

**EISNERAMPER**

**EAST BATON ROUGE PARISH SHERIFF**

**Baton Rouge, Louisiana**

**FINANCIAL REPORT**

**June 30, 2023**



**EAST BATON ROUGE PARISH SHERIFF**  
**Baton Rouge, Louisiana**

**TABLE OF CONTENTS**

	<u>Page</u>
Independent Auditors' Report	1 – 3
<b>REQUIRED SUPPLEMENTARY INFORMATION – Part I</b>	
Management's Discussion and Analysis	4 – 9
<b>BASIC FINANCIAL STATEMENTS</b>	
<b>GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)</b>	
Statement of Net Position	10
Statement of Activities	11
<b>FUND FINANCIAL STATEMENTS (FFS)</b>	
Balance Sheet – Governmental Funds	12
Reconciliation of the Governmental Funds' Balance Sheet to the Statement of Net Position	13
Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds	14
Reconciliation of the Governmental Funds' Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities	15
Statement of Fiduciary Net Position – Fiduciary Funds	16
Statement of Changes in Fiduciary Net Position - Fiduciary Funds	17
Notes to the Financial Statements	18 – 36
<b>REQUIRED SUPPLEMENTARY INFORMATION – Part II</b>	
Budgetary Comparison Schedule – General Fund	37
Schedule of Changes in Total Other Post-Employment Benefit Plan Liability and Related Ratios	38
Schedule of Proportionate Share of the Net Pension Liability – Sheriffs' Pension and Relief Fund	39
Schedule of the Employer's Contributions to the Sheriffs' Pension and Relief Fund	40
Notes to the Required Supplementary Information	41 – 42

**EAST BATON ROUGE PARISH SHERIFF**  
**Baton Rouge, Louisiana**

**TABLE OF CONTENTS**

OTHER SUPPLEMENTARY INFORMATION

Schedule of Compensation, Benefits and Other Payments to the East Baton Rouge Parish Sheriff	43
Justice System Funding Schedule – Receiving Entity	44
Justice System Funding Schedule – Collecting/Disbursing Entity	45 - 47

COMPLIANCE AND INTERNAL CONTROL

Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	48 - 49
Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance	50 - 52
Schedule of Expenditures of Federal Awards	53
Notes to the Schedule of Expenditures of Federal Awards (Supplementary Information)	54
Schedule of Findings and Questioned Costs	55 - 56
Summary Schedule of Prior Year Audit Findings	57

## **INDEPENDENT AUDITORS' REPORT**

Honorable Sid J. Gautreaux, III  
Sheriff and Tax Collector  
East Baton Rouge Parish Sheriff  
Baton Rouge, Louisiana

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

#### **Opinions**

We have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the East Baton Rouge Parish Sheriff (the "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, the major fund, and the aggregate remaining fund information of the East Baton Rouge 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the 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.

#### **Change in Accounting Principle**

As discussed in Note 1.N. to the financial statements, the East Baton Rouge Parish Sheriff implemented Governmental Accounting Standards Board Statement No. 96 *Subscription-Based Information Technology Arrangements*, which required, among other things, that liabilities and right-to-use assets be recorded for certain lease agreements. The implementation of this statement represents a change in accounting principle having a significant effect on the Sheriff's financial statements from prior year. Our opinion is not modified with respect to this matter.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; 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 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.

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



### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Sheriff's basic financial statements. The Schedule of Compensation, Benefits, and Other Payments to the East Baton Rouge Parish Sheriff and the Justice System Funding Schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is also presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 January 3, 2024, on our consideration of the 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 Sheriff's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Sheriff's internal control over financial reporting and compliance.

*EisnerAmper LLP*

EISNERAMPER LLP  
Baton Rouge, Louisiana  
January 3, 2024



**REQUIRED SUPPLEMENTARY INFORMATION – PART I**

**EAST BATON ROUGE PARISH SHERIFF**  
**Baton Rouge, Louisiana**

**Management's Discussion and Analysis**

This section of the East Baton Rouge Parish Sheriff's (the Sheriff's) annual financial report provides a narrative discussion and analysis of the financial activities of the Sheriff for the fiscal years ended June 30, 2023 and 2022. The Sheriff's financial performance is discussed and analyzed within the context of the financial statements and disclosures, which follow this section.

**Financial Highlights**

- The Sheriff's net position reflects a deficit of approximately \$30.9 million for the fiscal year ended June 30, 2023 compared to the deficit of approximately \$32 million for fiscal year ended June 30, 2022. This deficit net position primarily reflects the Sheriff's total other post-employment benefit liability. This liability accounts for approximately \$96 million or 55% of the total liabilities.
- Total revenues of approximately \$120.7 million were above total expenses of approximately \$119.6 million, resulting in an increase in the net position of approximately \$1 million for the year ended June 30, 2023 (a decrease in net position deficit). For the year ended June 30, 2022, total revenues of approximately \$106.3 million were above total expenses of \$100.9 million, resulting in an increase in net position of approximately \$5.3 million for that year (a decrease in net position deficit).
- The Sheriff's governmental funds contained total ending fund balances of approximately \$51.8 million and \$39.9 million as of June 30, 2023 and 2022, respectively. This level of fund balance provides a reasonably adequate level of operating reserves.
- Total net position is comprised of the following:
  - (1) Net investment in capital assets of \$14.6 million and \$13.6 million for the years ended June 30, 2023 and 2022 respectively. This investment in capital assets includes property and equipment net of accumulated depreciation and debt used to purchase or fund the assets.
  - (2) Restricted net position of \$0.8 million and \$3.7 million for the years ended June 30, 2023 and 2022, respectively. These resources consist primarily of seized assets, net of liabilities, or other accounts whose use is restricted by statute.
  - (3) Unrestricted net position deficit of \$46.4 million and \$49.3 million for the years ended June 30, 2023 and 2022, respectively indicates net liabilities for the long-term that must be paid from future resources.

*Greater detail of these financial highlights is provided in the "financial analysis" section of this document.*

**Overview of the Financial Statements**

Management's Discussion and Analysis introduces the Sheriff's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. The Sheriff also includes information in this report to supplement the basic financial statements.

***Government-wide Financial Statements***

The Sheriff's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the Sheriff's overall financial status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in accrual accounting and elimination or reclassification of activities between funds.

**EAST BATON ROUGE PARISH SHERIFF**  
**Baton Rouge, Louisiana**

**Management's Discussion and Analysis**

The first of these government-wide statements is the *Statement of Net Position*. This is the government-wide statement of position presenting information that includes all of the Sheriff's assets, deferred outflows, liabilities, and deferred inflows with the difference among them reported as *net position (deficit)*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Sheriff's office as a whole is improving or deteriorating. Evaluation of the overall financial health of the Sheriff's office would extend to other non-financial factors such as diversification of the taxpayer base in addition to the financial information provided in this report.

The second government-wide statement is the *Statement of Activities*, which reports how the Sheriff's net position changed during the current fiscal year. All current year revenues and expenses are included and reported when earned or owed regardless of when cash is received or paid. An important purpose of the design of the statement of activities is to show the financial reliance of the Sheriff's distinct activities or functions on revenues provided by taxpayers.

The government-wide financial statements present governmental activities of the Sheriff that are principally supported by tax revenue. The sole purpose of these governmental activities is public safety.

***Fund Financial Statements***

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The Sheriff uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the Sheriff's most significant funds, rather than the Sheriff as a whole.

The Sheriff uses governmental funds and fiduciary funds as follows:

*Governmental funds* are reported in the fund financial statements and encompass the same function reported as governmental activities in the government-wide financial statements. However, the focus is different with fund statements providing a distinctive view of the Sheriff's governmental operating and activities, including object classifications. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund operating statement provide a reconciliation to assist in understanding the differences between these two perspectives.

*Fiduciary funds* are reported in the fiduciary fund financial statements. These funds account for taxes collected for other taxing bodies, deposits and settlements held pending court action, the individual prison inmate accounts, and funds held for evidence in criminal proceedings. The only fiduciary type funds presented by the Sheriff is custodial funds. The Sheriff adopted GASB Statement 84, *Fiduciary Activities* as amended by GASB Statement 97 during the year ended June 30, 2021.

***Notes to the basic financial statements***

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements.

**EAST BATON ROUGE PARISH SHERIFF**  
**Baton Rouge, Louisiana**

**Management's Discussion and Analysis**

***Other information***

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Sheriff's budget presentations and post-employment benefit plans. Budgetary comparison statements are included as "required supplementary information" for the general fund. This schedule demonstrates compliance with the Sheriff's initially adopted and final revised budget. Other supplementary information not required by accounting standards includes the schedule of compensation, benefits, and other payments to East Baton Rouge Parish Sheriff, presented to reflect the total compensation to the agency head, and the justice funding schedules, presented to reflect pre and post adjudication collections and receipts.

**Financial Analysis**

The Sheriff's net position deficit was \$30.9 million and \$31.9 million at June 30, 2023 and 2022, respectively.

The following table provides a summary of the Sheriff's net position deficit:

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
	<u>Governmental Activities</u>	<u>Governmental Activities</u>
<b>Assets:</b>		
Current assets	\$ 56,810,229	\$ 49,802,734
Capital assets	21,202,933	18,762,012
Total assets	<u>78,013,162</u>	<u>68,564,746</u>
Deferred Outflows of Resources	<u>79,443,190</u>	<u>29,775,075</u>
<b>Liabilities:</b>		
Current liabilities	4,987,697	6,559,069
Long-term liabilities	170,600,887	77,625,632
Total liabilities	<u>175,588,584</u>	<u>84,184,701</u>
Deferred Inflows of Resources	<u>12,785,115</u>	<u>46,104,345</u>
<b>Net position (deficit):</b>		
Net investment in capital assets	14,619,039	13,610,954
Restricted	839,611	3,699,248
Unrestricted	<u>(46,375,997)</u>	<u>(49,259,427)</u>
Total net position	<u>\$ (30,917,347)</u>	<u>\$ (31,949,225)</u>

The Sheriff had \$14,619,039 and \$13,610,954 invested in capital assets (net of financing debt) at June 30, 2023 and 2022, respectively, consisting primarily of law enforcement and telecommunications equipment and vehicles. The unrestricted net deficit reflects liabilities incurred in excess of non-capital and restricted assets available to satisfy those liabilities. The increase is primarily due to the acquisition of law enforcement vehicles, buildings, right-of-use assets for subscription-based information technology arrangements, and right-of-use vehicle leased assets.

**EAST BATON ROUGE PARISH SHERIFF**  
**Baton Rouge, Louisiana**

**Management's Discussion and Analysis**

Long-term liabilities (Including current portion of long-term liabilities) consisting primarily of the total other post-employment benefit liability, compensated absences payable, and the lease liability were \$170,600,887 versus \$77,625,632 at June 30, 2023 and 2022, respectively. The change is primarily the result of the change in the net pension liability to a net pension asset and OPEB. This change is primarily the result of fluctuating discount rates and favorable investment performance.

*The following table provides a Summary Statement of Activities that accounts for the Sheriff's changes in net position:*

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
	<u>Governmental Activities</u>	<u>Governmental Activities</u>
Revenues:		
Program:		
Fees, charges, and commissions for services	\$ 25,204,349	\$ 19,296,318
Grants and contributions	7,046,113	3,521,512
	<u>32,250,462</u>	<u>22,817,830</u>
General:		
Ad valorem taxes	78,408,966	74,865,211
State grants not restricted to specific programs	4,512,986	4,053,764
Interest income	1,294,918	226,611
Contributions not restricted to specific programs	3,058,246	3,120,164
Miscellaneous	1,248,569	1,181,247
Total revenues	<u>120,774,147</u>	<u>106,264,827</u>
Expenses:		
Public safety:		
Personnel services and benefits	84,059,538	69,539,271
Operating services	22,103,160	21,994,359
Materials and supplies	10,657,601	7,370,921
Transporting and other charges	2,921,970	2,063,954
Total expenses	<u>119,742,269</u>	<u>100,968,505</u>
Change in net position	1,031,878	5,296,322
Beginning net position	<u>(31,949,225)</u>	<u>(37,245,547)</u>
Ending net position	<u>\$ (30,917,347)</u>	<u>\$ (31,949,225)</u>

**REVENUES**

Ad-valorem taxes funded approximately 65% and 70% of the Sheriff's operations for the years ended June 30, 2023 and 2022, respectively. Ad-valorem taxes typically change very little each year unless there is a reassessment or a change in millages. Program revenues consist of fees, charges and commissions for services as well as operating grants and contributions. Program revenues from fees, charges, and commissions for services funded 21% and 18% of operations for the years ended June 30, 2023 and 2022, respectively. Those revenues increased approximately \$5.8 million or 30% as a result of increased revenues collected from the City-Parish government for feeding and housing prisoners as well as additional civil and

**EAST BATON ROUGE PARISH SHERIFF**  
**Baton Rouge, Louisiana**

**Management's Discussion and Analysis**

criminal fee income. Grants and contributions comprised 6% and 3% of revenue for the years ended June 30, 2023 and 2022, respectively. Those revenues increased approximately \$3.5 million due to additional federal assistance resulting from disaster related grants.

**EXPENSES**

The primary function of the Sheriff's Office is public safety activities. Therefore, all expenses are presented within this category on the Statement of Activities. To highlight certain components of this broad category of expenses, we offer the following analysis.

Personnel expenses increased approximately \$14.5 million or 21%. The increased personnel expenses are attributable to adjustments associated with the net pension liability and the other post-employment benefits liability. Operating service expenses increased approximately \$0.1 million or .5%. This is primarily the result of increases in health care claims expense. Expenses for materials and supplies increased approximately \$3.1 million or 43% as a result of increased out-of-parish prisoner maintenance costs as well as additional supplies. Transporting and other costs increased approximately \$0.9 million or 42% primarily as a result of increased costs for guard services and state and federal prisoners.

**Financial Analysis of the Sheriff's Funds**

***Governmental funds***

As discussed, governmental funds are reported in the fund statements with a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Governmental funds reported ending fund balances of approximately \$51.8 million and \$39.9 million at June 30, 2023 and 2022, respectively. The fund balance as of June 30, 2023 represents approximately 48% of annual expenditures. This level of fund balance is necessary to allow the Sheriff to sustain operations during periods of decreased revenues without having to obtain significant short or long-term borrowings to fund operations. The Sheriff's management team is monitoring the fund balance level to ensure it is maintained at an adequate level.

**Budgetary Highlights**

***The General Fund*** — The original budget for the General Fund included anticipated revenues of approximately \$100.0 million and \$100.7 million for the years ended June 30, 2023 and 2022, respectively, a decrease of approximately \$0.7 million from 2022 to 2023. For the fiscal year ended June 30, 2023, the budget was amended to reflect net changes among various revenue accounts for an increase totaling approximately \$15.5 million. This budget increase is attributable to higher revenues associated with grant revenues and feeding and keeping prisoners as well as taxes. The total actual revenues of \$116.9 million, as reported in the General Fund, was consistent with the amended budget.

The original budget for the General Fund included anticipated expenditures of approximately \$105 million for the years ended June 30, 2023 and 2022. For the year ended June 30, 2023, the budget was amended to reflect an increase of approximately \$4.9 million in anticipated expenditures. The total actual expenditures of \$107 million, as reported in the General Fund, were less than the amended budget by approximately \$2.8 million, primarily due to lower than expected personnel and operating service costs.

Overall, the net change (increase) in fund balance for the year ended June 30, 2023 of \$11.8 million was higher than the amended budget.

**EAST BATON ROUGE PARISH SHERIFF**  
**Baton Rouge, Louisiana**

**Management's Discussion and Analysis**

**Capital Assets and Debt Administration**

***Capital assets***

The Sheriff's investment in capital assets was \$21,202,933, net of accumulated depreciation/amortization of \$27,743,754 at June 30, 2023 and \$18,762,012 net of accumulated depreciation/amortization of \$24,074,672 at June 30, 2022. Under the Sheriff's capitalization policy, assets with a cost of \$5,000 or more are capitalized for purposes of financial reporting. All assets with a cost of \$500 or more, as well as certain assets with a cost of less than \$500, are inventoried and tracked. See Note 3 within the notes to the financial statements for additional information about changes in capital assets during the fiscal year and the balance at the end of the year.

The following table provides a summary of capital asset categories:

Capital Assets  
(net of accumulated depreciation and amortization, where applicable)

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Land	\$ 68,566	\$ 68,566
Work-in-progress	57,497	652,697
Buildings	4,958,772	3,182,580
Vehicles	6,020,398	6,401,309
Office furniture & equipment	528,305	552,149
Law enforcement equipment	2,921,385	2,647,049
Telecommunications equipment	142,004	184,443
Right-of-use assets	6,506,006	5,073,219
Total capital assets	<u>\$ 21,202,933</u>	<u>\$ 18,762,012</u>

At June 30, 2023 and 2022, the depreciable capital assets for governmental activities were 57% and 55% depreciated, respectively.

***Long-term liabilities***

The Sheriff has no long-term bonded debt or borrowings outstanding at June 30, 2023. Other long-term liabilities consisted of total other post-employment benefits liability of \$96,318,558; general liability and auto claims payable of \$6,200,000, compensated absences of \$7,738,801, lease liability of \$5,331,283, and subscription-based information technology arrangements liability of \$1,252,611 as of June 30, 2023. These long-term liabilities increased approximately \$93 million in total from June 30, 2022 primarily as a result of changes in actuarial assumptions and investment performance which resulted in a net pension liability of \$53.8 million at June 30, 2023 from a net pension asset of \$3.3 million at June 30, 2022. Total other past-employed benefit liability increased 37.1 million as well.

**Economic Conditions and Budgets of Future Periods**

In setting the fiscal year 2024 General Fund budget, while property tax was projected to increase, most other revenue sources are anticipated to decline including grant revenues, fees, and feeding and keeping of prisoners. Expenditures are also expected to remain consistent with actual 2023 expenditures..

**Contacting the Sheriff's Financial Management**

This financial report is designed to provide a general overview of the Sheriff's finances, comply with laws and regulations related to finance, and demonstrate the Sheriff's commitment to public accountability. If you have questions about this report or would like to request additional information, contact the Sheriff's Office, David Yellott, Chief Financial Officer, at (225) 389-8970 or email at [dyellott@ebrso.org](mailto:dyellott@ebrso.org).

**EAST BATON ROUGE PARISH SHERIFF**  
**Baton Rouge, Louisiana**

**STATEMENT OF NET POSITION**  
**June 30, 2023**

**ASSETS**

Cash	\$ 51,869,414
Receivables	1,775,909
Due from other governments	2,903,144
Other	261,762
Capital assets not being depreciated:	
Land	68,566
Work-in-progress	57,497
Capital assets, net of depreciation	<u>21,076,870</u>
Total assets	<u>78,013,162</u>

**DEFERRED OUTFLOWS OF RESOURCES**

Deferred pension contributions	5,552,599
Deferred outflow amounts related to total other post-employment benefits	39,164,929
Deferred outflow amounts related to net pension liability	<u>34,725,662</u>
Total deferred outflows of resources	<u>79,443,190</u>

**LIABILITIES**

Accounts payable and accrued liabilities	3,618,956
Health claims payable	1,000,000
Due to others	368,741
Long-term liabilities:	
Due in one year:	
Compensated absences payable	4,467,212
Total other post-employment benefit liability	2,261,650
Subscription-based information technology arrangements	421,371
Lease liability	1,429,330
Due in more than one year:	
Compensated absences payable	3,271,589
General liability and auto claims payable	6,200,000
Subscription-based information technology arrangements	831,240
Lease liability	3,901,953
Total other post-employment benefit liability	94,056,908
Net pension liability	<u>53,759,634</u>
Total liabilities	<u>175,588,584</u>

**DEFERRED INFLOWS OF RESOURCES**

Deferred inflow amounts related to total other post-employment benefits	9,411,053
Deferred inflow amounts related to net pension liability	<u>3,374,062</u>
Total deferred inflows of resources	<u>12,785,115</u>

**NET POSITION**

Net investment in capital assets	14,619,039
Restricted	839,611
Unrestricted	<u>(46,375,997)</u>
Total net deficit	<u>\$ (30,917,347)</u>

The accompanying notes are an integral part of this statement.

**EAST BATON ROUGE PARISH SHERIFF**

**Baton Rouge, Louisiana**

**STATEMENT OF ACTIVITIES**

**YEAR ENDED JUNE 30, 2023**

		<u>Program Revenues</u>			<u>Net (Expense)</u>
	<u>Expenses</u>	<u>Fees, Fines, and Charges for Services</u>	<u>Capital Grants and Contributions</u>	<u>Operating Grants and Contributions</u>	<u>Revenues and Changes in Net Position</u>
<b>Governmental Activities:</b>					
Public Safety	\$119,404,255	\$ 25,204,349	\$ 623,387	\$ 6,422,726	\$ (87,153,793)
Interest	338,014	-	-	-	(338,014)
Total Governmental Activities	<u>\$119,742,269</u>	<u>\$ 25,204,349</u>	<u>\$ 623,387</u>	<u>\$ 6,422,726</u>	<u>(87,491,807)</u>
<b>General revenues:</b>					
Ad valorem taxes					78,408,966
State grants not restricted to specific programs					4,512,986
Interest income					1,294,918
Contributions not restricted to specific programs					3,058,246
Other					<u>1,248,569</u>
Total general revenues					<u>88,523,685</u>
Change in net position					1,031,878
<b>Net position - beginning</b>					<u>(31,949,225)</u>
<b>Net position - ending</b>					<u>\$ (30,917,347)</u>

The accompanying notes are an integral part of this statement.

**EAST BATON ROUGE PARISH SHERIFF****Baton Rouge, Louisiana****BALANCE SHEET - GOVERNMENTAL FUNDS****JUNE 30, 2023**

	<u>General Fund</u>	<u>Non-Major Canteen Fund</u>	<u>Total</u>
<b><u>ASSETS</u></b>			
Cash	\$ 50,433,776	\$ 544,483	\$ 50,978,259
Cash restricted	891,155	-	891,155
Receivables	1,775,909	-	1,775,909
Due from other governments	2,903,144	-	2,903,144
Other	251,411	10,351	261,762
Total assets	<u>\$ 56,255,395</u>	<u>\$ 554,834</u>	<u>\$ 56,810,229</u>
<b><u>LIABILITIES</u></b>			
Accounts payable and accrued liabilities	\$ 3,523,481	\$ 95,475	\$ 3,618,956
Health claims payable	1,000,000	-	1,000,000
Due to others	368,741	-	368,741
Total liabilities	<u>4,892,222</u>	<u>95,475</u>	<u>4,987,697</u>
<b><u>FUND BALANCE</u></b>			
Restricted	839,611	-	839,611
Committed	-	459,359	459,359
Assigned	14,030,000	-	14,030,000
Unassigned	36,493,562	-	36,493,562
Total fund balances	<u>51,363,173</u>	<u>459,359</u>	<u>51,822,532</u>
Total liabilities and fund balances	<u>\$ 56,255,395</u>	<u>\$ 554,834</u>	<u>\$ 56,810,229</u>

The accompanying notes are an integral part of this statement.

**EAST BATON ROUGE PARISH SHERIFF**  
**Baton Rouge, Louisiana**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS' BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION**  
**JUNE 30, 2023**

Total Fund Balances for governmental funds at June 30, 2023 \$ 51,822,532

Total Net Position reported for governmental activities in the Statement of Net Position is different because:

Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds. Total capitalized cost, net of \$27,743,754 accumulated depreciation and amortization: 21,202,933

Long-term liabilities at June 30, 2022:

Total other post-employment benefits liability	(96,318,558)
Claims payable - general liability and auto	(6,200,000)
Compensated absences payable	(7,738,801)
Subscription-based information technology arrangements	(1,252,611)
Lease liability	(5,331,283)
Pension liabilities, deferred inflows and deferred outflows of resources:	
Net pension asset	(53,759,634)
Deferred inflows related to net pension liability	(3,374,062)
Deferred outflows related to other post employment benefits	39,164,929
Deferred outflows related to net pension liability	40,278,261
Deferred inflows related to other post employment benefits	<u>(9,411,053)</u>

Total Net Position of governmental activities at June 30, 2023 \$ (30,917,347)

The accompanying notes are an integral part of this statement.

**EAST BATON ROUGE PARISH SHERIFF**  
**Baton Rouge, Louisiana**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - GOVERNMENTAL FUNDS**  
**YEAR ENDED JUNE 30, 2023**

<b><u>REVENUES</u></b>	<b>General Fund</b>	<b>Non-Major Canteen Fund</b>	<b>Total</b>
Ad valorem taxes	\$ 78,408,966	\$ -	\$ 78,408,966
Intergovernmental revenues:			
Federal grants and other financial assistance	4,718,890	-	4,718,890
State grants	1,779,372	-	1,779,372
State supplemental pay	3,819,814	-	3,819,814
State revenue sharing	693,172	-	693,172
Fees, charges, and commissions for services:			
Civil and criminal fees	9,296,091	-	9,296,091
Court attendance	102,918	-	102,918
Transporting prisoners	322,696	-	322,696
Feeding and keeping prisoners	9,899,532	-	9,899,532
Sales of merchandise	-	53,525	53,525
Fines and forfeitures	306,827	-	306,827
Narcotics seizures	459,209	-	459,209
Other	4,340,534	423,017	4,763,551
Interest income	1,282,452	12,466	1,294,918
Donations	547,851	-	547,851
Miscellaneous	1,002,515	35,498	1,038,013
Total Revenues	<u>116,980,839</u>	<u>524,506</u>	<u>117,505,345</u>
 <b><u>EXPENDITURES</u></b>			
Public safety:			
Personnel services and related benefits	69,612,576	-	69,612,576
Operating services	15,311,219	386,288	15,697,507
Materials and supplies	10,584,759	72,842	10,657,601
Transporting and other charges	2,900,649	21,321	2,921,970
Debt service:			
Principal	1,830,433	-	1,830,433
Interest	338,014	-	338,014
Capital outlay	6,602,494	-	6,602,494
Total Expenditures	<u>107,180,144</u>	<u>480,451</u>	<u>107,660,595</u>
 EXCESS OF REVENUES OVER EXPENDITURES	 9,800,695	 44,055	 9,844,750
 Other financing sources:			
Lease proceeds	1,790,842	-	1,790,842
Sale of fixed assets	290,629	-	290,629
Total other financing sources	<u>2,081,471</u>	<u>-</u>	<u>2,081,471</u>
 <b>Net change in fund balance</b>	 11,882,166	 44,055	 11,926,221
 FUND BALANCE AT BEGINNING OF YEAR	 <u>39,481,007</u>	 <u>415,304</u>	 <u>39,896,311</u>
<b>FUND BALANCE AT END OF YEAR</b>	<b><u>\$ 51,363,173</u></b>	<b><u>\$ 459,359</u></b>	<b><u>\$ 51,822,532</u></b>

The accompanying notes are an integral part of this statement.

**EAST BATON ROUGE PARISH SHERIFF**

**Baton Rouge, Louisiana**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS'**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCES TO THE STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2023**

Total Net Change in Fund Balance for year ended June 30, 2023, \$ 11,926,221  
per Statement of Revenues, Expenditures and Changes in Fund Balances

The change in net position reported for governmental activities in the  
Statement of Activities is different because:

Governmental funds report capital asset purchases as expenditures. However,  
in the Statement of Activities, the cost of those assets is allocated over their  
estimated useful lives and reported as depreciation expense.

Purchases of capital assets	4,152,753	
Addition of right of use assets	1,636,347	
Addition of subscription-based information technology arrangements	154,495	
Depreciation expense	(3,062,729)	
Right of use asset amortization	(1,474,230)	
Subscription-based information technology arrangements amortization (SBITA)	(358,069)	
Net book value of capital assets disposed	<u>(145,020)</u>	903,547
Excess of compensated absences taken over compensated absences earned		217,782

Governmental funds report debt proceeds as other financing sources. However,  
in the Statement of Activities, this debt is recorded as a liability. Likewise, in the  
governmental funds, principle payments are reported as an expenditure, but in  
the Statement of Activities, its reported as a reduction in liabilities.

Lease and SBITA liabilities incurred		(1,790,842)
Principal reductions on lease and SBITA obligations		1,895,380
Change in general and auto claims payable		(900,000)
Net change in other post-employment benefits liability and deferred inflows/outflows of resources		(8,812,664)
Net change in pension liability and deferred inflows/outflows of resources		<u>(2,407,546)</u>

Total change in Net Position for year ended June 30, 2023, per Statement of Activities \$ 1,031,878

The accompanying notes are an integral part of this statement.

**EAST BATON ROUGE PARISH SHERIFF**  
**Baton Rouge, Louisiana**

**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**June 30, 2023**

	Sheriff's Fund	Prison Inmate Fund	Tax Collector Fund	Evidence Fund	Total
<b><u>ASSETS</u></b>					
Cash and cash equivalents	\$ 8,874,627	\$ 252,835	\$ 5,362,313	\$ 3,639,551	\$ 18,129,326
Receivables	118,826	-	-	27	118,853
Total assets	<u>\$ 8,993,453</u>	<u>\$ 252,835</u>	<u>\$ 5,362,313</u>	<u>\$ 3,639,578</u>	<u>\$ 18,248,179</u>
<b><u>LIABILITIES</u></b>					
Due to taxing bodies and others:					
Due to taxing bodies	\$ -	\$ -	\$ 2,759,328	\$ -	\$ 2,759,328
Due to individuals and other organizations	7,282,122	252,835	-	-	7,534,957
Total Liabilities	<u>7,282,122</u>	<u>252,835</u>	<u>2,759,328</u>	<u>-</u>	<u>10,294,285</u>
<b><u>NET POSITION</u></b>					
Restricted for individuals and other governments	<u>\$ 1,711,331</u>	<u>\$ -</u>	<u>\$ 2,602,985</u>	<u>\$ 3,639,578</u>	<u>\$ 7,953,894</u>

The accompanying notes are an integral part of this statement.

**EAST BATON ROUGE PARISH SHERIFF**  
**Baton Rouge, Louisiana**

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**YEAR ENDED JUNE 30, 2023**

	<u>Sheriff's Fund</u>	<u>Prison Inmate Fund</u>	<u>Tax Collector Fund</u>	<u>Evidence Fund</u>	<u>Total</u>
<b><u>REVENUES</u></b>					
Deposits:					
Suits, successions, etc.	\$ 20,001,000	\$ -	\$ -	\$ -	\$ 20,001,000
Garnishments	15,789,089	-	-	-	15,789,089
Surety bonds	1,030,755	-	-	-	1,030,755
Taxes, fees, etc. paid to tax collector	-	-	538,361,040	-	538,361,040
Interest on investments	-	-	2,515,588	-	2,515,588
Other Additions					
Prisoner deposits	-	709,265	-	-	709,265
Evidence cash received	-	-	-	805,059	805,059
Total additions	<u>36,820,844</u>	<u>709,265</u>	<u>540,876,628</u>	<u>805,059</u>	<u>579,211,796</u>
<b><u>EXPENSES</u></b>					
Taxes, fees, etc. distributed					
to taxing bodies and others	-	-	540,812,355	-	540,812,355
Payments to litigants, etc.	35,670,406	-	-	-	35,670,406
Fees to other entities	549,264	-	-	-	549,264
Surety bond refunds	337,639	-	-	-	337,639
Refunds to released inmates and					
prisoner program disbursements	-	709,265	-	-	709,265
Authorized program disbursements	-	-	-	1,054,111	1,054,111
Total deductions	<u>36,557,309</u>	<u>709,265</u>	<u>540,812,355</u>	<u>1,054,111</u>	<u>579,133,040</u>
Net increase (decrease) in fiduciary net position	263,535	-	64,273	(249,052)	78,756
<b><u>NET POSITION, BEGINNING</u></b>	<u>1,447,796</u>	<u>-</u>	<u>2,538,712</u>	<u>3,888,630</u>	<u>7,875,138</u>
<b><u>NET POSITION, ENDING</u></b>	<u>\$ 1,711,331</u>	<u>\$ -</u>	<u>\$ 2,602,985</u>	<u>\$ 3,639,578</u>	<u>\$ 7,953,894</u>

The accompanying notes are an integral part of this statement.

**BASIC FINANCIAL STATEMENTS**

**NOTES TO THE FINANCIAL STATEMENTS**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

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

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

**BASIS OF PRESENTATION**

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

**GOVERNMENT-WIDE STATEMENTS:**

The statement of net position and the statement of activities display information about the primary government. They include all of the non-fiduciary type funds of the reporting entity, which are considered to be governmental activities. Information contained in these statements reflects the economic resources measurement focus and the accrual basis of accounting.

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

**FUND FINANCIAL STATEMENTS:**

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

The Sheriff reports the following major governmental fund:

**General Fund**

The General Fund, as provided by Louisiana Revised Statute 33:1422, is the principal fund of the Sheriff's Office and accounts for a majority of the operations of the Sheriff's Office. The Sheriff's primary source of revenue are ad valorem taxes levied by the law enforcement district. Other sources of revenue include commissions on state revenue sharing, state supplemental pay for deputies, civil and criminal fees, fees for court attendance, and maintenance of prisoners, et cetera. General operating expenditures are paid from this fund.

**NOTES TO THE FINANCIAL STATEMENTS**

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

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

The Sheriff reports the following non-major governmental fund:

Special Revenue Fund

Special Revenue Funds account for the proceeds of restricted or committed revenue sources. The Canteen Fund accounts for the operation of the prison commissary which is funded through sales of goods and services to prisoners.

Additionally, the Sheriff reports a fiduciary fund type as follows:

Custodial Funds

The custodial funds are used as depositories for civil suits, cash bonds, ad-valorem taxes collected, fees, evidence seized, prisoner deposits, et cetera. Disbursements from these funds are made to various local government agencies, litigants in suits, detainees, et cetera, in the manner prescribed by law. These funds are custodial in nature.

**B. REPORTING ENTITY**

GASB Codification Section 2100 sets forth the definition of the reporting entity.

For financial reporting purposes, the Sheriff includes all funds, activities, et cetera, that are controlled by the Sheriff as an independently elected parish 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. Other than certain operating expenditures of the Sheriff's Office that are paid or provided by the city-parish council as required by Louisiana law, the Sheriff is fiscally independent and is financially accountable to no other entity. As required by generally accepted accounting principles, the financial statements of the reporting entity include only those of the East Baton Rouge Parish Sheriff (the primary government). There are no component units to be included in the Sheriff's reporting entity.

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

The Government-Wide Financial Statements (GWFS) and fiduciary fund statements are reported using the economic resources measurement focus. The government-wide and fiduciary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the Sheriff gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied and enabling legislation occurred making the funds available from the grantor. Fiduciary funds record expenses when compelled to disburse.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The Sheriff considers all property tax revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Property taxes and interest are considered to be susceptible to accrual. Revenues from grants, entitlements, and donations are considered available if it's probable that the revenues will be collected within six months after year end. Expenditures are recorded when the related fund liability is incurred, except for claims and judgments and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds.

**NOTES TO THE FINANCIAL STATEMENTS**

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

**D. BUDGET PRACTICES**

The proposed budget for the year ended June 30, 2023, was made available for public inspection and comments from taxpayers at the Sheriff's office on June 10, 2022. A public hearing was held on the proposed budget at least 10 days after publications of the call of the hearing. The proposed budget was published in the official journal ten days prior to the public hearing, which was held at the Sheriff's Office on June 28, 2022 for the comments from taxpayers. The budget was legally adopted and amended, as necessary, by the Sheriff.

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

The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP). The budget presented in the accompanying budgetary comparison schedule includes the originally adopted budget and the final budget which includes all subsequent amendments.

**E. CASH AND CASH EQUIVALENTS**

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

Under state law, the Sheriff may invest in United States bonds, treasury notes, U.S. Agency obligations or investment grade commercial paper. These are classified as investments if their original maturity exceeds 90 days.

**F. CAPITAL ASSETS**

All capital assets are capitalized at historical cost, or estimated historical costs for assets where actual cost is not available. Donated fixed assets are recorded as capital assets at their acquisition value at the date of donation. The Sheriff maintains a threshold level of \$5,000 or more for capitalizing assets. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets' lives are not capitalized.

Capital assets are recorded in the Statement of Net Position and depreciation thereon within the Statement of Activities. Since surplus assets are sold for an immaterial amount when declared no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Buildings and Improvements	40
Vehicles	5
Office Furniture and Equipment	5 - 15
Law Enforcement Equipment	7 - 10
Telecommunications Equipment	10 - 15

**NOTES TO THE FINANCIAL STATEMENTS**

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

**G. LEASES AND SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS**

The Sheriff is a lessee under noncancellable lease agreements for a variety of purposes and uses, including office space, facilities, and vehicles. The Sheriff has also entered into certain subscription-based information technology arrangements. In accordance with GASB Statement No. 87, *Leases* and GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, the Sheriff recognizes a lease/subscription liability and an intangible right-to-use lease asset (lease/subscription asset) in the financial statements. Lease/subscription liabilities are recorded for contracts with an initial individual value that is material to the financial statements and with lease periods greater than one year.

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

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

The Sheriff monitors changes in circumstances that would require a remeasurement of its lease/subscription and will remeasure the lease/subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the lease/subscription liability. Lease/subscription assets are reported with capital assets and lease/subscription liabilities are reported with long-term debt on the statement of net position.

**H. COMPENSATED ABSENCES**

Employees of the Sheriff's Office earn from 16 to 22 hours of paid time off (PTO) every 28 days of uninterrupted full-time employment. Maximum accrual of PTO is 1,040 hours, depending upon length of service. During the year ended June 30, 2010, the Sheriff discontinued the accrual of sick leave. The unused sick leave was transferred to PTO to the extent that the transfer did not cause accumulated PTO to exceed 1,040 hours. The remaining sick leave that could not be transferred will be available for the respective employees to use. However, upon termination, accumulated sick leave that was not transferred to PTO, will not be paid out. Upon termination of employment, employees are paid for accrued but unused PTO up to 300 hours.

**NOTES TO THE FINANCIAL STATEMENTS**

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

**H. COMPENSATED ABSENCES** (continued)

Law enforcement employees receive overtime compensation for compensable hours worked in excess of 171 hours in a 28-day work period. Non-law enforcement employees receive overtime compensation for compensable hours worked in excess of 40 hours during a 7-day work week. Exempt employees are not compensated for overtime unless in the case of emergency response as approved by the Sheriff. As a condition of employment with the Sheriff's Office, nonexempt employees receive compensatory time (CT), at the rate of time and a half, in lieu of immediate cash payment for overtime. CT is time off with full pay and benefits (insurance, pension, and accrual of PTO). A maximum of 480 hours of CT may be accumulated for law enforcement personnel. A maximum of 240 hours of CT may be accumulated by non-law enforcement personnel.

The cost of leave privileges is recognized as current year expenditure in the General Fund when leave is actually taken or paid upon termination. The cost of leave privileges not requiring current resources is reported as a liability in the Statement of Net Position. As such, all accumulated CT and up to 300 hours of PTO is accrued as a liability in the Statement of Net Position.

**I. FUND EQUITY OF FUND FINANCIAL STATEMENTS**

Accounting standards require governmental fund balances to be reported in as many as five classifications as listed below in accordance with Governmental Accounting Standards Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*:

Nonspendable – represent permanently nonspendable balances that are not expected to be converted to cash.

Spendable

Restricted – represent balances where constraints have been established by external parties or by enabling legislation.

Committed – represent balances where constraints have been established by formal action of the Sheriff.

Assigned – represent balances where informal constraints have been established by the Sheriff or his delegate, but that are not restricted nor committed.

Unassigned – represent balances for which there are no constraints.

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

**J. USE OF ESTIMATES**

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows, liabilities, deferred inflows, disclosure of contingent assets, liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**NOTES TO THE FINANCIAL STATEMENTS**

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

**K. RESTRICTED NET POSITION**

For the government-wide statement of net position, net position is reported as restricted when constraints placed on net position use either externally imposed by creditors (such as debt covenants), grants, contributors, laws, or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation.

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

**L. PENSION PLANS**

The East Baton Rouge Parish Sheriff's Office is a participating employer in the Louisiana Sheriffs' Pension and Relief Fund (Fund) as described in Note 7. For purposes of measuring the Net Pension Liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Fund, and additions to/deductions from the Fund's fiduciary net position have been determined on the same basis as they are reported by the Fund. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments have been reported at fair value within the Plan.

**M. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES**

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net assets that applies to a future period(s) and as such will not be recognized as an outflow of resources (expense/expenditure) until then. See Note 7 for additional information on deferred outflows of resources related to defined benefit pension plans and Note 8 for additional information on deferred outflows of resources related to other post-employment benefits.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets that applies to a future period(s) and as such, will not be recognized as an inflow of resources (revenues) until that time. See Note 7 for additional information on deferred inflows of resources related to defined benefit pension plans and Note 8 for additional information on deferred inflows of resources related to other post-employment benefits.

**N. NEWLY ADOPTED ACCOUNTING STANDARD**

The Sheriff has implemented GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. Under this Statement, governments with subscription-based information technology arrangements, as defined, are required to recognize a right-to-use subscription asset – an intangible asset – and a corresponding subscription liability.

While GASB 96 resulted in the recording of assets and liabilities that were not previously recognized, and changes to the accounting for subscription payments, 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, subscription payments are accounted for as repayment of the subscription liability.

**EAST BATON ROUGE PARISH SHERIFF**  
**Baton Rouge, Louisiana**

**NOTES TO THE FINANCIAL STATEMENTS**

**2. PROPERTY TAXES**

The 1974 Louisiana Constitution (Article 7 Section 18) provided that land and improvements for residential purposes be assessed at 10% of fair market value; other property and electric cooperative properties, excluding land, are to be assessed at 15%; and public service properties, excluding land, are to be assessed at 25% of fair market value. Fair market value is determined by the elected assessor of the parish on all property subject to taxation except public service properties, which are valued by the Louisiana Tax Commission (LRS 47:1957). The correctness of assessments by the assessor is subject to review and certification by the Louisiana Tax Commission. The assessor is required to reappraise all property subject to taxation at intervals of not more than four years.

The Sheriff, by State Law (LRS 33:1435), is the official tax collector of general property taxes levied by the Parish. Taxes collected are distributed to the various taxing authorities, including the Sheriff's General Fund on a monthly basis.

The 2022 property tax calendar is as follows:

Levy date:	November 3, 2022
Millage rates adopted:	November 3, 2022
Tax bills mailed:	November 28, 2022
Due date:	December 31, 2022
Lien date:	January 1, 2023

State Law requires the Sheriff to collect property taxes in the calendar year in which the levy is made. Property taxes become delinquent January 1<sup>st</sup> of the following year. If taxes are not paid by the due date, taxes bear interest at the rate of one and one-fourth percent per month until the taxes are paid (LRS 47:2101). After notice is given to the delinquent taxpayers, the Sheriff is required by the Constitution of the State of Louisiana to sell the least quantity of property necessary to settle the taxes and interest owed (LRS 47:2181).

The following is a summary of authorized and levied property taxes:

	<b>Authorized Millage</b>	<b>Levied Millage</b>	<b>Expiration Date</b>
Special law enforcement	4.36	4.36	None
Additional special law enforcement	6.90	6.90	12/31/2033*
Special law enforcement	3.73	3.73	12/31/2030

\*As approved by voters in December 2022.

**EAST BATON ROUGE PARISH SHERIFF**  
**Baton Rouge, Louisiana**

**NOTES TO THE FINANCIAL STATEMENTS**

**3. CAPITAL ASSETS**

Capital assets and depreciation activity as of and for the year ended June 30, 2023, are as follows:

	Beginning Balance (Restated)	Increases	Decreases	Ending Balance
<u>Cost</u>				
Land	\$ 68,566	\$ -	\$ -	\$ 68,566
Work-in-progress	652,697	57,498	(652,698)	57,497
Buildings	5,436,169	1,996,382	-	7,432,551
Vehicles	19,884,887	1,755,569	(882,557)	20,757,899
Office furniture and equipment	2,479,317	139,995	(90,000)	2,529,312
Law enforcement equipment	7,574,790	856,007	-	8,430,797
Telecommunications equipment	496,878	-	-	496,878
Total	<u>36,593,304</u>	<u>4,805,451</u>	<u>(1,625,255)</u>	<u>39,773,500</u>
Accumulated Depreciation and Amortization	<u>(22,899,748)</u>	<u>(3,062,729)</u>	<u>890,667</u>	<u>(25,071,810)</u>
 <u>Leases</u>				
Right-of-use assets-land and buildings	2,125,379	-	-	2,125,379
Right-of-use assets-vehicles	4,118,001	1,636,347	(398,409)	5,355,939
Less accumulated amortization	(1,174,924)	(1,474,230)	335,279	(2,313,875)
 <u>Subscriptions Based IT Arrangements</u>				
Right-of-use assets-law enforcement equipment	1,537,374	154,495	-	1,691,869
Less accumulated amortization	-	(358,069)	-	(358,069)
 Total Capital Assets (net)	<u>\$ 20,299,386</u>	<u>\$ 1,701,265</u>	<u>\$ (797,718)</u>	<u>\$ 21,202,933</u>

For the year ended June 30, 2023, depreciation expense was \$3,062,729, amortization expense on right-of-use assets was \$1,474,230, and amortization expense on subscription-based information technology arrangements was \$358,069.

**4. CASH AND CASH EQUIVALENTS**

At June 30, 2023, the Sheriff has cash and cash equivalents consisting solely of deposits in financial institutions. 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.

Custodial credit risk is the risk that an entity may fail to receive its deposits upon failure of a financial institution. To protect against such risks, the market values of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. Standby letters of credit from federally sponsored lending institutions can also be used to protect against this risk. At June 30, 2023, the deposits are not exposed to custodial credit risk as a result of an adequate level of pledged securities, standby letters of credit and FDIC insurance. The Sheriff does not maintain a separate custodial credit risk policy.

**NOTES TO THE FINANCIAL STATEMENTS**

**5. RECEIVABLES**

Receivables at June 30, 2023 are as follows:

Feeding, keeping and transporting prisoners	\$	579,611
Grant revenue		167,899
Fees, charges and commissions		508,820
Other		519,579
	\$	<u>1,775,909</u>

**6. RESTRICTED ASSETS AND NET POSITION**

Restricted cash held in the General Fund of \$891,155 represents funds received from grants, narcotic seizures, litigation settlements, and amounts received under Act 942. These amounts are held in these accounts until disbursements are properly authorized. Included in the restricted net position is \$839,611 which represents these same funds received less amounts due to others at June 30, 2023.

**7. PENSION PLAN**

The East Baton Rouge Parish Sheriff's Office is a participating employer in the Louisiana Sheriffs' Pension and Relief Fund (Fund), which is a cost-sharing defined benefit pension plan. The Fund is a public corporation created in accordance with the provision of Louisiana Revised Statute 11:2171 to provide retirement, disability and survivor benefits to employees of sheriffs' offices throughout the State of Louisiana, employees of Louisiana Sheriffs' Association and Sheriffs' Pension and Relief Fund's office. The Fund is governed by a Board of Trustees composed of 14 elected members and two legislators who serve as ex-officio members, all of whom are voting members.

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

**Plan Description**

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

**Cost of Living Provisions**

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

**EAST BATON ROUGE PARISH SHERIFF**  
**Baton Rouge, Louisiana**

**NOTES TO THE FINANCIAL STATEMENTS**

**7. PENSION PLAN** (continued)

**Funding Policy**

According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ending June 30, 2023, the actual employer contribution rate was 11.50%. Employer contributions for the year ended June 30, 2023 were \$5,552,599. In accordance with state statute, the Fund receives ad valorem taxes, insurance premium taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities, but are not considered special funding situations. Non-employer contributions are recognized as revenue and excluded from pension expense. Non-employer contributions for the year ended June 30, 2023 were \$3,058,246.

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

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

At June 30, 2023, the Sheriff reported a net pension liability of \$53,759,634 for its proportionate share of the net pension liability of the Louisiana Sheriffs' Pension and Relief Fund. The net pension liability was measured as of June 30, 2022. The Sheriff's proportion of the net pension liability was based on actual contributions to the plan for the year ended June 30, 2022. At June 30, 2022, the Sheriff's proportion was 6.6142%, which was a decrease of 0.141% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the Sheriff recognized pension expense of \$11,018,393.

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>
Changes of assumptions	\$ 8,030,033	\$ -
Net difference between projected and actual earnings on pension plan investments	23,274,537	-
Difference between expected and actual experience	2,473,003	(2,671,108)
Changes in proportion	945,633	(656,072)
Difference in contributions	2,456	(46,882)
Employer contributions subsequent to the measurement date	5,552,599	-
Total	<u>\$ 40,278,261</u>	<u>\$ (3,374,062)</u>

The Sheriff reported a total of \$5,552,599 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.

**NOTES TO THE FINANCIAL STATEMENTS**

**7. PENSION PLAN** (continued)

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

<u>Year</u>	<u>LSPRF</u>
2024	\$ 8,093,570
2025	7,147,082
2026	3,626,030
2027	12,484,918
	<u>\$ 31,351,600</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	Individual Entry Age Normal
Expected Remaining Service Lives	5 years
Investment Rate of Return	6.85%, net of investment expense
Projected salary increases	5.0% (2.50% inflation, 2.50% merit)
Mortality	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% for males and 115% for females for annuitants and beneficiaries, each with full generational projecton using the appropriate
	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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

**EAST BATON ROUGE PARISH SHERIFF**  
**Baton Rouge, Louisiana**

**NOTES TO THE FINANCIAL STATEMENTS**

7. **PENSION PLAN** (continued)

**Actuarial Assumptions** (continued)

The target allocation and best estimates of geometric real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2022 are summarized in the following table:

Asset Class	Target Asset Allocation	Real Return Arithmetic Basis	Long-Term Expected Real Rate of Return
Equity Securities	62%	6.61%	4.10%
Fixed Income	25%	4.92%	1.23%
Alternative Investments	13%	6.54%	0.85%
Total	100%		6.18%
Inflation			2.25%
Expected Arithmetic Nominal Return			8.43%

**Discount Rate**

The discount rate used to measure the total pension liability was 6.85%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by Public Retirement Systems' Actuarial Committee (PRSAC) taking into consideration the recommendation of the Fund's actuary. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following table presents the Sheriff's proportionate share of the net pension liability (NPL) using the discount rate of the 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 the Retirement System:

	1.0% Decrease	Current Discount Rate	1.0% Increase
LSPRF			
Rates	5.85%	6.85%	7.85%
EBRSO Share of NPL (Ass:	\$95,196,424	\$53,759,634	\$19,208,598

**Amounts Payable to Pension Plans**

The Sheriff had no significant amounts due to the Retirement System at June 30, 2023.

**NOTES TO THE FINANCIAL STATEMENTS**

**8. OTHER POST-EMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS**

**General Information about the OPEB Plan**

*Plan description* – The East Baton Rouge Parish Sheriff’s Office (the Sheriff) provides certain continuing health care and life insurance benefits for its retired employees. The East Baton Rouge 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 paragraph 4 of Governmental Accounting Standards Board (GASB) Statement No. 75.

*Benefits Provided* – Medical and life insurance benefits are provided to employees upon actual retirement. Retirees with less than twenty years of service at retirement pay 100% of the blended medical premium, while a reduced schedule based on the blended premiums applies to retirees with twenty or more years of service at retirement. Employees are covered by a retirement system whose retirement eligibility (D.R.O.P. entry) provisions as follows: 30 years of service at any age or, age 55 and 15 years of service.

Life insurance coverage is continued to retirees based on a blended rate for active employees and retirees. The retiree pays 100% of the "cost" of the retiree's life insurance after retirement but that "cost" is based on the blended active/retired rate and there is thus an additional implied subsidy.

*Employees covered by benefit terms* – At July 1, 2022, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	159
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	769
	<u>928</u>

**Total OPEB Liability**

The Sheriff’s total OPEB liability of \$96,318,558 was measured as of June 30, 2023 and was determined by an actuarial valuation as of July 1, 2022.

*Actuarial Assumptions and other inputs* – The total OPEB liability in the July 1, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.5%
Salary increases	4.0%, including inflation
Discount rate	3.54% annually (beginning of year to determine ADC) 3.65% annually (as of end of year measurement date)
Healthcare cost trend rates	5.5% annually for ten years, 4.5% thereafter
Mortality	RP-2014 as modified for Louisiana, without projection
Remaining service lives	6 years

The discount rate was based on the Bond Buyers' 20 Year General Obligation municipal bond index over the 52 weeks immediately preceding the applicable measurement dates.

The actuarial assumptions used in the July 1, 2022 valuation were based on the results of ongoing evaluations of the assumptions from July 2, 2008 to June 20, 2022.

**EAST BATON ROUGE PARISH SHERIFF**  
**Baton Rouge, Louisiana**

**NOTES TO THE FINANCIAL STATEMENTS**

**8. OTHER POST-EMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS** (continued)

**Changes in the Total OPEB Liability**

Balance at June 30, 2022	\$ 59,217,991
Changes for the year:	
Service cost	1,779,037
Interest	2,058,192
Differences between expected and actual experier	36,440,661
Changes of assumptions	(1,023,371)
Benefit payments and net transfers	(2,153,952)
Net changes	37,100,567
Balance at June 30, 2023	\$ 96,318,558

The amount of total OPEB liability due and payable within one year is \$2,261,650.

*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:

	1.0% Decrease (2.65%)	Current Discount Rate (3.65%)	1.0% Increase (4.65%)
Total OPEB Liability	\$ 116,847,573	\$ 96,318,558	\$ 80,438,565

*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:

	1.0% Decrease (4.5%)	Current Healthcare Cost Trend Rate (5.5%)	1.0% Increase (6.5%)
Total OPEB Liability	\$ 82,244,835	\$ 96,318,558	\$ 114,642,764

**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 \$2,309,242. 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	\$ 34,625,496	\$ (1,632,757)
Changes in assumption and other inputs	4,539,433	(7,778,296)
Total	\$ 39,164,929	\$ (9,411,053)

**NOTES TO THE FINANCIAL STATEMENTS**

**8. OTHER POST-EMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS** (continued)

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB** (continued)

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

<u>Year Ending June 30,:</u>		
2024	\$	7,129,389
2025		7,129,389
2026		5,409,200
2027		4,028,820
2028		5,928,580
Thereafter		128,498
	<u>\$</u>	<u>29,753,876</u>

**9. TAXES PAID UNDER PROTEST**

Amounts held in escrow for protested taxes at June 30, 2023, were \$2,602,985, consisting of taxes paid under protest, plus interest earned to date on the investment of these funds. These funds are held pending resolution of the protest and are accounted for in the Tax Collector Fiduciary Fund.

**10. RISK MANAGEMENT**

**A. Accounting for Risk**

In accordance with Section C50 of the *GASB Codification of Governmental Accounting and Financial Reporting Standards*, the Sheriff accounts for and reports risk management activities in the General Fund within the constraints of the modified accrual basis of accounting. Claims paid under the Sheriff's self-insurance risk program are recorded as expenditures against the General Fund.

**B. Risk Management – Workers Comp, Auto, General Liability**

At June 30, 2023, the Sheriff was a defendant in multiple lawsuits in the ordinary course of business. These suits, arising from various claims involving worker's compensation issues, automobile accidents (subject to \$100,000 or a \$200,000 deductible), police misconduct, general liability (subject to \$25,000/\$100,000/\$200,000 plus a \$100,000/\$200,000/\$400,000 corridor deductible) and others are mostly covered through private insurance policies. However, the Sheriff is exposed for certain uninsured claims and deductibles. An estimate of \$6,200,000 has been accrued in the financial statements to account for claims and deductibles not covered through insurance that have been incurred and likely be paid, based on estimates of the Sheriff's legal counsel. Based upon the opinion of the Sheriff's legal counsel, the ultimate resolution of these matters, as well as other claims not covered by insurance policies, is not expected to materially impact the operations of the Sheriff.

**EAST BATON ROUGE PARISH SHERIFF**  
**Baton Rouge, Louisiana**

**NOTES TO THE FINANCIAL STATEMENTS**

**10. RISK MANAGEMENT** (continued)

**C. Risk Management – Employee Health**

The Sheriff assumes the risk of all medical and pharmacy claims of participants in its employee health plan up to \$175,000 per individual, with an insurance policy covering the claims in excess of that amount. For duty related claims, the excess policy is limited to \$2,000,000 per individual per year. The excess policy also covers the aggregate of claims below \$150,000 in excess of the annual attachment point, up to a \$1,000,000 limit. For the year ended June 30, 2023, the minimum annual attachment point was \$13,768,730.

The Sheriff is exposed to various risks of loss related to health insurance for its employees. The Sheriff does not report risks covered by excess insurance as liabilities unless it is probable that those claims are denied. Settlements did not materially exceed excess insurance coverage for the year. Claims activity and the estimated claims incurred but not paid at year-end are as follows:

Unpaid claims as of July 1, 2022	\$	2,875,000
Current year claims incurred and changes in estimates		6,345,848
Claims paid		<u>(8,220,848)</u>
Unpaid claims as of June 30, 2023	\$	<u>1,000,000</u>

The above unpaid claims as of June 30, 2023, include amounts for claims incurred but not yet reported, as determined from actual claims paid subsequent to year-end as well as an estimate based upon historical lag trends.

**11. COMPENSATED ABSENCE LIABILITY**

At June 30, 2023, employees of the Sheriff have accumulated and vested \$7,738,801 of employee leave benefits according to the Sheriff's PTO policy, which were computed in accordance with GASB Codification Section C60. The following is a summary of the compensated absence liability activity during the year:

	Compensated Absences
Balance as of July 1, 2022	\$ 7,956,583
Additions (amounts earned)	4,755,867
Deductions (amounts paid)	<u>(4,973,649)</u>
Balance as of June 30, 2023	<u>\$ 7,738,801</u>

The compensated absence liability is reported in the statement of net position as follows:

Compensated absences - due within one year	\$	4,467,212
Compensated absences - due in more than one year		<u>3,271,589</u>
Total compensated absences	\$	<u>7,738,801</u>

**12. INTERFUND TRANSACTIONS**

There were no interfund transactions noted to have occurred during the current fiscal year.

**NOTES TO THE FINANCIAL STATEMENTS**

**13. LEASE AND SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENT OBLIGATIONS**

The Sheriff leases various facilities and vehicles. These leases range in terms from 3 to 40 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 \$5,331,283. In determining the present values, discount rates of 2% to 7% 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 \$7,481,318 and accumulated amortization of these assets was \$2,309,112. The future principal and interest lease payments as of June 30, 2023, are as follows:

<u>Year Ending June 30,:</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 1,429,330	\$ 256,932	\$ 1,686,262
2025	1,169,516	187,099	1,356,615
2026	773,965	130,468	904,433
2027	501,760	90,400	592,160
2028	356,717	58,940	415,657
2029 - 2033	597,210	159,212	756,422
2034 - 2038	151,295	96,094	247,389
2039 - 2043	180,854	58,010	238,864
2044 - 2048	158,747	21,253	180,000
2049 - 2053	11,889	110	11,999
	<u>\$ 5,331,283</u>	<u>\$ 1,058,518</u>	<u>\$ 6,389,801</u>

The lease agreements have non-appropriation exculpatory clauses that allow lease cancellation if the Government does not make an appropriation for its continuation during any future fiscal period. However, such clauses were disregarded in determining the term of the lease for the purpose of measuring the lease assets and liabilities.

The Sheriff has entered into various subscription-based information technology arrangements which support body cameras and evidence related activities. These arrangements range up to 3 years in terms, with various renewal options available, and payment terms vary in both frequency and amounts. In accordance with GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, a liability has been recorded for the present value of subscription payments over the subscription term for each agreement. As of June 30, 2023, the combined value of the subscription liabilities was \$1,252,611. In determining the present values, discount rates of 3.9% to 7.0% were applied, depending on the duration of the subscription agreement and other factors. The recorded value of the right-to-use assets as of the end of the current fiscal year was \$1,691,869 and accumulated amortization of these asset was \$358,069. The future principal and interest lease payments as of June 30, 2023, are as follows:

<u>Year Ending June 30,:</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 421,371	\$ 80,398	\$ 501,769
2025	447,704	54,065	501,769
2026	383,536	26,038	409,574
	<u>\$ 1,252,611</u>	<u>\$ 160,501</u>	<u>\$ 1,413,112</u>

**EAST BATON ROUGE PARISH SHERIFF**  
**Baton Rouge, Louisiana**

**NOTES TO THE FINANCIAL STATEMENTS**

**14. TAX REVENUES ABATED**

The Louisiana Industrial Ad Valorem Tax Exemption program (Louisiana Administrative Code, Title 13, Chapter 5) is a state incentive program which abates, up to ten years, local ad valorem taxes on a manufacturer's new investment and annual capitalized additions related to the manufacturing site. Applications to exempt qualified property for five years are approved by the Board of Commerce and Industry. The exemption may be renewed for an additional five years.

For applications made after June 24, 2016 but before July 1, 2018, the program abates local ad valorem taxes on a manufacturer's new investment and annual capitalized additions related to the manufacturing site for up to eight years. Applications to exempt qualified property for five years are approved by the individual local taxing entities whose taxes are being abated. The exemption may be renewed for an additional three years at 80% abatement. For the fiscal year ending June 30, 2023, approximately \$4,440,000 of the Sheriff's ad valorem tax revenues were abated by the Sheriff through the Louisiana Industrial Tax Exemption program.

**15. DISAGGREGATION OF ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

Accounts, salaries and other payables as of June 30, 2023, were as follows:

Vendors	\$	1,468,244
Salaries and benefits		2,150,712
Total accounts payable and accrued liabilities	\$	<u><u>3,618,956</u></u>

**16. GOVERNMENTAL FUND BALANCE**

Details of the fund balance categories at year-end are as follows:

	<u>General Fund</u>	<u>Canteen Fund</u>
Restricted for:		
Funds distributed from narcotics seizures	\$ 597,177	\$ -
Other	242,434	
Committed to:		
Prisoner Services	-	459,359
Assigned to:		
Special Projects	14,030,000	-
Total Constrained Fund Balance	<u>14,869,611</u>	<u>459,359</u>
Unassigned Fund Balances	36,493,562	-
Total Fund Balance	<u><u>\$ 51,363,173</u></u>	<u><u>\$ 459,359</u></u>

**NOTES TO THE FINANCIAL STATEMENTS**

**17. LITIGATION**

In accordance with Louisiana R.S. 11:82, a portion of ad valorem taxes collected are remitted to retirement systems as listed in the statute. The Baton Rouge Recreation and Park Commission (BREC), a taxing district in East Baton Rouge Parish, whose net settled tax collections totaled \$72,883,185, filed suit in the 19th Judicial District Court on November 7, 2022. The lawsuit asserts that the statute is unconstitutional or is being unconstitutionally applied as these deductions include amounts taken from dedicated taxes. Of the taxes collected in 2022, the Sheriff deducted \$2,052,240 from distributions to BREC and placed that balance into the registry of the court to comply with a court order in the matter *The Recreation and Park Commission for the Parish of East Baton Rouge vs. Sid J. Gautreaux, III in his Capacity as Sheriff of East Baton Rouge*, Docket # 725,439; Section 21, 19<sup>th</sup> JDC; Parish of East Baton Rouge, State of Louisiana pending final judgement. In addition, the Sheriff filed suit against the City of Baton Rouge/Parish of East Baton Rouge (City Parish), another taxing district in East Baton Rouge Parish, bringing a concursus proceeding asserting that if BREC prevails then the statutorily required remittance to the retirement systems should be withheld from non-dedicated taxes such as the City Parish general taxes. Of the taxes collected in 2022, the Sheriff deducted \$2,052,240 from distributions to City Parish and placed that balance into the registry of the court pending final judgement. At June 30, 2023, deposits with the registry of the court totaled \$4,104,480. These deposits are not included in the accompanying financial statements. The outcome of the above outlined litigation may affect tax settlements resulting in a change to the current process.

Subsequent to June 30, 2023:

A third lawsuit was filed by the City Parish against the Sheriff on December 4, 2023, City of Baton Rouge/East Baton Rouge Parish vs. Sid J. Gautreaux, III, in his official capacity as Sheriff of East Baton Rouge Parish and Ex Officio Collector of East Baton Rouge ad valorem taxes Docket # 741325 Sec. 22; 19<sup>th</sup> JDC; Parish of East Baton Rouge, State of Louisiana seeking an injunction to stop the Sheriff from placing the City Parish general taxes in the registry of the court. That injunction was denied, The City of Baton Rouge Parish of East Baton Rouge is seeking a writ to the First Circuit Court of Appeal to review the denial of the injunction.

On December 27, 2023, the First Circuit Court of Appeal at 2023 CA 0316 and 2023 CA 0105 vacated the trial court decision in the matter *The Recreation and Park Commission for the Parish of East Baton Rouge vs. Sid J. Gautreaux, III in his Capacity as Sheriff of East Baton Rouge*, Docket # 725,439; Section 21, 19<sup>th</sup> JDC; Parish of East Baton Rouge, State of Louisiana in which the Sheriff had put \$2,052,240 from BREC's distributions into the registry of the court. The court of appeal ruled that the trial court failed to sustain the Sheriff's peremptory exception asserting nonjoinder of necessary parties, the retirement systems. The impact of this First Circuit judgement is being evaluated.

**REQUIRED SUPPLEMENTARY INFORMATION PART II**

**EAST BATON ROUGE PARISH SHERIFF**  
**Baton Rouge, Louisiana**

**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**YEAR ENDED JUNE 30, 2023**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b><u>REVENUES</u></b>				
Ad valorem taxes	\$ 75,741,000	\$ 78,090,000	\$ 78,408,966	\$ 318,966
Intergovernmental revenues:				
Federal grants	520,000	4,105,000	4,718,890	613,890
State grants	100,000	1,830,000	1,779,372	(50,628)
State supplemental pay	3,465,000	3,870,000	3,819,814	(50,186)
State revenue sharing	692,000	692,000	693,172	1,172
Fees, charges, and commissions for services:				
Civil and criminal fees	7,175,000	8,754,000	9,296,091	542,091
Court attendance	95,000	95,000	102,918	7,918
Transporting prisoners	250,000	325,000	322,696	(2,304)
Feeding and keeping prisoners	6,210,000	9,633,000	9,899,532	266,532
Fines and forfeitures	160,000	250,000	306,827	56,827
Narcotics seizures and other	4,178,000	5,247,000	4,799,743	(447,257)
Interest income	280,000	1,150,000	1,282,452	132,452
Donations and miscellaneous	1,050,000	1,432,000	1,550,366	118,366
Total Revenues	<u>99,916,000</u>	<u>115,473,000</u>	<u>116,980,839</u>	<u>1,507,839</u>
<b><u>EXPENDITURES</u></b>				
Public safety:				
Personnel services and related benefits	73,882,000	72,523,000	69,612,576	2,910,424
Operating services	17,384,000	17,440,000	15,311,219	2,128,781
Materials and supplies	7,288,000	10,769,000	10,584,759	184,241
Travel and other charges	2,073,000	3,080,000	2,900,649	179,351
Debt Service				
Principal	-	-	1,830,433	(1,830,433)
Interest	-	-	338,014	(338,014)
Capital outlay	4,357,000	6,097,000	6,602,494	(505,494)
Total Expenditures	<u>104,984,000</u>	<u>109,909,000</u>	<u>107,180,144</u>	<u>2,728,856</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(5,068,000)	5,564,000	9,800,695	4,236,695
Other financing sources:				
Lease proceeds	-	-	1,790,842	1,790,842
Sale of fixed assets	100,000	250,000	290,629	40,629
Total other financing sources	<u>100,000</u>	<u>250,000</u>	<u>2,081,471</u>	<u>1,831,471</u>
<b>NET CHANGE IN FUND BALANCE</b>	(4,968,000)	5,814,000	11,882,166	6,068,166
FUND BALANCE AT BEGINNING OF YEAR	<u>37,234,864</u>	<u>39,481,007</u>	<u>39,481,007</u>	-
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$ 32,266,864</u>	<u>\$ 45,295,007</u>	<u>\$ 51,363,173</u>	<u>\$ 6,068,166</u>

**EAST BATON ROUGE PARISH SHERIFF**  
**Baton Rouge, Louisiana**

**SCHEDULE OF CHANGES IN TOTAL OTHER POST-EMPLOYMENT BENEFIT PLAN LIABILITY AND RELATED RATIOS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

Financial Statement Reporting Date	Measurement Date	Service Cost	Interest	Difference between actual and expected experience	Changes of assumptions	Benefit Payments	Net change in Total OPEB Liability	Total OPEB Liability - Beginning	Total OPEB Liability - Ending	Covered Employee Payroll	Total OPEB Liability as a Percentage of Covered Employee Payroll
June 30, 2023	June 30, 2023	\$ 1,779,037	\$ 2,058,192	\$ 36,440,661	\$ (1,023,371)	\$ (2,153,952)	\$ 37,100,567	\$ 59,217,991	\$ 96,318,558	\$ 48,712,902	197.7270%
June 30, 2022	June 30, 2022	\$ 1,593,119	\$ 1,480,430	\$ (2,298,542)	\$ (9,100,017)	\$ (1,990,819)	\$ (10,315,829)	\$ 69,533,820	\$ 59,217,991	\$ 51,491,213	115.0060%
June 30, 2021	June 30, 2021	\$ 1,595,510	\$ 1,305,351	\$ 7,821,255	\$ 461,027	\$ (1,429,932)	\$ 9,753,211	\$ 59,780,609	\$ 69,533,820	\$ 49,510,782	140.4418%
June 30, 2020	June 30, 2020	\$ 1,134,199	\$ 1,665,193	\$ 863,105	\$ 9,458,031	\$ (1,833,701)	\$ 11,286,827	\$ 48,493,782	\$ 59,780,609	\$ 46,724,545	127.9426%
June 30, 2019	June 30, 2019	\$ 860,214	\$ 1,744,758	\$ 89,926	\$ 1,734,362	\$ (2,039,318)	\$ 2,389,942	\$ 46,103,840	\$ 48,493,782	\$ 44,927,447	107.9380%
June 30, 2018	June 30, 2018	\$ 1,045,967	\$ 1,632,642	\$ (160,635)	\$ (1,374,096)	\$ (1,289,115)	\$ (145,237)	\$ 46,249,077	\$ 46,103,840	\$ 43,218,177	106.6770%

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

**EAST BATON ROUGE PARISH SHERIFF**  
**Baton Rouge, Louisiana**

**SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)**  
**SHERIFFS' PENSION AND RELIEF FUND**  
**FOR THE YEAR ENDED JUNE 30, 2023 (\*)**

Year	Employer's Proportion of the Net Pension Liability (Asset)	Employer's Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2023	6.6142%	\$ 53,759,634	\$ 49,050,229	109.6012%	83.90%
2022	6.7549%	(3,347,354)	49,120,229	-6.8146%	101.04%
2021	6.5490%	45,326,825	48,437,385	93.5782%	84.73%
2020	6.5015%	30,753,683	45,363,200	67.7943%	88.91%
2019	6.3029%	24,169,398	43,190,541	55.9599%	90.41%
2018	6.7168%	29,085,422	46,327,147	62.7827%	88.49%
2017	6.6509%	42,212,684	45,224,884	93.3395%	82.10%
2016	6.5089%	29,013,544	43,710,091	66.3772%	86.61%
2015	6.4226%	25,433,541	40,660,119	62.5516%	87.34%

*This schedule is to be built prospectively. Until a full 10-year trend is compiled, the schedule will show information for those years for which data is available beginning with FYE June 30, 2015.*

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

**EAST BATON ROUGE PARISH SHERIFF**  
**Baton Rouge, Louisiana**

**SCHEDULE OF THE EMPLOYER'S CONTRIBUTIONS TO THE**  
**SHERIFFS' PENSION AND RELIEF FUND**  
**FOR THE YEAR ENDED JUNE 30, 2023**

<u>Year</u>	<u>Contractually Required Contribution<sup>1</sup></u>	<u>Contributions in Relation to Contractually Required Contribution<sup>2</sup></u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered Payroll<sup>3</sup></u>	<u>Contributions as a % of Covered Payroll</u>
2023	\$ 5,552,599	\$ 5,552,599	\$ -	\$ 48,283,470	11.5000%
2022	6,008,653	6,008,653	-	49,050,229	12.2500%
2021	6,017,228	6,017,228	-	49,120,229	12.2500%
2020	5,933,580	5,933,580	-	48,437,388	12.2500%
2019	5,556,992	5,556,992	-	45,363,200	12.2500%
2018	5,506,794	5,506,794	-	43,190,541	12.7500%
2017	6,138,347	6,138,347	-	46,327,147	13.2500%
2016	6,218,416	6,218,416	-	45,224,844	13.7500%
2015	6,228,688	6,228,688	-	43,710,091	14.2500%

*This schedule is to be built prospectively. Until a full 10-year trend is compiled, the schedule will show information for those years for which data is available beginning with FYE June 30, 2015.*

**For reference only:**

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

<sup>2</sup> Actual employer contributions remitted to the Sheriff's' Pension and Relief Fund

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

**EAST BATON ROUGE PARISH SHERIFF**  
**Baton Rouge, Louisiana**

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**YEAR ENDED JUNE 30, 2023**

**GENERAL BUDGET POLICIES**

The Sheriff follows these procedures in establishing the budgetary data reflected in the budgetary comparison schedules. State statute requires budgets be adopted for the general fund and all special revenue funds.

Each year the chief administrative deputy prepares a proposed budget for the General and special revenue funds and submit the Sheriff for the fiscal year no later than fifteen days prior to the beginning of each fiscal year. A summary of the proposal is published, and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is held on the proposed budget at least ten days after publication of the call for the hearing. After the public hearing and completion of all action necessary to finalize and implement the budget, the budget is legally adopted to the commencement of the fiscal year for which the budget is being adopted.

All budgetary appropriations lapse at the end of each fiscal year.

Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments. All budget revisions are approved by the Sheriff.

The budgets are prepared under the modified accrual basis of accounting.

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

No assets are accumulated in a trust that meet the criteria of paragraph 4 of GASB 75 to pay related benefits.

Changes in benefit terms -

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

Changes of assumptions -

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

<b>Discount Rate:</b>			<b>Mortality Table Used:</b>	
Measurement				
Date	Rate	Change		
6/30/2023	3.650%	0.110%	6/30/2023	RP-2014 Mortality Table
6/30/2022	3.540%	1.380%	6/30/2022	RP-2014 Mortality Table
6/30/2021	2.160%	-0.050%	6/30/2021	RP-2014 Mortality Table
6/30/2020	2.210%	-1.290%	6/30/2020	RP-2014 Mortality Table
6/30/2019	3.500%	-0.370%	6/30/2019	RP-2014 Mortality Table
6/30/2018	3.870%	0.290%	6/30/2018	RP-2000 Mortality Table
6/30/2017	3.580%			
<b>Decline Rate:</b>				
6/30/2023	25% decline coverage at retirement and an additional 75% decline coverage at age 65.			
6/30/2022	25% decline coverage at retirement and an additional 75% decline coverage at age 65.			
6/30/2021	25% decline coverage at retirement and an additional 75% decline coverage at age 65.			
6/30/2020	25% decline coverage at retirement and an additional 75% decline coverage at age 65.			
6/30/2019	25% decline coverage at retirement and an additional 75% decline coverage at age 65.			
6/30/2018	N/A			

**EAST BATON ROUGE PARISH SHERIFF**  
**Baton Rouge, Louisiana**

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**YEAR ENDED JUNE 30, 2023**

**CHANGES IN BENEFIT TERMS AND ASSUMPTIONS RELATED TO DEFINED BENEFIT PENSION PLAN**

Changes of assumptions -

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

<b>Discount Rate:</b>				<b>Merit:</b>		
Year End	Measurement Date	Rate	Change	Year End	Measurement Date	Rate
6/30/2023	6/30/2022	6.850%	-0.050%	6/30/2023	6/30/2022	2.500%
6/30/2022	6/30/2021	6.900%	-0.100%	6/30/2022	6/30/2021	2.500%
6/30/2021	6/30/2020	7.000%	-0.100%	6/30/2021	6/30/2020	2.500%
6/30/2020	6/30/2019	7.100%	-0.150%	6/30/2020	6/30/2019	3.000%
6/30/2019	6/30/2018	7.250%	-0.150%	6/30/2019	6/30/2018	2.900%
6/30/2018	6/30/2017	7.400%	-0.100%	6/30/2018	6/30/2017	2.725%
6/30/2017	6/30/2016	7.500%	-0.100%	6/30/2017	6/30/2016	2.625%
6/30/2016	6/30/2015	7.600%	-0.100%	6/30/2016	6/30/2015	2.625%
6/30/2015	6/30/2014	7.700%		6/30/2015	6/30/2014	3.000%

  

<b>Investment Rate of Return:</b>				<b>Inflation Rate:</b>		
Year End	Measurement Date	Rate	Change	Year End	Measurement Date	Rate
6/30/2023	6/30/2022	6.850%	-0.050%	6/30/2023	6/30/2022	2.500%
6/30/2022	6/30/2021	6.900%	-0.100%	6/30/2022	6/30/2021	2.500%
6/30/2021	6/30/2020	7.000%	-0.100%	6/30/2021	6/30/2020	2.500%
6/30/2020	6/30/2019	7.100%	-0.150%	6/30/2020	6/30/2019	2.500%
6/30/2019	6/30/2018	7.250%	-0.250%	6/30/2019	6/30/2018	2.600%
6/30/2018	6/30/2017	7.500%	-0.100%	6/30/2018	6/30/2017	2.775%
6/30/2017	6/30/2016	7.600%	-0.100%	6/30/2017	6/30/2016	2.875%
6/30/2016	6/30/2015	7.700%	0.000%	6/30/2016	6/30/2015	2.875%
6/30/2015	6/30/2014	7.700%		6/30/2015	6/30/2014	3.000%

  

<b>Salary Increases:</b>			
Year End	Measurement Date	Rate	Change
6/30/2023	6/30/2022	5.000%	0.000%
6/30/2022	6/30/2021	5.000%	0.000%
6/30/2021	6/30/2020	5.000%	-0.500%
6/30/2020	6/30/2019	5.500%	0.000%
6/30/2019	6/30/2018	5.500%	0.000%
6/30/2018	6/30/2017	5.500%	0.000%
6/30/2017	6/30/2016	5.500%	0.000%
6/30/2016	6/30/2015	5.500%	-0.500%
6/30/2015	6/30/2014	6.000%	

**OTHER SUPPLEMENTARY INFORMATION**

**EAST BATON ROUGE PARISH SHERIFF**  
**Baton Rouge, Louisiana**

**SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS**  
**TO THE EAST BATON ROUGE PARISH SHERIFF**  
**FOR THE YEAR ENDED JUNE 30, 2023**

East Baton Rouge Parish Sheriff, Sid J. Gautreaux, III

<b><u>Purpose:</u></b>	<b><u>Amount</u></b>
Salary	\$ 198,823
Act 123: LSCP compensation	10,988
Benefits - insurance	5,724
Benefits - retirement contribution	24,071
Benefits - medicare	3,050
Registration fees	6,641
Conference travel	8,291
	<u>\$ 257,588</u>

**EAST BATON ROUGE PARISH SHERIFF**  
**Baton Rouge, Louisiana**

**JUSTICE SYSTEM FUNDING SCHEDULE - RECEIVING ENTITY (CASH BASIS)**  
**YEAR ENDED JUNE 30, 2023**

	First Six Month Period Ended <u>12/31/2022</u>	Second Six Month Period Ended <u>6/30/2023</u>
Receipts From:		
<i>East Baton Rouge Clerk of Court - Civil Fees</i>	\$ 729,726	\$ 740,098
<i>East Baton Rouge District Attorney - Asset Forfeiture/Sale</i>	299,183	158,506
<i>21st Judicial District Attorney - Asset Forfeiture/Sale</i>	-	1,520
Total Receipts	<u>\$ 1,028,909</u>	<u>\$ 900,124</u>

**EAST BATON ROUGE PARISH SHERIFF**  
**Baton Rouge, Louisiana**

**JUSTICE SYSTEM FUNDING SCHEDULE - COLLECTING/DISBURSING ENTITY (CASH BASIS)**  
**YEAR ENDED JUNE 30, 2023**

	First Six Month Period Ended 12/31/2022	Second Six Month Period Ended 6/30/2023
Beginning Balance of Amounts Collected	\$ 13,345,363	\$ 12,740,239
Add: Collections		
Civil Fees	21,556,149	22,984,648
Bond Fees	983,706	888,727
Asset Forfeiture/Sale	266,530	596,694
Pre-Trial Diversion Program Fees	23,068	21,591
Criminal Court Costs/Fees	520,398	564,815
Criminal Fines - Contempt	859	483
Criminal Fines - Other	409,159	404,664
Restitution	-	-
Probation/Parole/Supervision Fees	-	-
Service/Collection Fees (e.g. credit card fees, report fees, 3rd party service fees)	160	195
Interest Earnings on Collected Balances	37	206
Other	360,693	444,366
Subtotal Collections	<u>24,120,759</u>	<u>25,906,389</u>
Less: Disbursements to Governments and Nonprofits		
19th Judicial District Court Drug Treatment Program, Court Costs Fees	2,326	1,674
19th Judicial District Court Indigent Transcript Fund, Court Costs & Fees	32,936	36,934
19th Judicial District Court Judicial Expense Fund, Court Costs & Fees	33,812	36,537
19th Judicial District Court Building Commission Fund, Court Costs & Fees	4,796	4,657
19th Judicial District Court Drug Lab, Criminal Fees	49,599	60,758
19th Judicial District Court, Asset Forfeiture/Sale	57,310	141,860
19th Judicial District Court, Bond Fees	172,507	154,481
19th Judicial District Court, Criminal Fees	293,628	288,234
19th Judicial District Court, Civil Fees	124	-
Ascension Parish Sheriff's Office, Civil Fees	918	734
Avoyelles Parish Sheriff's Office, Civil Fees	-	193
Baker City Court, Bond Fees	1,424	350
Baton Rouge City Court, Bond Fees	-	935
Bossier Parish Sheriff's Office, Civil Fees	47	145
Caddo Parish Sheriff's Office, Civil Fees	43	-
Calcasieu Parish Sheriff's Office, Civil Fees	80	19
City of Baton Rouge Police Dept., Court Costs & Fees	275	239
City of Baton Rouge, Civil Fees	867	3,219
City of Zachary, Court Costs & Fees	65	75
Concordia Parish Sheriff's Office, Civil Fees	-	79
Department of Corrections Credit Union, Civil Fees	431	-
District 6 Fire Protection District, Civil Fees	718	-
East Baton Rouge City-Parish Treasurer, Bond Fees	107,000	-
East Baton Rouge City-Parish Treasurer, Civil Fees	17,647	6,671
East Baton Rouge Clerk of Court, Asset Forfeiture Sale	690	1,560

(Continued)

**EAST BATON ROUGE PARISH SHERIFF**  
**Baton Rouge, Louisiana**

**JUSTICE SYSTEM FUNDING SCHEDULE - COLLECTING/DISBURSING ENTITY (CASH BASIS)**  
**YEAR ENDED JUNE 30, 2023**

	First Six Month Period Ended 12/31/2022	Second Six Month Period Ended 6/30/2023
East Baton Rouge Parish Clerk of Court, Civil Fees	806,148	1,224,816
East Baton Rouge Clerk of Court, Court Costs and Fees	46,112	47,837
East Baton Rouge Clerk of Court, Criminal Fines	25,648	27,751
East Baton Rouge Parish District Attorney, Asset Forfeiture/Sale	660,541	608,767
East Baton Rouge Parish District Attorney, Bond Fees	175,006	154,481
East Baton Rouge Parish District Attorney, Court Costs & Fees	78,731	83,755
East Baton Rouge Parish District Attorney, Criminal Fines	46,364	45,511
East Baton Rouge Parish Coroner, Court Costs & Fees	2,080	1,998
East Baton Rouge Parish Crime Stoppers, Court Costs & Fees	7,527	8,437
East Baton Rouge Parish Expert Witness, Court Costs & Fees	7,190	7,776
East Baton Rouge Parish Family Court, Filing Fees	15,920	14,925
East Baton Rouge Parish Indigent Defender Fund, Court Costs & Fees	146,818	161,104
East Baton Rouge Parish Jury Compensation Fund, Court Costs & Fees	43,524	48,016
East Baton Rouge Parish School Board, Civil Fees	3,464	3,445
East Baton Rouge Parish, Asset Forfeiture & Sale	45,848	113,488
East Baton Rouge Parish, Bond Fees	172,506	154,481
East Baton Rouge Public Defender Pre-Trial Intervention, Court Costs & Fees	10,803	7,189
East Feliciana Parish Sheriff's Office, Civil Fees	-	60
First City Court of New Orleans, Civil Fees	42	-
Iberville Parish Sheriff's Office, Civil Fees	-	239
Jefferson Parish Sheriff's Office, Civil Fees	260	140
Kansas City Southern Railway Company, Civil Fees	-	673
Lafayette Parish Clerk of Court, Civil Fees	354	-
Lafayette Parish Sheriff's Office, Civil Fees	3	13
Lincoln Parish Sheriff's Office, Civil Fees	-	63
Livingston Parish Sheriff's Office, Civil Fees	466	439
Louisiana Commission on Law Enforcement, Court Costs & Fees	23,463	23,683
Louisiana Community & Technical College, Civil Fees	4,051	522
Louisiana Court Appointed Special Advocates, Court Costs & Fees	18,905	21,159
Louisiana Department of Health, Civil Fees	-	96
Louisiana Department of Justice, Civil Fees	434,863	474,846
Louisiana Division of Administration, Civil Fees	26,102	21,519
Louisiana Head & Spine Injury Fund, Court Costs & Fees	10,879	11,687
Louisiana Judicial College, Court Costs & Fees	1,632	1,746
Louisiana State Court Management & Information System, Court Costs & Fees	11,291	12,660
Louisiana State Police DPS - Court Costs & Fees	1,447	1,137
Louisiana State University Police, Court Costs & Fees	75	75
Louisiana State University, Civil Fees	1,497	1,216
Office of Motor Vehicles, Civil Fees	72	104
Orleans Parish Sheriff's Office, Civil Fees	-	190
Ouachita Parish Sheriff's Office, Civil Fees	90	-
Point Coupee Parish Sheriff's Office, Civil Fees	158	132
Rapides Parish Sheriff's Office, Civil Fees	-	9
Southern University, Civil Fees	681	-
St. Bernard Parish Sheriff's Office, Civil Fees	33	-

(Continued)

**EAST BATON ROUGE PARISH SHERIFF**  
**Baton Rouge, Louisiana**

**JUSTICE SYSTEM FUNDING SCHEDULE - COLLECTING/DISBURSING ENTITY (CASH BASIS)**  
**YEAR ENDED JUNE 30, 2023**

	First Six Month Period Ended 12/31/2022	Second Six Month Period Ended 6/30/2023
St. Martin Parish Sheriff's Office, Civil Fees	-	47
St. Mary Parish Sheriff's Office, Civil Fees	89	-
St. Tammany Parish Sheriff's Office, Civil Fees	38	-
The Bail Project, Inc., Bond Fees	10,000	-
Vermillion Parish Sheriff's Office, Civil Fees	12	-
West Baton Rouge Parish Clerk of Court, Civil Fees	239	42
West Baton Rouge Parish Sheriff's Office, Civil Fees	-	212
Zachary City Court, Bond Fees	2,625	2,500
Less: Amounts Retained by Collecting Agency		
Collection Fee for Collecting/Disbursing to Others Based on Percentage of Collection	505,671	565,252
Collection Fee for Collecting/Disbursing to Others Based on Fixed Amount	3,346,285	3,669,909
Amounts "Self-Disbursed to Collecting Agency:		
Bond Fee	172,506	154,481
Civil	-	-
Criminal Court Costs/Fees	13,325	14,243
Criminal Fines - Contempt	-	-
Criminal Fines - Other	46,523	45,685
Service/Collection Fee	-	-
Asset Forfeiture/Sale	57,310	141,860
Less: Disbursements to Individuals/3rd Party Collection		
Civil Fee Refunds	16,867,665	17,116,801
Bond Fee Refunds	80,500	133,250
Restitution Payments to Individuals	-	-
Other Disbursements to Individuals	15,258	8,549
Payments to 3rd Party Collection/Processing Agencies	-	-
Subtotal Disbursements/Retainage	<u>24,725,883</u>	<u>25,878,370</u>
Ending Balance of Amounts Collected but not Disbursed/Retained	<u>\$ 12,740,239</u>	<u>\$ 12,768,258</u> (Concluded)

**COMPLIANCE AND INTERNAL CONTROL**

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

Honorable Sid J Gautreaux, III  
East Baton Rouge Parish Sheriff  
Baton Rouge, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the East Baton Rouge Parish Sheriff (the "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 our report thereon dated January 3, 2024

**Report on Internal Control Over Financial Reporting**

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

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

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

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed 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.

*EisnerAmper LLP*

EISNERAMPER LLP  
Baton Rouge, Louisiana  
January 3, 2024



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

Honorable Sid J Gautreaux, III  
East Baton Rouge Parish Sheriff  
Baton Rouge, Louisiana

### **Report on Compliance for Each Major Federal Program**

#### ***Opinion on Each Major Federal Program***

We have audited the East Baton Rouge Parish Sheriff's (the Sheriff's) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Sheriff's major federal programs for the year ended June 30, 2023. The Sheriff's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Sheriff complied, in all material respects, with the compliance requirements referred above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

#### ***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Sheriff and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Sheriff's compliance with the compliance requirements referred to above.

#### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Sheriff's federal programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Sheriff's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Sheriff's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Sheriff's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Sheriff's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Sheriff's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### ***Other Matters***

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2023-001. Our opinion on each major federal program is not modified with respect to these matters.

*Government Auditing Standards* requires the auditor to perform limited procedures on the Sheriff's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The Sheriff's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

### **Report on Internal Control over Compliance**

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.



A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2023-001 to be significant deficiencies.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

*Government Auditing Standards* requires the auditor to perform limited procedures on The Sheriff's response to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The Sheriff's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*EisnerAmper LLP*

EISNERAMPER LLP  
Baton Rouge, Louisiana  
January 3, 2024



**EAST BATON ROUGE PARISH SHERIFF**  
**Baton Rouge, Louisiana**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED JUNE 30, 2023**

FEDERAL DEPARTMENT/PASS-THROUGH ENTITY/PROGRAM	FEDERAL ALN NUMBER	GRANT NUMBER	FEDERAL EXPENDITURES	AMOUNTS PROVIDED TO SUBRECIPIENTS
<b>United States Department of Justice</b>				
<u>Direct Program</u>				
<i>Office of Justice Programs.</i>				
Justice Assistance Grant 2019	16.738	2019-DJ-BX-0482	63,729	58,469
Justice Assistance Grant 2021	16.738	15PBJA-21-GG-01502-JAGX	62,679	17,000
Justice Assistance Grant 2022	16.738	15PBJA-22-GG-02185-JAGX	89,746	-
<u>Passed Through:</u>				
<i>Louisiana Commission on Law Enforcement and Administration of Criminal Justice.</i>				
Violent Crime Task Force	16.738	2020-DJ-01 6528	7,762	3,922
Targeting Violent Criminals	16.738	2020-DJ-01 6527	7,872	-
Multi-Jurisdictional Task Force	16.738	2019-DJ-01 6111	4,726	4,726
Multi-Jurisdictional Task Force	16.738	2020-DJ-01 6590	15,173	15,173
Subtotal			251,686	99,290
<u>Direct Program</u>				
<i>Office of Justice Programs</i>				
Equitable Sharing Agreement & Certification Program: Justice Funds	16.922	N/A	38,685	-
<u>Passed Through:</u>				
<i>Louisiana Commission on Law Enforcement and Administration of Criminal Justice.</i>				
Crime Victims Unit	16.575	2020-VA-04/01/02/03 6507	69,649	-
Crime Victims Unit	16.575	2021-VA-04/01/02/03 6909	12,245	-
Subtotal			81,894	-
Total United States Department of Justice			372,264	99,290
<b>United States Department of Transportation</b>				
<u>Passed Through:</u>				
<i>Louisiana Department of Public Safety and Corrections:</i>				
State and Community Highway Safety	20.607	2022-30-18	77,682	-
State and Community Highway Safety	20.607	2023-30-18	107,102	-
Subtotal			184,784	-
State and Community Highway Safety	20.600 *	2022-30-18	42,224	-
State and Community Highway Safety	20.616 *	2022-30-18	13,992	-
State and Community Highway Safety	20.600 *	2023-30-18	121,720	-
State and Community Highway Safety	20.616 *	2023-30-18	23,232	-
Subtotal			201,166	-
Total United States Department of Transportation			385,952	-
<b>United States Department of Homeland Security</b>				
<u>Passed Through:</u>				
<i>Governor's Office of Homeland Security &amp; Emergency Preparedness</i>				
High Intensity Drug Trafficking Areas Program	95.001	G21GC0001A	12,600	-
High Intensity Drug Trafficking Areas Program	95.001	G22GC0001A	80,347	-
High Intensity Drug Trafficking Areas Program	95.001	G23GC0001A-59160	29,547	-
Subtotal			122,494	-
Port Security Grant 19	97.056	EMW2019PU00300	829	-
Port Security Grant 20	97.056	EMW2022PU00236	44,832	-
Subtotal			45,661	-
FEMA Disaster Grants - Public Assistance, IDA	97.036	FEMA-DR-4611	1,130,185	-
FEMA Disaster Grants - Public Assistance, Laura	97.036	FEMA-DR-4559	1,130,627	-
FEMA Disaster Grants - Public Assistance, Weather Event	97.036	FEMA-DR-4606	3,285	-
FEMA Disaster Grants - Public Assistance, Flood 16	97.036	FEMA-DR-4277	95,435	-
Subtotal			2,359,532	-
Total United States Department of Homeland Security			2,527,687	-
<b>United States Department of Housing and Urban Development</b>				
<u>Passed Through:</u>				
<i>Louisiana Office of Community Development</i>				
Community Development Block Grant Disaster Recovery Program	14.228	B-16-DL-22-0001	214,326	-
<i>City of Baton Rouge, Parish of East Baton Rouge</i>				
Coronavirus Aid, Relief, and Economic Security Act (COVID-19) - BH-Hot Team	14.231	E-20-MW-22-0002	13,560	-
			227,886	-
<b>United States Department of Treasury</b>				
<u>Passed Through:</u>				
<i>City-Parish of East Baton Rouge</i>				
State and Local (COVID-19) Recovery Funds	21.027	EBRARP GLOM	952,818	-
			952,818	-
Total Expenditures			4,466,609	99,290

\* Highway Safety Cluster - Total \$201,168

**EAST BATON ROUGE PARISH SHERIFF**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2023**

**NOTE A – BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the East Baton Rouge Parish Sheriff and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**NOTE B – INDIRECT COST RATE**

The Sheriff has not negotiated an indirect cost rate. Also, the Sheriff elected not to use the 10% de minimis cost rate as allowed by 2 CFR 200.414 Indirect (F&A) costs.

**NOTE C – Reconciliation to Financial Statements**

The federal grant expenditures are reported within the various expenditure categories of the general fund and are not readily distinguishable to the Schedule of Expenditures of Federal Awards. However, revenue is generally recorded for these grants in an amount equal to allowable costs incurred and therefore the following reconciliation to reported federal grant revenue is provided:

Total expenditures per SEFA	\$ 4,466,609
Revenue expended over collected for Equitable Sharing Program	252,236
Other prior year revenues expended in current year	<u>45</u>
Federal grants revenue per financial statements	<u>\$ 4,718,890</u>

**EAST BATON ROUGE PARISH SHERIFF**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED JUNE 30, 2023**

**A. Summary of Auditors' Results**

*Financial Statements*

Type of auditor's report issued: *Unmodified*

Internal Control over Financial Reporting:

- Material weakness(es) identified? \_\_\_\_\_ yes     no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? \_\_\_\_\_ yes     none reported

Noncompliance material to financial statements noted? \_\_\_\_\_ yes     no

*Federal Awards*

Internal control over major programs:

- Material weakness(es) identified? \_\_\_\_\_ yes     no
- Significant deficiency(ies) identified that are not considered to be material weaknesses?  yes    \_\_\_\_\_ none reported

Type of auditor's report issued on compliance for major programs: *Unmodified*

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance?  yes    \_\_\_\_\_ no

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
97.036	Disaster Grants – Public Assistance (Presidentially Declared Disasters)
21.027	Coronavirus State and Local Fiscal Recovery Funds

The threshold for distinguishing types A & B programs was program expenditures exceeding \$750,000.

The East Baton Rouge Parish Sheriff was determined to be a low-risk auditee.

**EAST BATON ROUGE PARISH SHERIFF**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED JUNE 30, 2023**

**B. Findings – Financial Statement Audit**

None

**C. Findings and Questioned Costs – Major Federal Award Programs**

2023-001: Compliance over Allowability of Costs – Equipment Hours

**Disaster Grants – Public Assistance (Presidentially Declared Disasters)  
Assistance Listing Numbers – 97.036**

*Criteria:* The Uniform Guidance Federal regulations per 2 CFR section 200.403 requires among other things, the specific criteria be met, costs are adequately documented and be necessary and reasonable for the performance of the federal award and be allocable thereto under these principles.

*Universe/Population:* The total population was all employees using equipment for the purpose of aid to the general public during the Presidentially Declared Emergency period. Based on these requirements, the population consisted of 435 individuals, 1,863 days, and a total dollar amount of \$593,233.

*Condition:* 40 individuals spanning a total of 393 days with a total dollar amount of \$117,899 were selected for testing. We noted for two individuals, on 3 separate days, charges were more for equipment hours than the employees were physically at work. The Louisiana State Police (LSP), in its oversite capacity had reviewed 100% of the charges and found overages, including the two individuals noted in our sampled test, for a total overage of \$2,913 out of the total population amount of \$593,233.

*Cause:* During a period of shifting positions and job responsibilities, the Sheriff did not check and review the employees and charges requested for reimbursement under the grant award, with a sufficient level of detail.

*Effect:* Without accurate review of the costs being submitted for reimbursement, the Sherrif could request for reimbursement costs that are unallowable. There is no questioned cost noted due to the reimbursements being adjusted after LSP's review.

*Recommendation:* The Sheriff should review all costs before being submitted for reimbursement to ensure appropriate allowability and accuracy of the requests.

*View of Responsible Official:* Management agrees with this finding and will implement a more detailed review process of FEMA grant reimbursement requests for future disasters to ensure equipment hour costs reported are accurate.

**EAST BATON ROUGE PARISH SHERIFF**  
**SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS**  
**YEAR ENDED JUNE 30, 2022**

**B. Findings – Financial Statement Audit**

None

**C. Findings and Questioned Costs – Major Federal Award Programs**

None

**EISNERAMPER**

**East Baton Rouge Parish Sheriff**

**REPORT ON STATEWIDE**  
**AGREED-UPON PROCEDURES**  
**on COMPLIANCE and**  
**CONTROL AREAS**

**FOR THE YEAR ENDED**  
**JUNE 30, 2023**



## TABLE OF CONTENTS

	<u>Page</u>
Independent Accountants' Report on Applying Agreed-Upon Procedures	1
Schedule A: Agreed-Upon Procedures Performed and Associated Findings	2 - 16
Schedule B: Management's Response and Corrective Action Plan	17

**INDEPENDENT ACCOUNTANTS' REPORT**  
**ON APPLYING AGREED-UPON PROCEDURES**

To the East Baton Rouge Parish Sheriff and the Louisiana Legislative Auditor

We have performed the procedures enumerated in Schedule A on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) of the East Baton Rouge Parish Sheriff (the Sheriff) for the fiscal period July 1, 2022 through June 30, 2023. The Sheriff's management is responsible for those C/C areas identified in the SAUPs.

The Sheriff has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of performing 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 we performed, and the associated findings are summarized in the attached Schedule A, which is an integral part of this report.

We were engaged by the Sheriff to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the AICPA and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs of the Sheriff for the fiscal period July 1, 2022 through June 30, 2023. 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 Sheriff and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

The purpose of 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.



EISNERAMPER, LLP  
Baton Rouge, Louisiana  
January 3, 2024

East Baton Rouge Parish Sheriff  
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS  
JUNE 30, 2023

Schedule A

The procedures performed and the results thereof are set forth below. The procedure is stated first, followed by the results of the procedure presented in italics. If the item being subjected to the procedures is positively identified or present, then the results will read “*no exception noted*” or for step 13 “*we performed the procedure and discussed the results with management*”. If not, then a description of the exception ensues.

**1) Written Policies and Procedures**

---

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.

*No exceptions noted.*

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.

*No exceptions noted.*

iii. **Disbursements**, including processing, reviewing, and approving

*No exceptions noted.*

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).

*No exceptions noted.*

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.

*The Sheriff has written policies and procedures for Payroll/Personnel however, the policy does not specify (3) approval process for employees’ rate of pay or approval and maintenance of pay rate schedules. For attributes (1) and (2), no exceptions were noted.*

East Baton Rouge Parish Sheriff  
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS  
JUNE 30, 2023

Schedule A

- 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.

*No exceptions noted.*

- vii. **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

*No exceptions noted.*

- 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).

*No exceptions noted.*

- 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.

*The Sheriff has written policies for Ethics, however, the policy does not specify (3) system to monitor possible ethics violations; or (4) a requirement that documentation be maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy. For policy attributes (1) and (2), no exceptions were noted.*

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

*No exceptions noted.*

- 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.

*The East Baton Rouge Sheriff has written policies for Disaster Recovery/ Business Continuity; however, the policy does not specify (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, and (5) timely application of all available system and software patches/updates.*

**East Baton Rouge Parish Sheriff**  
**AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS**  
**JUNE 30, 2023**

Schedule A

- 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**

---

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

*Procedure is not applicable to entities managed by a single elected official. The Sheriff is a single elected official who manages the East Baton Rouge Sheriff's Office. As such, this procedure is not applicable.*

- 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.*

*Procedure is not applicable to entities managed by a single elected official. The Sheriff is a single elected official who manages the East Baton Rouge Sheriff's Office. As such, this procedure is not applicable.*

- 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.

*Procedure is not applicable to entities managed by a single elected official. The Sheriff is a single elected official who manages the East Baton Rouge Sheriff's Office. As such, this procedure is not applicable.*

**East Baton Rouge Parish Sheriff**  
**AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS**  
**JUNE 30, 2023**

Schedule A

- 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.

*Procedure is not applicable to entities managed by a single elected official. The Sheriff is a single elected official who manages the East Baton Rouge Sheriff's Office. As such, this procedure is 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:

*A listing of bank accounts was provided and included a total of 64 bank accounts. Management identified the entity's two main operating accounts. No exceptions were noted as a result of performing this procedure.*

*From the listing provided, we selected 5 bank accounts (2 main operating and 3 randomly) and obtained the bank reconciliations for the month ending June 30, 2023, resulting in 5 bank reconciliations obtained and subjected to the below procedures.*

- i. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);

*No exceptions noted.*

- 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

*No exceptions noted.*

- 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.*

East Baton Rouge Parish Sheriff  
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS  
JUNE 30, 2023

Schedule A

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

---

- 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).

*A listing of deposit sites was provided and included a total of 5 deposit sites. No exceptions were noted while performing this procedure.*

*From the listing provided, we selected all five deposit sites and performed the procedures below.*

- 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:

*A listing of collection locations for each deposit site selected in procedure #4A was provided and included a total of 48 collection locations. No exceptions were noted while performing this procedure.*

*From each of the listings provided, we randomly selected one collection location for each deposit site. Review of the Entity's written policies and procedures or inquiry with employee(s) regarding job duties was performed in order to perform the procedures below.*

- i. Employees responsible for cash collections do not share cash drawers/registers;

*No exceptions noted.*

- 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;

*No exceptions noted.*

- 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

*No exceptions noted.*

**East Baton Rouge Parish Sheriff**  
**AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS**  
**JUNE 30, 2023**

Schedule A

- 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 verifies the reconciliation.

*No exceptions noted.*

- 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.

*No exceptions noted.*

- 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:

*We randomly selected two deposit dates for each of the 5 bank accounts selected in procedure #3A. We obtained supporting documentation for each of the 10 deposits and performed the procedures below.*

- i. Observe that receipts are sequentially pre-numbered.

*Due to the nature of the collections, sequentially pre-numbered receipts are not used.*

- ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

*No exceptions noted.*

- iii. Trace the deposit slip total to the actual deposit per the bank statement.

*No exceptions noted.*

- 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).

*No exceptions noted.*

**East Baton Rouge Parish Sheriff  
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS  
JUNE 30, 2023**

Schedule A

- 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).

*The listing of locations that process payments for the fiscal period was provided and included 4 disbursement location. No exceptions were noted while performing this procedure.*

*From the listing provided, we selected all four payment processing location and performed the procedures below.*

- B. For each location selected under #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:

*The listing of employees involved with non-payroll purchasing and payment functions for each payment processing location selected in procedure #5A was provided. No exceptions were noted as a result of performing this procedure.*

*Review of the Entity's written policies and procedures or inquiry with employee(s) regarding job duties was performed in order to perform the procedures below.*

- i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;

*No exceptions noted.*

- ii. At least two employees are involved in processing and approving payments to vendors;

*For three of the four locations selected for no exceptions were noted. For one location the same employee who initiated the purchase was also responsible for approval of the purchase.*

- 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;

*No exceptions noted.*

**East Baton Rouge Parish Sheriff**  
**AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS**  
**JUNE 30, 2023**

Schedule A

- 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

*No exceptions noted.*

- 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.

*No exceptions noted.*

- C. For each location selected under #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

*A listing of non-payroll disbursements for each payment processing location selected in procedures #5A was provided related to the reporting period. No exceptions were noted as a result of performing this procedure.*

*From each of the listings provided, we randomly selected 5 disbursements and performed the procedures below.*

- i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice, and that supporting documentation indicates that deliverables included on the invoice were received by the entity, and

*No exceptions noted.*

- 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.

*For 5 of the 20 disbursements tested the same employee was responsible for initiating the purchase order and approving the purchase order.*

*For 5 of the 20 disbursements tested the same employee was responsible for processing the payment was also responsible for approving the payment.*

*For 5 of the 20 disbursements tested, the check signer was also responsible for mailing the payment.*

**East Baton Rouge Parish Sheriff**  
**AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS**  
**JUNE 30, 2023**

Schedule A

- 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.

*A listing of cards was provided. No exceptions were noted as a result of performing this procedure.*

- 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

*From the listing provided, we randomly selected 5 cards (4 credit cards and 1 fuel card) used in the fiscal period. We randomly selected one monthly statement for each of the 5 cards selected and performed the procedures noted below.*

- 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. *No exceptions noted.*
- iii. Observe that finance charges and late fees were not assessed on the selected statements.

*No exceptions noted.*

**East Baton Rouge Parish Sheriff**  
**AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS**  
**JUNE 30, 2023**

Schedule A

- 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.

*We randomly selected 10 transactions, or all transactions if less than 10 from each statement and obtained supporting documentation for the transactions. For each transaction, observed that it was supported by (1) an original itemized receipt that identified 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). Of the 31 transactions tested, 6 did not contain documentation of the individuals participating in meals.*

**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:

*The listing of travel and travel-related expense reimbursements was provided for the fiscal period. No exceptions were noted as a result of performing this procedure.*

*From the listing provided, we randomly selected 5 reimbursements and performed the procedures below.*

- 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));  
*No exceptions noted.*
- ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;  
*No exceptions noted.*
- 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  
*No exceptions noted.*

**East Baton Rouge Parish Sheriff**  
**AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS**  
**JUNE 30, 2023**

Schedule A

- 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

*An active vendor list for the fiscal period was provided. No exceptions were noted as a result of performing this procedure.*

*From the listing provided, we randomly selected 5 contracts and performed the procedures below.*

- 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;  
*No exceptions noted.*
- 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);  
*No exceptions noted.*
- 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  
*No exceptions noted.*
- 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.*

**East Baton Rouge Parish Sheriff**  
**AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS**  
**JUNE 30, 2023**

Schedule A

**9) Payroll and Personnel**

---

- A. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

*A listing of employees/elected officials employed during the fiscal year was provided. No exceptions were noted as a result of performing this procedure.*

*From the listing provided, we randomly selected 5 employees/officials and performed the specified procedures. No exceptions noted.*

- B. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and

*We randomly selected 1 pay period during the fiscal period and performed the procedures below for the 5 employees/officials selected in procedure #9A.*

- i. Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);

*No exceptions noted.*

- ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;

*No exceptions noted.*

- iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and

*No exceptions noted.*

- iv. Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.

*No exceptions noted.*

- 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.

*A listing of employees/officials receiving termination payments during the fiscal period was provided. No exceptions were noted as a result of performing this procedure.*

**East Baton Rouge Parish Sheriff**  
**AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS**  
**JUNE 30, 2023**

Schedule A

*From the listing provided, we randomly selected 2 employees/officials and performed the specified procedures. No exceptions noted.*

- 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 procedure "Payroll and Personnel" procedure #9A, above 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

*No exceptions noted.*

- 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.

*No exceptions noted.*

- 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 issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued as required by Article VII, Section 8 of the Louisiana Constitution.

*Not applicable.*

- 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)

*Not applicable. No bonds/notes outstanding at the end of the fiscal period.*

**12) Fraud Notice**

---

- 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.

*N/A – No reporting of fraud nor exceptions noted.*

- 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.

*N/A – No reporting of fraud nor 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.

*We performed the procedures and discussed the results with management.*

- 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.

*We performed the procedures and discussed the results with management.*

- 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.

*We performed the procedures and discussed the results with management.*

- 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 evidenced that the selected terminated employees have been removed or disabled from the network.

*We performed the procedures and discussed the results with management.*

**East Baton Rouge Parish Sheriff**  
**AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS**  
**JUNE 30, 2023**

Schedule A

***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.

*For 1 of the 5 employees, there was no documentation provided for one hour of sexual harassment training.*

- 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).

*No exceptions noted.*

- 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;

*No exceptions noted.*

- ii. Number of sexual harassment complaints received by the agency;

*No exceptions noted.*

- iii. Number of complaints which resulted in a finding that sexual harassment occurred;

*No exceptions noted.*

- iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and

*No exceptions noted.*

- v. Amount of time it took to resolve each complaint.

*No exceptions noted.*

**EAST BATON ROUGE PARISH SHERIFF'S OFFICE  
AGREED-UPON PROCEDURES AND ASSOCIATED RESULTS  
JUNE 30, 2023**

Schedule B

Management has reviewed and will address the exceptions noted above.