Amounts Collected but not Disbursed/Retained (i.e. cash on hand)</b>	<b>809,638</b>	<b>1,152,057</b>

# Justice System Funding Schedule - Receiving Entity

## As Required by Act 87 of the 2020 Regular Legislative Session

### Identifying Information

**Entity Name**

Vernon Parish Sheriff's Office

**LLA Entity ID #** (This is the ID number assigned to the entity by the Legislative Auditor for identification purposes.)

3123

**Date that reporting period ended** (mm/dd/yyyy)

06/30/2023

### Cash Basis Presentation

	<b>First Six Month Period Ended 12/31/22</b>	<b>Second Six Month Period Ended 06/30/23</b>
--	--	---

**Receipts From:** (Must include one agency name and one collection type - see below - on each line and may require multiple lines for the same agency. Additional rows may be added as necessary.)

*Vernon Parish District Attorney, Criminal Court Costs/Fees*

29,223

22,729

*Vernon Parish Misdemeanor Probation, Criminal Court Costs/Fees*

36,728

40,730

*Ncourt, Service/Collection Fees (Credit Card Fees we never receive)*

16,277

25,975

**Subtotal Receipts**

82,228

89,433

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

To the Honorable John S. Craft  
Vernon Parish Sheriff  
Leesville, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities of Vernon Parish Sheriff, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Sheriff’s basic financial statements, and have issued my report thereon dated December 13, 2023.

***Internal Control Over Financial Reporting***

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

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or 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 weaknesses. However, material weaknesses may exist that have not been identified.

To the Honorable John S. Craft  
Vernon Parish Sheriff  
Leesville, Louisiana

***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether Vernon 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 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.

This report is intended for the use of management of Vernon Parish Sheriff and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

West Monroe, Louisiana  
December 13, 2023

A handwritten signature in cursive script that reads "David M. Smith, CPA (APSC)".

VERNON PARISH SHERIFF  
LEESVILLE, LOUISIANA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2023

To the Honorable John S. Craft  
 Vernon Parish Sheriff  
 Leesville, Louisiana

We have audited the financial statements of Vernon Parish Sheriff as of and for the year ended June 30, 2023, and have issued our report thereon dated December 13, 2023. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of June 30, 2023, resulted in an unqualified opinion.

Section I- Summary of Auditor's Results

A. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weakness \_\_\_ yes X no

Significant Deficiencies not considered to be  
 Material Weaknesses \_\_\_ yes X no

Compliance

Compliance Material to Financial Statements \_\_\_ yes X no

B. Federal Awards – N/A

Material Weakness Identified \_\_\_ yes \_\_\_ no

Significant Deficiencies not considered to be  
 Material Weaknesses \_\_\_ yes \_\_\_ no

Type of Opinion on Compliance For Major Programs (No Major Programs)

Unqualified \_\_\_ Qualified \_\_\_

Disclaimer \_\_\_ Adverse \_\_\_

Are there findings required to be reported in accordance with Circular A-133, Section .510 (a)? N/A

C. Identification of Major Programs: N/A

Name of Federal Program (or cluster) CFDA Number(s) N/A

Dollar threshold used to distinguish between Type A and Type B Programs. N/A

Is the auditee a “low-risk” auditee, as defined by OMB Circular A-133? N/A

VERNON PARISH SHERIFF  
LEESVILLE, LOUISIANA  
SCHEDULE OF PRIOR YEAR FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2023

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

No findings were reported under this section.

Section II - Financial Statement Findings

No findings were reported under this section.

Section III - Management Letter

No management letter was issued.

INDEPENDENT ACCOUNTANT'S REPORT  
ON APPLYING AGREED-UPON PROCEDURES

To the Vernon Parish Sheriff and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by the Vernon Parish Sheriff (the Entity) 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 July 1, 2022 through June 30, 2023. The Entity's management is responsible for those C/C areas identified in the SAUPs.

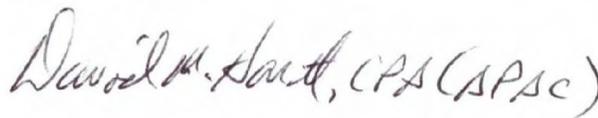
Vernon Parish Sheriff has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period July 1, 2022 through June 30, 2023. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and related exceptions obtained are described in the attachment to this report.

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

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

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



West Monroe, Louisiana  
December 13, 2023

## 1) *Written Policies and Procedures*

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- A. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
- i. ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
  - ii. ***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.
  - iii. ***Disbursements***, including processing, reviewing, and approving.
  - iv. ***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).
  - v. ***Payroll/Personnel***, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.
  - vi. ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
  - vii. ***Travel and Expense Reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
  - viii. ***Credit Cards (and debit cards, fuel cards, purchase 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).
  - ix. ***Ethics***, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
  - x. ***Debt Service***, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
  - xi. ***Information Technology Disaster Recovery/Business Continuity***, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
  - xii. ***Prevention of Sexual Harassment***, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

No exceptions noted.

## **2) Board or Finance Committee**

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- A. 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
- i. 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.
  - ii. For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternatively, for those entities reporting on the not-for-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.*
  - iii. For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned 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 unassigned fund balance in the general fund.
  - iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

This section not applicable.

## **3) Bank Reconciliations**

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

No exceptions noted.

#### 4) Collections (excluding electronic funds transfers)

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- A. 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).
- B. 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 (e.g., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then 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
  - i. Employees responsible for cash collections do not share cash drawers/registers;
  - ii. Each employee responsible for collecting cash is not also responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit;
  - iii. Each employee responsible for collecting cash is not also 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; and
  - iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, is (are) not also responsible for collecting cash, unless another employee/official verifies the reconciliation.
- C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was in force during the fiscal period.
- D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (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). *Alternatively, 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:
  - i. Observe that receipts are sequentially pre-numbered.
  - ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
  - iii. Trace the deposit slip total to the actual deposit per the bank statement.
  - iv. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
  - v. Trace the actual deposit per the bank statement to the general ledger.

No exceptions noted.

**5) Non-Payroll Disbursements (excluding card purchases, travel reimbursements, and petty cash purchases)**

---

- A. 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).
- B. For each location selected under procedure #5A 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, then inquire of employees about their job duties), and observe that job duties are properly segregated such that
  - i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;
  - ii. At least two employees are involved in processing and approving payments to vendors;
  - iii. 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;
  - iv. 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; and
  - v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

*[Note: Findings related to controls that constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality) should not be reported.]*

- C. For each location selected under procedure #5A 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
  - i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity, and
  - ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.
- D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

No exceptions noted.

**6) Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards)**

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- A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
- B. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement). Obtain supporting documentation, and
  - i. Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved) by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and
  - ii. Observe that finance charges and late fees were not assessed on the selected statements.
- C. Using the monthly statements or combined statements selected under procedure #7B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g., each card should have 10 transactions subject to inspection). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

No exceptions noted.

**7) Travel and Travel-Related Expense Reimbursements (excluding card transactions)**

---

- A. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements and obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected
  - i. If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov));
  - ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;
  - iii. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by Written Policies and Procedures procedure #1A(vii); and

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

No exceptions noted.

### **8) Contracts**

---

- A. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternatively, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and
  - i. Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law;
  - ii. Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter);
  - iii. If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, the documented approval); and
  - iv. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

No exceptions noted.

### **9) Payroll and Personnel**

---

- A. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
- B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and
  - i. Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);
  - ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;
  - iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and
  - iv. Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.

- C. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials and obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee's or official's cumulative leave records, agree the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to entity policy.
- D. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

No exceptions noted.

### **10) Ethics**

---

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and
  - i. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and
  - ii. Observe whether the entity maintains documentation which demonstrates that each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.
- B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

No exceptions noted.

### **11) Debt Service**

---

- A. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.
- B. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

This section not applicable.

## ***12) Fraud Notice***

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- A. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.
- B. Observe that the entity has posted, on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

No exceptions noted.

## ***13) Information Technology Disaster Recovery/Business Continuity***

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- A. Perform the following procedures, **verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."**
  - i. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.
  - ii. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
  - iii. Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.
- B. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.

We performed the procedures and discussed the results with management.

## ***14) Prevention of Sexual Harassment***

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- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.
- B. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

- C. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that the report includes the applicable requirements of R.S. 42:344:
- i. Number and percentage of public servants in the agency who have completed the training requirements;
  - ii. Number of sexual harassment complaints received by the agency;
  - iii. Number of complaints which resulted in a finding that sexual harassment occurred;
  - iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
  - v. Amount of time it took to resolve each complaint.

No exceptions noted.