



EAST BATON ROUGE PARISH SHERIFF

Baton Rouge, Louisiana

FINANCIAL REPORT

June 30, 2024



EAST BATON ROUGE PARISH SHERIFF
Baton Rouge, Louisiana

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Baton Rouge, Louisiana

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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, 2024, 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, 2024, 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.

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 auditors' 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 – General Fund, 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 December 28, 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
Baton Rouge, Louisiana
December 28, 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, 2024 and 2023. 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 \$45.3 million for the fiscal year ended June 30, 2024 compared to the deficit of approximately \$30.9 million for fiscal year ended June 30, 2023. This deficit net position primarily reflects the Sheriff's total other post-employment benefit liability. This liability accounts for approximately \$102.4 million or 55% of the total liabilities.
- Total revenues of approximately \$128.9 million were less than total expenses of approximately \$143.3 million, resulting in a decrease in the net position of approximately \$14.4 million for the year ended June 30, 2024 (an increase in net position deficit). For the year ended June 30, 2023, total revenues of approximately \$120.8 million were above total expenses of \$119.7 million, resulting in an increase in net position of approximately \$1.0 million for that year (a decrease in net position deficit).
- The Sheriff's governmental funds contained total ending fund balances of approximately \$56.4 million and \$51.8 million as of June 30, 2024 and 2023, 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 \$14.2 million and \$14.6 million for the years ended June 30, 2024 and 2023 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 \$5.6 million and \$0.8 million for the years ended June 30, 2024 and 2023, respectively. These resources consist primarily of opioid settlement revenues, seized assets, net of liabilities, or other accounts whose use is restricted by statute.
 - (3) Unrestricted net position deficit of \$65.0 million and \$46.4 million for the years ended June 30, 2024 and 2023, 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.

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.

EAST BATON ROUGE PARISH SHERIFF
Baton Rouge, Louisiana

Management's Discussion and Analysis

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.

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.

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.

EAST BATON ROUGE PARISH SHERIFF
Baton Rouge, Louisiana

Management's Discussion and Analysis

Financial Analysis

The Sheriff's net position deficit was \$45.3 million and \$30.9 million at June 30, 2024 and 2023, respectively.

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

	<u>June 30, 2024</u>	<u>June 30, 2023</u>
	<u>Governmental Activities</u>	<u>Governmental Activities</u>
Assets:		
Current assets	\$ 66,994,488	\$ 56,810,229
Capital assets	<u>22,455,698</u>	<u>21,202,933</u>
Total assets	<u>89,450,186</u>	<u>78,013,162</u>
Deferred Outflows of Resources	<u>64,646,882</u>	<u>79,443,190</u>
Liabilities:		
Current liabilities	6,202,028	4,987,697
Long-term liabilities	<u>180,824,121</u>	<u>170,600,887</u>
Total liabilities	<u>187,026,149</u>	<u>175,588,584</u>
Deferred Inflows of Resources	<u>12,332,961</u>	<u>12,785,115</u>
Net position (deficit):		
Net investment in capital assets	14,224,690	14,619,039
Restricted for		
Opioid settlement	4,837,066	-
Other	719,342	839,611
Unrestricted	<u>(65,043,140)</u>	<u>(46,375,997)</u>
Total net position	<u>\$ (45,262,042)</u>	<u>\$ (30,917,347)</u>

The Sheriff had \$14,224,690 and \$14,619,039 invested in capital assets (net of financing debt) at June 30, 2024 and 2023, respectively, consisting primarily of law enforcement and telecommunications equipment and vehicles. The restricted net position balance increased due to the recording of the opioid settlement funding to be received in future years. The unrestricted net deficit reflects liabilities incurred in excess of non-capital and restricted assets available to satisfy those liabilities.

The decrease is primarily due to the acquisition of law enforcement vehicles, buildings, subscription assets for subscription-based information technology arrangements, and right-of-use vehicle leased assets, offset by amortization and depreciation being recognized.

Long-term liabilities (Including the current portion of long-term liabilities) consisting primarily of the total other post-employment benefit liability (OPEB), net pension liability, compensated absences payable, and the lease liability were \$180,824,121 versus \$170,600,887 at June 30, 2024 and 2023, respectively. The change is primarily the result of the change in OPEB, which increased by approximately \$6.1 million. This change is primarily the result of fluctuating actuarial assumptions. Other factors include increased general liability claims and new lease obligations.

EAST BATON ROUGE PARISH SHERIFF
Baton Rouge, Louisiana

Management's Discussion and Analysis

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

	<u>June 30, 2024</u>	<u>June 30, 2023</u>
	<u>Governmental Activities</u>	<u>Governmental Activities</u>
Revenues:		
Program:		
Fees, charges, and commissions for services	\$ 24,911,719	\$ 25,204,349
Grants and contributions	4,284,309	7,046,113
	<u>29,196,028</u>	<u>32,250,462</u>
General:		
Ad valorem taxes	83,526,265	78,408,966
State grants not restricted to specific programs	4,552,715	4,512,986
Interest income	2,297,895	1,294,918
Contributions not restricted to specific programs	2,899,524	3,058,246
Opioid settlement	5,189,393	-
Miscellaneous	1,275,239	1,248,569
Total revenues	<u>128,937,059</u>	<u>120,774,147</u>
Expenses:		
Public safety:		
Personnel services and benefits	98,100,341	84,059,538
Operating services	24,709,747	22,103,160
Materials and supplies	17,432,902	10,657,601
Transporting and other charges	3,038,764	2,921,970
Total expenses	<u>143,281,754</u>	<u>119,742,269</u>
Change in net position	(14,344,695)	1,031,878
Beginning net position	<u>(30,917,347)</u>	<u>(31,949,225)</u>
Ending net position	<u>\$ (45,262,042)</u>	<u>\$ (30,917,347)</u>

REVENUES

Ad-valorem taxes funded approximately 65% of the Sheriff's operations for the years ended June 30, 2024 and 2023, respectively. Ad-valorem taxes typically change very little each year unless there is a reassessment or a change in millages, however, the increase, during the year end June 30, 2024, was related to increased property values, and new construction impacting property tax values during the year ended June 30, 2024. Program revenues consist of fees, charges and commissions for services as well as operating and capital grants and contributions. Program revenues from fees, charges, and commissions for services funded 19% and 21% of operations for the years ended June 30, 2024 and 2023, respectively. Those revenues decreased approximately \$300,000 or 1%, as a result of a decrease in revenues collected from the City-Parish government for feeding and housing prisoners as well as a decrease in civil and criminal fee income. Grants and contributions comprised 3% and 6% of revenue for the years ended June 30, 2024 and 2023, respectively. Those revenues decreased approximately \$2.8 million due to a reduction in federal assistance resulting from disaster related grants. The National Opioid Settlement accounted for approximately \$5.2 million revenue. This recognized revenue is based on estimates of the Sheriff's allocated portion of distributions over eighteen years as stipulated in the settlements. As new settlements are added or the estimated distributions change, the revenue recognized could change.

EAST BATON ROUGE PARISH SHERIFF
Baton Rouge, Louisiana

Management's Discussion and Analysis

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 \$14.0 million or 17%. 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 \$2.6 million or 12%. This is primarily the result of increases in general insurance claims expense. Expenses for materials and supplies increased approximately \$6.8 million or 64% as a result of increased out-of-parish prisoner maintenance costs as well as additional supplies. Transporting and other costs increased approximately \$0.1 million or 4% 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 \$56.4 million and \$51.8 million at June 30, 2024 and 2023, respectively. The fund balance as of June 30, 2024 represents approximately 47% 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 \$110.1 million and \$100 million for the years ended June 30, 2024 and 2023, respectively, an increase of approximately \$10.1 million from 2023 to 2024. For the fiscal year ended June 30, 2024, the budget was amended to reflect net changes among various revenue accounts for an increase totaling approximately \$8.3 million. This budget increase is attributable to higher revenues associated with ad-valorem taxes, grant revenues, feeding and keeping prisoners, and interest income. The total actual revenues of \$120.8 million, as reported in the General Fund exceeded the amended budget by approximately \$2.4 million.

The original budget for the General Fund included anticipated expenditures of approximately \$107.9 million and \$105 million for the years ended June 30, 2024 and 2023. For the year ended June 30, 2023, the budget was amended to reflect an increase of approximately \$13.9 million in anticipated expenditures. The total actual expenditures of \$120.5 million, as reported in the General Fund, was less than the amended budget by approximately \$1.3 million, primarily due to lower than expected materials and supplies and capital outlay costs. Overall, the net change (increase) in fund balance for the year ended June 30, 2024 of \$4.5 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 \$22,455,698, net of accumulated depreciation/amortization of \$31,477,678 at June 30, 2024 and \$21,202,933 net of accumulated depreciation/amortization of \$27,743,754 at June 30, 2023. 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 \$5,000 or more, as well as certain assets with a cost of less than \$5,000, 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:

	<u>June 30, 2024</u>	<u>June 30, 2023</u>
Land	\$ 68,566	\$ 68,566
Work-in-progress	137,648	57,497
Buildings	4,708,112	4,958,772
Vehicles	4,983,196	6,020,398
Office furniture & equipment	550,513	528,305
Law enforcement equipment	3,782,838	2,921,385
Telecommunications equipment	123,859	142,004
Right-of-use assets	8,100,966	6,506,006
Total capital assets	<u>\$ 22,455,698</u>	<u>\$ 21,202,933</u>

At June 30, 2024 and 2023, the depreciable capital assets for governmental activities were 54% and 57% depreciated, respectively.

Long-term liabilities

The Sheriff has no long-term bonded debt or borrowings outstanding at June 30, 2024. Other long-term liabilities consisted of total other post-employment benefits liability of \$102,433,981; general liability and auto claims payable of \$8,600,000, compensated absences of \$8,627,819, lease liability of \$7,399,769, and subscription-based information technology arrangements liability of \$831,239 as of June 30, 2024. These long-term liabilities increased approximately \$10.4 million in total from June 30, 2023, primarily due to the total other post-employment benefit liability increasing approximately \$6.1 million, the result of fluctuating actuarial assumptions. Other factors include increased general liability claims and new lease obligations.

Economic Conditions and Budgets of Future Periods

In setting the fiscal year 2025 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 anticipated to decline including materials and supplies, and capital outlay compared to 2024 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.

BASIC FINANCIAL STATEMENTS

EAST BATON ROUGE PARISH SHERIFF**Baton Rouge, Louisiana****STATEMENT OF NET POSITION****June 30, 2024****ASSETS**

Cash	\$	56,706,672
Receivables		7,562,304
Due from other governments		2,422,342
Other		303,170
Capital assets not being depreciated:		
Land		68,566
Work-in-progress		137,648
Capital assets, net of depreciation		22,249,484
Total assets		<u>89,450,186</u>

DEFERRED OUTFLOWS OF RESOURCES

Deferred pension contributions	5,913,527
Deferred outflow amounts related to total other post-employment benefits	33,711,285
Deferred outflow amounts related to net pension liability	<u>25,022,070</u>
Total deferred outflows of resources	<u>64,646,882</u>

LIABILITIES

Accounts payable and accrued liabilities	4,273,812
Health claims payable	1,100,000
Due to others	828,216
Long-term liabilities:	
Due in one year:	
Compensated absences payable	4,467,212
Total other post-employment benefit liability	1,343,522
Subscription-based information technology arrangements	447,704
Lease liability	1,697,702
Due in more than one year:	
Compensated absences payable	4,160,607
General liability and auto claims payable	8,600,000
Subscription-based information technology arrangements	383,535
Lease liability	5,702,067
Total other post-employment benefit liability	101,090,459
Net pension liability	<u>52,931,313</u>
Total liabilities	<u>187,026,149</u>

DEFERRED INFLOWS OF RESOURCES

Deferred inflow amounts related to total other post-employment benefits	9,443,915
Deferred inflow amounts related to net pension liability	<u>2,889,046</u>
Total deferred inflows of resources	<u>12,332,961</u>

NET POSITION

Net investment in capital assets	14,224,690
Restricted for	
Opioid settlement	4,837,066
Other	719,342
Unrestricted	(65,043,140)
Total net deficit	<u>\$ (45,262,042)</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, 2024**

		Program Revenues			Net (Expense) Revenues and Changes in Net Position
	Expenses	Fees, Fines, and Charges for Services	Capital Grants and Contributions	Operating Grants and Contributions	
Governmental Activities:					
Public Safety	\$142,796,436	\$ 24,911,719	\$ 1,167,828	\$ 3,116,481	\$ (113,600,408)
Interest	485,318	-	-	-	(485,318)
Total Governmental Activities	<u>\$143,281,754</u>	<u>\$ 24,911,719</u>	<u>\$ 1,167,828</u>	<u>\$ 3,116,481</u>	<u>(114,085,726)</u>
General revenues:					
Ad valorem taxes					83,526,265
State grants not restricted to specific programs					4,552,715
Interest income					2,297,895
Contributions not restricted to specific programs					2,899,524
Opioid settlement					5,189,393
Other					<u>1,275,239</u>
Total general revenues					<u>99,741,031</u>
Change in net position					(14,344,695)
Net position - beginning					<u>(30,917,347)</u>
Net position - ending					\$ (45,262,042)

The accompanying notes are an integral part of this statement.

EAST BATON ROUGE PARISH SHERIFF
Baton Rouge, Louisiana

BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2024

	General Fund	Non-Major Canteen Fund	Total
<u>ASSETS</u>			
Cash	\$ 55,261,956	\$ 651,375	\$ 55,913,331
Cash restricted	793,341	-	793,341
Receivables	7,562,304	-	7,562,304
Due from other governments	2,422,342	-	2,422,342
Other	283,925	19,245	303,170
Total assets	<u>\$ 66,323,868</u>	<u>\$ 670,620</u>	<u>\$ 66,994,488</u>
<u>LIABILITIES</u>			
Accounts payable and accrued liabilities	\$ 4,139,875	\$ 133,937	\$ 4,273,812
Health claims payable	1,100,000	-	1,100,000
Due to others	828,216	-	828,216
Total liabilities	<u>6,068,091</u>	<u>133,937</u>	<u>6,202,028</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Unavailable revenue - legal settlements	4,396,278	-	4,396,278
Total deferred inflows	<u>4,396,278</u>	<u>-</u>	<u>4,396,278</u>
<u>FUND BALANCE</u>			
Restricted for			
Opioid settlement	440,788	-	440,788
Other	719,342	-	719,342
Committed	-	536,683	536,683
Assigned	14,030,000	-	14,030,000
Unassigned	40,669,369	-	40,669,369
Total fund balances	<u>55,859,499</u>	<u>536,683</u>	<u>56,396,182</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 66,323,868</u>	<u>\$ 670,620</u>	<u>\$ 66,994,488</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, 2024

Total Fund Balances for governmental funds at June 30, 2024 \$ 56,396,182

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 \$31,477,678 accumulated depreciation and amortization: 22,455,698

Long-term liabilities at June 30, 2024:

Total other post-employment benefits liability	(102,433,981)
Claims payable - general liability and auto	(8,600,000)
Compensated absences payable	(8,627,819)
Subscription-based information technology arrangements	(831,239)
Lease liability	(7,399,769)
Pension liabilities, deferred inflows and deferred outflows of resources:	
Net pension liability	(52,931,313)
Deferred inflows related to net pension liability	(2,889,046)
Deferred outflows related to other post employment benefits	33,711,285
Deferred outflows related to net pension liability	30,935,597
Deferred inflows related to other post employment benefits	<u>(9,443,915)</u>

Revenues of activities that do not provide current financial resources are not reported as revenues in the funds

Opioid settlement	<u>4,396,278</u>
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Total Net Position of governmental activities at June 30, 2024 \$ (45,262,042)

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, 2024**

	General Fund	Non-Major Canteen Fund	Total
<u>REVENUES</u>			
Ad valorem taxes	\$ 83,526,265	\$ -	\$ 83,526,265
Intergovernmental revenues:			
Federal grants and other financial assistance	2,541,868	-	2,541,868
State grants	1,382,828	-	1,382,828
State supplemental pay	3,858,616	-	3,858,616
State revenue sharing	694,099	-	694,099
Fees, charges, and commissions for services:			
Civil and criminal fees	9,099,073	-	9,099,073
Court attendance	99,416	-	99,416
Transporting prisoners	308,038	-	308,038
Feeding and keeping prisoners	10,044,220	-	10,044,220
Sales of merchandise	-	59,936	59,936
Fines and forfeitures	189,258	-	189,258
Narcotics seizures	471,220	-	471,220
Other	4,196,265	444,293	4,640,558
Interest income	2,275,968	21,927	2,297,895
Donations	359,613	-	359,613
Miscellaneous	1,743,482	46,140	1,789,622
Total Revenues	<u>120,790,229</u>	<u>572,296</u>	<u>121,362,525</u>
<u>EXPENDITURES</u>			
Public safety:			
Personnel services and related benefits	74,278,413	402,130	74,680,543
Operating services	16,680,412	-	16,680,412
Materials and supplies	16,885,598	61,986	16,947,584
Transporting and other charges	3,007,908	30,856	3,038,764
Debt service:			
Principal	2,140,275	-	2,140,275
Interest	485,318	-	485,318
Capital outlay	7,042,508	-	7,042,508
Total Expenditures	<u>120,520,432</u>	<u>494,972</u>	<u>121,015,404</u>
EXCESS OF REVENUES OVER EXPENDITURES	269,797	77,324	347,121
Other financing sources:			
Lease proceeds	3,885,083	-	3,885,083
Sale of capital assets	341,446	-	341,446
Total other financing sources	<u>4,226,529</u>	<u>-</u>	<u>4,226,529</u>
Net change in fund balance	4,496,326	77,324	4,573,650
FUND BALANCE AT BEGINNING OF YEAR	<u>51,363,173</u>	<u>459,359</u>	<u>51,822,532</u>
FUND BALANCE AT END OF YEAR	<u>\$ 55,859,499</u>	<u>\$ 536,683</u>	<u>\$ 56,396,182</u>

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, 2024

Total Net Change in Fund Balance for year ended June 30, 2024, \$ 4,573,650
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	3,157,425	
Addition of right of use assets	3,885,083	
Depreciation expense	(3,434,990)	
Right of use asset amortization	(1,830,759)	
Subscription-based information technology arrangements amortization (SBITA)	(363,587)	
Net book value of capital assets disposed, net of related debt	<u>(62,713)</u>	1,350,459
Excess of compensated absences taken over compensated absences earned		(889,018)

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	(3,885,083)
Principal reductions on lease and SBITA obligations	2,140,275
Change in general and auto claims payable	(2,400,000)
Net change in other post-employment benefits liability and deferred inflows/outflows of resources	(11,601,929)
Net change in pension liability and deferred inflows/outflows of resources	(8,029,327)

Some revenues will not be collected for several months after year end,
they are not considered "available" revenues in the governmental funds.
National opioid settlement

4,396,278

Total change in Net Position for year ended June 30, 2024, per Statement of Activities \$ (14,344,695)

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, 2024

	Sheriff's Fund	Prison Inmate Fund	Tax Collector Fund	Evidence Fund	Total
<u>ASSETS</u>					
Cash and cash equivalents	\$ 8,383,094	\$ 303,461	\$ 6,247,896	\$ 3,087,384	\$ 18,021,835
Receivables	128,991	-	8,789	27	137,807
Total assets	<u>\$ 8,512,085</u>	<u>\$ 303,461</u>	<u>\$ 6,256,685</u>	<u>\$ 3,087,411</u>	<u>\$ 18,159,642</u>
<u>LIABILITIES</u>					
Due to taxing bodies and others:					
Due to taxing bodies	\$ -	\$ -	\$ 3,554,581	\$ -	\$ 3,554,581
Due to individuals and other organizations	7,167,490	303,461	-	-	7,470,951
Total Liabilities	<u>7,167,490</u>	<u>303,461</u>	<u>3,554,581</u>	<u>-</u>	<u>11,025,532</u>
<u>NET POSITION</u>					
Restricted for individuals and other governments	<u>\$ 1,344,595</u>	<u>\$ -</u>	<u>\$ 2,702,104</u>	<u>\$ 3,087,411</u>	<u>\$ 7,134,110</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, 2024

	Sheriff's Fund	Prison Inmate Fund	Tax Collector Fund	Evidence Fund	Total
<u>REVENUES</u>					
Deposits:					
Suits, successions, etc.	\$ 15,979,298	\$ -	\$ -	\$ -	\$ 15,979,298
Garnishments	18,757,677	-	-	-	18,757,677
Surety bonds	472,657	-	-	-	472,657
Taxes, fees, etc. paid to tax collector	-	-	575,357,019	-	575,357,019
Interest on investments	-	-	2,814,470	-	2,814,470
Other Additions					
Prisoner deposits	-	749,724	-	-	749,724
Evidence cash received	-	-	-	458,510	458,510
Total additions	<u>35,209,632</u>	<u>749,724</u>	<u>578,171,489</u>	<u>458,510</u>	<u>614,589,355</u>
<u>EXPENSES</u>					
Taxes, fees, etc. distributed to taxing bodies and others	-	-	578,072,370	-	578,072,370
Payments to litigants, etc.	34,437,450	-	-	-	34,437,450
Fees to other entities	515,618	-	-	-	515,618
Surety bond refunds	623,300	-	-	-	623,300
Refunds to released inmates and prisoner program disbursements	-	749,724	-	-	749,724
Authorized program disbursements	-	-	-	1,010,677	1,010,677
Total deductions	<u>35,576,368</u>	<u>749,724</u>	<u>578,072,370</u>	<u>1,010,677</u>	<u>615,409,139</u>
Net increase (decrease) in fiduciary net position	(366,736)	-	99,119	(552,167)	(819,784)
<u>NET POSITION, BEGINNING</u>	<u>1,711,331</u>	<u>-</u>	<u>2,602,985</u>	<u>3,639,578</u>	<u>7,953,894</u>
<u>NET POSITION, ENDING</u>	<u>\$ 1,344,595</u>	<u>\$ -</u>	<u>\$ 2,702,104</u>	<u>\$ 3,087,411</u>	<u>\$ 7,134,110</u>

The accompanying notes are an integral part of this statement.

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, 2024, was made available for public inspection and comments from taxpayers at the Sheriff's office on June 13, 2023. 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 27, 2023 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. NET POSITION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide net position is divided into three components:

Net investment in capital assets – Consists of net capital assets reduced by the outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increase by balances of deferred outflows of resources related to those assets.

Restricted net position – Net position is considered restricted if their use is constrained to a particular purpose. Restrictions are imposed by external organizations such as federal or state laws or buyers of the Parish's bonds. Restricted net position is reduced by liabilities and deferred inflows of resources related to the restricted assets.

Unrestricted net position – All other net position that does not meet the definition of "restricted" or "net investment in capital assets."

J. 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.

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

J. FUND EQUITY OF FUND FINANCIAL STATEMENTS (continued)

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.

K. 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.

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. 100, *Accounting Changes and Error Corrections* (amendment of GASB 62). Under this Statement, the accounting and financial reporting requirements for accounting changes and error corrections will provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

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 2023 property tax calendar is as follows:

Ley date:	November 29, 2023
Millage rates adopted:	June 27, 2023
Tax bills mailed:	December 4, 2023
Due date:	January 22, 2024
Lien date:	October 4, 2024

State Law requires the Sheriff to collect property taxes in the calendar year in which the levy is made. Property taxes become delinquent January 1st 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:

	Authorized Millage	Levied Millage	Expiration Date
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

EAST BATON ROUGE PARISH SHERIFF
Baton Rouge, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

3. CASH AND CASH EQUIVALENTS

At June 30, 2024, 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, 2024, 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.

4. CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended June 30, 2024, are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<u>Cost</u>				
Land	\$ 68,566	\$ -	\$ -	\$ 68,566
Work-in-progress	57,497	80,151	-	137,648
Buildings	7,432,551	91,542	-	7,524,093
Vehicles	20,757,899	1,150,907	(1,648,078)	20,260,728
Office furniture and equipment	2,529,312	258,270	-	2,787,582
Law enforcement equipment	8,430,797	1,553,172	(52,019)	9,931,950
Telecommunications equipment	496,878	23,383	-	520,261
Total	<u>39,773,500</u>	<u>3,157,425</u>	<u>(1,700,097)</u>	<u>41,230,828</u>
Accumulated Depreciation and Amortization	<u>(25,071,810)</u>	<u>(3,434,990)</u>	<u>1,630,704</u>	<u>(26,876,096)</u>
<u>Leases</u>				
Right-of-use assets-land and buildings	2,125,379	1,113,180	-	3,238,559
Right-of-use assets-vehicles	5,355,939	2,771,903	(355,722)	7,772,120
Less accumulated amortization	(2,313,875)	(1,830,759)	264,708	(3,879,926)
<u>Subscriptions Based IT Arrangements</u>				
Subscription assets-law enforcement equipment	1,691,869	-	-	1,691,869
Less accumulated amortization	(358,069)	(363,587)	-	(721,656)
Total Capital Assets (net)	<u>\$ 21,202,933</u>	<u>\$ 1,413,172</u>	<u>\$ (160,407)</u>	<u>\$ 22,455,698</u>

For the year ended June 30, 2024, depreciation expense was \$3,434,990, amortization expense on right-of-use assets was \$1,830,759, and amortization expense on subscription-based information technology arrangements was \$363,587.

NOTES TO THE FINANCIAL STATEMENTS

5. RECEIVABLES

Receivables at June 30, 2024 are as follows:

Feeding, keeping and transporting prisoners	\$	616,761
Grant revenue		1,060,626
Fees, charges and commissions		528,732
Opioid settlement		4,837,066
Other		519,119
	\$	<u>7,562,304</u>

6. RESTRICTED ASSETS AND NET POSITION

Restricted cash held in the General Fund of \$793,341 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 \$719,342 which represents these same funds received less amounts due to others at June 30, 2024.

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, 2024, the actual employer contribution rate was 11.50%. Employer contributions for the year ended June 30, 2024 were \$5,913,527. 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, 2024 were \$2,899,524.

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, 2024, the Sheriff reported a net pension liability of \$52,931,313 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, 2023. The Sheriff's proportion of the net pension liability was based on actual contributions to the plan for the year ended June 30, 2023. At June 30, 2023, the Sheriff's proportion was 6.0233%, which was a decrease of 0.591% from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the Sheriff recognized pension expense of \$17,271,625.

At June 30, 2024, the Sheriff reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ 4,068,471	\$ -
Net difference between projected and actual earnings on pension plan investments	10,573,716	-
Difference between expected and actual experience	9,822,780	(968,754)
Changes in proportion	555,469	(1,884,400)
Difference in contributions	1,634	(35,892)
Employer contributions subsequent to the measurement date	5,913,527	-
Total	<u>\$ 30,935,597</u>	<u>\$ (2,889,046)</u>

The Sheriff reported a total of \$5,913,527 as deferred outflow of resources related to pension contributions made subsequent to the measurement period of June 30, 2023 which will be recognized as a reduction in net pension liability in the year ended June 30, 2025.

EAST BATON ROUGE PARISH SHERIFF
Baton Rouge, Louisiana
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>
2025	\$ 6,762,519
2026	3,544,686
2027	11,593,538
2028	232,281
	<u>\$ 22,133,024</u>

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2024 is as follows:

Valuation Date	June 30, 2023
Actuarial Cost Method	Entry Age Normal Cost
Expected Remaining Service Lives	5 years
Investment Rate of Return	6.85%, net of pension plan investment expense, including inflation
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 projection using the appropriate MP2019 scale. Pub-2010 Public Retirement Plans Mortality Table for Safety Disabled Retirees multiplied by 120% for males and 115% for females for disabled retirees, 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, 2023 are summarized in the following table:

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Real Return Arithmetic Basis</u>	<u>Long-Term Expected Real Rate of Return</u>
Equity Securities	62%	6.69%	4.15%
Fixed Income	25%	4.92%	1.23%
Alternative Investments	13%	5.77%	0.75%
Total	100%		6.13%
Inflation			2.50%
Expected Arithmetic Nominal Return			8.63%

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:

	<u>1.0% Decrease</u>	<u>Current Discount Rate</u>	<u>1.0% Increase</u>
LSPRF			
Rates	5.85%	6.85%	7.85%
EBRSO Share of NPL (Asset)	\$93,795,166	\$52,931,313	\$18,851,561

Amounts Payable to Pension Plans

The Sheriff had no significant amounts due to the Retirement System at June 30, 2024.

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. See the section below for additional details on Life Insurance benefits cost. 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 and is 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 – As of the measurement date July 1, 2023, 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 is \$102,433,981 as of the measurement date June 30, 2024, the end of the fiscal year.

Actuarial Assumptions and other inputs – The total OPEB liability in the July 1, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.5%
Salary increases	4.0%, including inflation
Discount rate	3.65% annually (Beginning of year to determine ADC)
	3.93% annually (As of End of Year Measurement Date)
Healthcare cost trend rates	5.5% annually for ten years, 4.5% thereafter
Mortality	SOA RP-2014 Table
Remaining service lives	5 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, 2023 valuation were based on the results of ongoing evaluations of the assumptions from July 1, 2008 to June 20, 2024.

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, 2023	\$ 96,318,558
Changes for the year:	
Service cost	1,849,087
Interest	3,492,276
Differences between expected and actual experience	4,802,486
Changes of assumptions	(2,748,881)
Benefit payments and net transfers	(1,279,545)
Net changes	6,115,423
Balance at June 30, 2024	\$ 102,433,981

The amount of total OPEB liability due and payable within one year is \$1,343,522.

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 (2.93%) or 1-percentage-point higher (4.93%) than the current discount rate:

	1.0% Decrease (2.93%)	Current Discount Rate (3.93%)	1.0% Increase (4.93%)
Total OPEB Liability	\$ 124,266,416	\$ 102,433,981	\$ 85,545,741

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	\$ 87,466,694	\$ 102,433,981	\$ 121,921,621

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

For the year ended June 30, 2024, the Sheriff recognized OPEB expense of \$12,881,473. At June 30, 2024, 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	\$ 30,940,653	\$ (1,239,627)
Changes in assumption and other inputs	2,770,632	(8,204,288)
Total	\$ 33,711,285	\$ (9,443,915)

EAST BATON ROUGE PARISH SHERIFF
Baton Rouge, Louisiana

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>	
2025	\$ 7,540,110
2026	5,819,918
2027	4,439,542
2028	6,339,303
2029	25,698
Thereafter	102,799
	<u>\$ 24,267,370</u>

9. TAXES PAID UNDER PROTEST

Amounts held in escrow for protested taxes at June 30, 2024, were \$2,702,104, 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, 2024, 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 a \$200,000 deductible), police misconduct (subject to a \$100,000 or \$200,000 deductible), general liability (subject to \$25,000/\$200,000/\$400,000 deductible) and others are mostly covered through private insurance policies. However, the Sheriff is exposed for certain uninsured claims and deductibles. An estimate of \$8,600,000 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, 2024, the minimum annual attachment point was \$14,902,542.

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, 2023	\$	1,000,000
Current year claims incurred and changes in estimates		9,425,764
Claims paid		<u>(9,325,764)</u>
Unpaid claims as of June 30, 2024	\$	<u>1,100,000</u>

The above unpaid claims as of June 30, 2024, 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, 2024, employees of the Sheriff have accumulated and vested \$8,627,819 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, 2023	\$ 7,738,801
Additions (amounts earned)	5,704,315
Deductions (amounts paid)	<u>(4,815,297)</u>
Balance as of June 30, 2024	<u>\$ 8,627,819</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		4,160,607
Total compensated absences	\$	<u>8,627,819</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, 2024, the combined value of the lease liabilities was \$7,399,769. 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 \$11,010,679 and accumulated amortization of these assets was \$3,879,926. The future principal and interest lease payments as of June 30, 2024, are as follows:

Year Ending June 30,:	Principal	Interest	Total
2025	\$ 1,697,702	\$ 465,545	\$ 2,163,247
2026	1,383,740	360,002	1,743,742
2027	1,167,531	265,800	1,433,331
2028	1,088,537	175,228	1,263,765
2029	586,906	105,487	692,393
2030 - 2034	607,212	343,309	950,521
2035 - 2039	400,295	205,768	606,063
2040 - 2044	326,203	77,250	403,453
2045 - 2049	141,643	14,357	156,000
	<u>\$ 7,399,769</u>	<u>\$ 2,012,746</u>	<u>\$ 9,412,515</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, 2024, the combined value of the subscription liabilities was \$831,239. 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 subscription assets as of the end of the current fiscal year was \$1,691,869 and accumulated amortization of these assets was \$721,656. The future principal and interest lease payments as of June 30, 2024, are as follows:

Year Ending June 30,:	Principal	Interest	Total
2025	\$ 447,704	\$ 54,065	\$ 501,769
2026	383,535	26,038	409,573
	<u>\$ 831,239</u>	<u>\$ 80,103</u>	<u>\$ 911,342</u>

EAST BATON ROUGE PARISH SHERIFF
Baton Rouge, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

13. LEASE AND SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENT OBLIGATIONS

(Continued)

The following is a summary of the lease and subscription liability activity during the year:

	Leases	Subscription	Total
Balance as of July 1, 2023	\$ 5,331,283	\$ 1,252,611	\$ 6,583,894
New agreements	3,885,084	-	3,885,084
Principal payments	(1,718,904)	(421,371)	(2,140,275)
Other reductions	(97,694)	-	(97,694)
Balance as of June 30, 2024	<u>\$ 7,399,769</u>	<u>\$ 831,240</u>	<u>\$ 8,231,009</u>

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 and the Sheriff. The exemption may be renewed for an additional five years. For the fiscal year ending June 30, 2024, approximately \$4,061,000 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, 2024, were as follows:

Vendors	\$ 1,463,182
Salaries and benefits	2,810,630
Total accounts payable and accrued liabilities	<u>\$ 4,273,812</u>

16. GOVERNMENTAL FUND BALANCE

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

	General Fund	Canteen Fund
Restricted for:		
Opioid settlement	\$ 4,837,066	\$ -
Funds distributed from narcotics seizures	694,612	-
Other	24,730	
Committed to:		
Prisoner Services	-	536,683
Assigned to:		
Special Projects	14,030,000	-
Total Constrained Fund Balance	19,586,408	536,683
Unassigned Fund Balances	40,669,369	-
Total Fund Balance	<u>\$ 60,255,777</u>	<u>\$ 536,683</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, 19th JDC; Parish of East Baton Rouge, State of Louisiana pending final judgement. Of the taxes collected in 2023, the Sheriff deducted \$2,195,296 from distributions to BREC and placed that balance into the registry of the court as well, bringing the total amount on deposit with the registry of the court for this matter to \$4,247,536 as of June 30, 2024.

In a related matter, *Sid J Gautreaux, III, in his capacity as Sheriff of East Baton Rouge Parish, et al v. the City of Baton Rouge/Parish of East Baton Rouge, et al.*; Docket #727552; Section 22; Nineteenth Judicial District; Parish of East Baton Rouge; State of Louisiana, 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 BREC taxes are dedicated to only BREC and the Sheriff cannot remit a portion of the BREC taxes to the pension funds. La. RS. 11:82 still requires the Sheriff to remit the same dollar amount of taxes collected for tax year 2022 from other undedicated taxing sources. Considering the statutory requirement to still remit the same portion of collected taxes to the pension funds the Sheriff deducted \$2,052,240 from distributions to City Parish and placed that balance into the registry of the court pending final judgement. When the 2023 taxes were to be remitted to the pension fund, there was a judgment from the 1st circuit overturning the order that required that the taxes be put into the registry of the court. Therefore, the 2023 undedicated taxes for City Parish were not placed into the registry, but rather settled directly with the City Parish. The balance in the registry of the court for this matter remains at \$2,052,240 as of June 30, 2024.

On December 16, 2024, the 19th Judicial District Court rendered judgement denying BREC's claim and ordering the East Baton Rouge Parish Clerk of Court to release funds deposited in the registry of the court. Said order releases \$2,052,240 to the Sheriff for distribution to the City Parish, and \$4,247,536 for remittance to the respective retirement systems in accordance with La. R.S. 11:82. The time period for the court Judgment rendered by the court on December 16, 2024 to become final is tolling.

REQUIRED SUPPLEMENTARY INFORMATION PART II

EAST BATON ROUGE PARISH SHERIFF**Baton Rouge, Louisiana****BUDGETARY COMPARISON SCHEDULE****GENERAL FUND****YEAR ENDED JUNE 30, 2024**

	Budget			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<u>REVENUES</u>				
Ad valorem taxes	\$ 80,122,000	\$ 83,230,000	\$ 83,526,265	\$ 296,265
Intergovernmental revenues:				
Federal grants	520,000	2,520,000	2,541,868	21,868
State grants	100,000	1,400,000	1,382,828	(17,172)
State supplemental pay	3,930,000	3,845,000	3,858,616	13,616
State revenue sharing	692,000	695,000	694,099	(901)
Fees, charges, and commissions for services:				
Civil and criminal fees	8,154,000	8,563,000	9,099,073	536,073
Court attendance	95,000	97,000	99,416	2,416
Transporting prisoners	250,000	250,000	308,038	58,038
Feeding and keeping prisoners	9,130,000	10,075,000	10,044,220	(30,780)
Fines and forfeitures	150,000	190,000	189,258	(742)
Narcotics seizures and other	4,524,000	4,060,000	4,667,485	607,485
Interest income	900,000	1,860,000	2,275,968	415,968
Donations and miscellaneous	1,540,000	1,616,000	2,103,095	487,095
Total Revenues	110,107,000	118,401,000	120,790,229	2,389,229
<u>EXPENDITURES</u>				
Public safety:				
Personnel services and related benefits	74,090,000	73,831,000	74,278,413	(447,413)
Operating services	16,215,000	16,887,000	16,680,412	206,588
Materials and supplies	10,924,000	17,781,000	16,885,598	895,402
Travel and other charges	3,078,000	2,712,000	3,007,908	(295,908)
Debt Service				
Principal	1,170,000	1,920,000	2,140,275	(220,275)
Interest	220,000	375,000	485,318	(110,318)
Capital outlay	4,576,000	8,425,000	7,042,508	1,382,492
Total Expenditures	110,273,000	121,931,000	120,520,432	1,410,568
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(166,000)	(3,530,000)	269,797	3,799,797
Other financing sources/(uses):				
Lease proceeds	1,200,000	2,140,000	3,885,083	1,745,083
Sale of fixed assets	250,000	320,000	341,446	21,446
Total other financing sources	1,450,000	2,460,000	4,226,529	1,766,529
NET CHANGE IN FUND BALANCE	1,284,000	(1,070,000)	4,496,326	5,566,326
FUND BALANCE AT BEGINNING OF YEAR	45,295,008	51,363,173	51,363,173	-
FUND BALANCE AT END OF YEAR	<u>\$ 46,579,008</u>	<u>\$ 50,293,173</u>	<u>\$ 55,859,499</u>	<u>\$ 5,566,326</u>

EAST BATON ROUGE PARISH SHERIFF
Baton Rouge, Louisiana

SCHEDULE OF CHANGES IN TOTAL OTHER POST-EMPLOYEMENT BENEFIT PLAN LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED JUNE 30, 2024

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, 2024	June 30, 2024	\$ 1,849,087	\$ 3,492,276	\$ 4,802,486	\$ (2,748,881)	\$ (1,279,545)	\$ 6,115,423	\$ 96,318,558	\$ 102,433,981	\$ 50,662,459	202.1891%
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, 2024 (*)

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
2024	6.0233%	\$ 52,931,313	\$ 48,283,473	109.6262%	83.94%
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%

(*) 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, 2024

Year	Contractually Required Contribution ¹	Contributions in Relation to Contractually Required Contribution ²	Contribution Deficiency (Excess)	Employer's Covered Payroll ³	Contributions as a % of Covered Payroll
2024	\$ 5,913,527	\$ 5,913,527	\$ -	\$ 51,445,542	11.4947%
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%

For reference only:

¹ *Employer contribution rate multiplied by employer's covered payroll*

² *Actual employer contributions remitted to the Sheriff's' Pension and Relief Fund*

³ *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, 2024

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 submits it to the Sheriff for the fiscal year no later than fifteen days prior to the beginning of each fiscal year. A summary of the proposed budget is published, and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is legally adopted prior to the commencement of the fiscal year for which the budget is being adopted.

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

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:

Discount Rate:			Mortality Table Used:	
Measurement Date	Rate	Change		
6/30/2024	3.930%	0.280%	6/30/2024	RP-2014 Mortality Table
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%			

Decline Rate:	
6/30/2024	25% decline coverage at retirement and an additional 75% decline coverage at age 65.
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, 2024

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:

Discount Rate:				Merit:			
Measurement				Measurement			
Year End	Date	Rate	Change	Year End	Date	Rate	Change
6/30/2024	6/30/2023	6.850%	0.000%	6/30/2024	6/30/2023	2.500%	0.000%
6/30/2023	6/30/2022	6.850%	-0.050%	6/30/2023	6/30/2022	2.500%	0.000%
6/30/2022	6/30/2021	6.900%	-0.100%	6/30/2022	6/30/2021	2.500%	0.000%
6/30/2021	6/30/2020	7.000%	-0.100%	6/30/2021	6/30/2020	2.500%	-0.500%
6/30/2020	6/30/2019	7.100%	-0.150%	6/30/2020	6/30/2019	3.000%	0.100%
6/30/2019	6/30/2018	7.250%	-0.150%	6/30/2019	6/30/2018	2.900%	0.175%
6/30/2018	6/30/2017	7.400%	-0.100%	6/30/2018	6/30/2017	2.725%	0.100%
6/30/2017	6/30/2016	7.500%	-0.100%	6/30/2017	6/30/2016	2.625%	0.000%
6/30/2016	6/30/2015	7.600%	-0.100%	6/30/2016	6/30/2015	2.625%	-0.375%
6/30/2015	6/30/2014	7.700%		6/30/2015	6/30/2014	3.000%	

Investment Rate of Return:				Inflation Rate:			
Measurement				Measurement			
Year End	Date	Rate	Change	Year End	Date	Rate	Change
6/30/2024	6/30/2023	6.850%	0.000%	6/30/2024	6/30/2023	2.500%	0.000%
6/30/2023	6/30/2022	6.850%	-0.050%	6/30/2023	6/30/2022	2.500%	0.000%
6/30/2022	6/30/2021	6.900%	-0.100%	6/30/2022	6/30/2021	2.500%	0.000%
6/30/2021	6/30/2020	7.000%	-0.100%	6/30/2021	6/30/2020	2.500%	0.000%
6/30/2020	6/30/2019	7.100%	-0.150%	6/30/2020	6/30/2019	2.500%	-0.100%
6/30/2019	6/30/2018	7.250%	-0.250%	6/30/2019	6/30/2018	2.600%	-0.175%
6/30/2018	6/30/2017	7.500%	-0.100%	6/30/2018	6/30/2017	2.775%	-0.100%
6/30/2017	6/30/2016	7.600%	-0.100%	6/30/2017	6/30/2016	2.875%	0.000%
6/30/2016	6/30/2015	7.700%	0.000%	6/30/2016	6/30/2015	2.875%	-0.125%
6/30/2015	6/30/2014	7.700%		6/30/2015	6/30/2014	3.000%	

Salary Increases:			
Measurement			
Year End	Date	Rate	Change
6/30/2024	6/30/2023	5.000%	0.000%
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, 2024

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

Purpose:	Amount
Salary	\$ 205,201
Act 123: LSCP compensation	10,988
Benefits - insurance	6,191
Benefits - retirement contribution	24,862
Benefits - medicare	2,975
Registration fees	7,194
Conference travel	6,790
Special meals	106
	<u>\$ 264,307</u>

EAST BATON ROUGE PARISH SHERIFF
Baton Rouge, Louisiana

JUSTICE SYSTEM FUNDING SCHEDULE - RECEIVING ENTITY (CASH BASIS)
YEAR ENDED JUNE 30, 2024

	First Six Month Period Ended 12/31/2023	Second Six Month Period Ended 6/30/2024
Receipts From:		
<i>19th Judicial District Clerk of Court - Civil Fees</i>	\$ 764,734	\$ 776,528
<i>Ascension Parish Sheriff's Office - Asset Forfeiture/Sale</i>	2,882	-
<i>East Baton Rouge District Attorney - Asset Forfeiture/Sale</i>	362,478	81,418
<i>Iberville Parish Sheriff's Office - Asset Forfeiture/Sale</i>	22,663	-
<i>Livingston Parish District Attorney's Office - Asset Forfeiture/Sale</i>	-	1,778
Total Receipts	<u>\$ 1,152,757</u>	<u>\$ 859,724</u>

EAST BATON ROUGE PARISH SHERIFF
Baton Rouge, Louisiana

JUSTICE SYSTEM FUNDING SCHEDULE - COLLECTING/DISBURSING ENTITY (CASH BASIS)
YEAR ENDED JUNE 30, 2024

	First Six Month Period Ended 12/31/2023	Second Six Month Period Ended 6/30/2024
Beginning Balance of Amounts Collected	\$ 12,768,258	\$ 11,096,053
Add: Collections		
Civil Fees	22,699,358	21,296,337
Bond Fees	723,722	553,877
Asset Forfeiture/Sale	156,592	238,562
Pre-Trial Diversion Program Fees	21,934	30,185
Criminal Court Costs/Fees	543,222	587,252
Criminal Fines - Contempt	620	774
Criminal Fines - Other	392,284	413,388
Restitution	-	-
Probation/Parole/Supervision Fees	-	-
Service/Collection Fees (e.g. credit card fees, report fees, 3rd party service fees)	164	176
Interest Earnings on Collected Balances	1,279	5,462
Other	287,438	171,072
Subtotal Collections	24,826,613	23,297,085
Less: Disbursements to Governments and Nonprofits		
19th Judicial District Court Drug Treatment Program, Court Costs Fees	4,784	6,344
19th Judicial District Court Drug Lab, Criminal Court Costs/Fees	78,142	83,501
19th Judicial District Court Drug Treatment Program, Criminal Court Costs/Fees	5,016	1,767
19th Judicial District Court Indigent Transcript Fund, Criminal Court Costs/Fees	33,206	34,974
19th Judicial District Court Judicial Expense Fund, Criminal Court Costs/Fees	32,732	34,282
19th Judicial District Court, Asset Forfeiture/Sale	44,783	70,879
19th Judicial District Court, Bond Fees	141,096	119,117
19th Judicial District Court, Criminal Court Costs/Fees	284,708	285,141
Ascension Parish Clerk of Court, Civil Fees	1,832	-
Ascension Parish Sheriff's Office, Civil Fees	1,120	336
Avoyelles Parish Sheriff's Office, Civil Fees	68	54
Baker City Court, Bond Fees	2,291	-
Baker City Court, Civil Fees	560	-
Baton Rouge City Court, Bond Fees	785	-
Baton Rouge Recreation Commission, Civil Fees	76	-
Baton Rouge Water Company, Civil Fees	1,400	-
Caddo Parish Sheriff's Office, Civil Fees	74	-
Capital Area Transit System, Civil Fees	811	-
Catahoula Parish Sheriff's Office, Civil Fees	46	-
City and Parish Treasurer, Civil Fees	2,715	15,973
City of Baton Rouge Police Dept., Criminal Court Costs/Fees	350	338
City of Baton Rouge, Civil Fees	836	2,931
City of Zachary, Criminal Court Costs/Fees	-	10
Department of Corrections Credit Union, Civil Fees	421	-
Desoto Parish Clerk of Court, Civil Fees	98	-

(Continued)

EAST BATON ROUGE PARISH SHERIFF
Baton Rouge, Louisiana

JUSTICE SYSTEM FUNDING SCHEDULE - COLLECTING/DISBURSING ENTITY (CASH BASIS)
YEAR ENDED JUNE 30, 2024

	First Six Month Period Ended 12/31/2023	Second Six Month Period Ended 6/30/2024
District 6 Fire Protection District, Civil Fees	249	-
Division of Administration State Uniform Payroll, Civil Fees	26,613	29,859
East Baton Rouge Parish District Attorney Pre-Trial Intervention, Criminal Court Costs/Fees	13,524	17,194
East Baton Rouge Parish District Attorney, Asset Forfeiture/Sale	925,863	56,770
East Baton Rouge Parish District Attorney, Asset Forfeiture/Sale	53,470	85,055
East Baton Rouge Parish District Attorney, Bond Fees	141,096	119,117
East Baton Rouge Parish District Attorney, Criminal Court Costs/Fees	62,033	64,996
East Baton Rouge Parish District Attorney, Criminal Fines - Other	44,969	45,017
East Baton Rouge Parish Clerk of Court, Asset Forfeiture/sale	750	1,050
East Baton Rouge Parish Clerk of Court, Civil Fees	947,961	704,093
East Baton Rouge Parish Clerk of Court, Criminal Court Costs/Fees	44,021	51,894
East Baton Rouge Parish Clerk of Court, Criminal Court Fines - Other	24,816	26,009
East Baton Rouge Parish Coroner, Criminal Court Costs/Fees	1,780	2,380
East Baton Rouge Parish Crime Stoppers, Criminal Court Costs/Fees	7,580	7,986
East Baton Rouge Parish Expert Witness, Criminal Court Costs/Fees	7,050	7,623
East Baton Rouge Parish Family Court, Other	11,385	11,987
East Baton Rouge Parish Jury Compensation Fund, Criminal Court Costs/Fees	43,385	47,291
East Baton Rouge Parish School Board, Civil Fees	4,273	7,906
East Baton Rouge Parish Sheriff's Tax Office, Civil Fees	31,850	50,973
East Baton Rouge Parish Finance Department, Asset Forfeiture/Sale	35,826	56,703
East Baton Rouge Parish Finance Department, Bond Fees	141,096	119,117
East Baton Rouge Public Defender Pre-Trial Intervention, Criminal Court Costs/Fees	8,707	11,480
East Feliciana Parish Sheriff's Office, Civil Fees	23	118
Iberia Parish Sheriff's Office, Civil Fees	55	-
Iberville Parish Sheriff's Office, Civil Fees	80	288
Interest to Various Entities, Other	-	452
Jefferson Parish Sheriff's Office, Civil Fees	210	330
Lafayette Parish Sheriff's Office, Civil Fees	136	88
Lincoln Parish Sheriff's Office, Civil Fees	-	63
Livingston Parish Sheriff's Office, Civil Fees	212	301
Louisiana Commission on Law Enforcement, Criminal Court Costs/Fees	22,442	26,989
Louisiana Community & Technical College, Civil Fees	454	-
Louisiana Court Appointed Special Advocates, Criminal Court Costs/Fees	19,055	20,052
Louisiana Department of Justice, Civil Fees	455,359	399,033
Louisiana Federal of Teachers, Civil Fees	615	-
Louisiana Head & Spine Injury Fund, Criminal Court Costs/Fees	9,221	11,155
Louisiana Judicial College, Criminal Court Costs/Fees	1,564	1,611
Louisiana State Court Management & Information System, Criminal Court Costs/Fees	12,075	13,475
Louisiana State Police DPS - Criminal Court Costs/Fees	951	1,617
Louisiana State University Police, Criminal Court Costs/Fees	75	-
Louisiana State University, Civil Fees	3,580	438
Office of Motor Vehicles, Civil Fees	80	168
Orleans Parish Sheriff's Office, Civil Fees	40	1,080
Ouachita Parish Sheriff's Office, Civil Fees	66	19
Parish of East Baton Rouge Indigent Defender Fund, Criminal Court Costs/Fees	141,137	147,529
Point Coupee Parish Sheriff's Office, Civil Fees	103	212
Rapides Parish Sheriff's Office, Civil Fees	8	-

(Continued)

EAST BATON ROUGE PARISH SHERIFF
Baton Rouge, Louisiana

JUSTICE SYSTEM FUNDING SCHEDULE - COLLECTING/DISBURSING ENTITY (CASH BASIS)
YEAR ENDED JUNE 30, 2024

	First Six Month Period Ended 12/31/2023	Second Six Month Period Ended 6/30/2024
Southern University, Civil Fees	603	2,452
St. John the Baptist Sheriff's Office, Civil Fees	-	71
St. Landry Parish Sheriff's Office, Civil Fees	2	92
St. Mary Parish Sheriff's Office, Civil Fees	-	63
Tangipahoa Parish Sheriff's Office, Civil Fees	111	191
US Postal Service, Civil Fees	-	1,478
West Baton Rouge Parish Sheriff's Office, Civil Fees	508	76
Zachary City Court, Bond Fees	2,300	1,800
Zachary City Court, Civil Fees	1,585	-
Less: Amounts Retained by Collecting Agency		
Collection Fee for Collecting/Disbursing to Others Based on Percentage of Collection	591,777	695,485
Collection Fee for Collecting/Disbursing to Others Based on Fixed Amount	3,536,591	2,528,612
Amounts "Self-Disbursed to Collecting Agency:		
Bond Fee	141,096	119,117
Civil	-	-
Criminal Court Costs/Fees	12,805	13,532
Criminal Fines - Contempt	-	-
Criminal Fines - Other	44,969	45,017
Service/Collection Fee	-	-
Asset Forfeiture/Sale	44,783	70,879
Less: Disbursements to Individuals/3rd Party Collection		
Civil Fee Refunds	18,011,977	16,279,593
Bond Fee Refunds	225,925	390,050
Restitution Payments to Individuals	-	-
Other Disbursements to Individuals	-	28,043
Payments to 3rd Party Collection/Processing Agencies	-	-
Subtotal Disbursements/Retainage	26,498,818	22,981,714
Ending Balance of Amounts Collected but not Disbursed/Retained	\$ 11,096,053	\$ 11,411,425
		(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, 2024, and the related notes to the financial statements, which collectively comprise the Sheriff's basic financial statements, and have issued our report thereon dated December 28, 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
December 28, 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 the Sheriff's major federal program for the year ended June 30, 2024. The Sheriff's major federal program is identified in the summary of auditors' 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 its major federal program for the year ended June 30, 2024.

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 Auditors' 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 the 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.

Auditors' 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 the 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 is described in the accompanying schedule of findings and questioned costs as item 2024-001. 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 Auditors' 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 a certain deficiency in internal control over compliance that we consider to be a significant deficiency.



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 deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2024-001 to be significant deficiency.

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
December 28, 2024



EAST BATON ROUGE PARISH SHERIFF
Baton Rouge, Louisiana

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2024

FEDERAL DEPARTMENT/PASS-THROUGH ENTITY/PROGRAM	FEDERAL ALN NUMBER	GRANT NUMBER	FEDERAL EXPENDITURES	AMOUNTS PROVIDED TO SUBRECIPIENTS
<u>United States Department of Justice</u>				
<u>Direct Program:</u>				
<i>Office of Justice Programs:</i>				
Edward Byrne Memorial Justice Assistance Grant Program:				
Justice Assistance Grant 2020	16.738	2020-DJ-BX-0665	103,551	88,562
Justice Assistance Grant 2021	16.738	15PBJA-21-GG-01502-JAGX	42,371	42,371
Justice Assistance Discretionary Grant 2022	16.738	15PBJA-22-GG-00133-BRND	446,684	-
Justice Assistance Grant 2022	16.738	15PBJA-22-GG-02185-JAGX	41,161	41,161
Justice Assistance Grant 2023	16.738	15PBJA-23-GG-03443-JAGX	25,984	-
<u>Passed Through:</u>				
<i>Louisiana Commission on Law Enforcement and Administration of Criminal Justice:</i>				
Public Safety Partnership and Community Policing Grants:				
COPS Technology and Equipment Grant 2023	16.710	15JCOPS-23-GG-01841-TECP	161,780	-
<u>Passed Through:</u>				
<i>Louisiana Commission on Law Enforcement and Administration of Criminal Justice:</i>				
Edward Byrne Memorial Justice Assistance Grant Program				
Violent Crime Task Force	16.738	2021-DJ-01-7222	9,636	4,836
Targeting Violent Criminals	16.738	2021-DJ-01-7221	14,502	-
Multi-Jurisdictional Task Force	16.738	2020-DJ-01 6590	28,858	28,858
Subtotal			52,996	33,694
<u>Direct Program:</u>				
<i>Office of Justice Programs:</i>				
Equitable Sharing Agreement & Certification Program:				
Justice Funds	16.922	N/A	83,122	-
<u>Passed Through:</u>				
<i>Louisiana Commission on Law Enforcement and Administration of Criminal Justice:</i>				
Crime Victims Assistance	16.575	2021-VA-04/01/02/03 6909	31,415	-
Crime Victims Assistance	16.575	2022-VA-04/01/02/03, 7623	33,566	-
Subtotal			64,981	-
Total United States Department of Justice			1,022,630	205,788
<u>United States Department of Transportation</u>				
<u>Passed Through:</u>				
<i>Louisiana Department of Public Safety and Corrections:</i>				
Alcohol Open Container Requirements	20.607	2023-30-18	72,468	-
Alcohol Open Container Requirements	20.607	2024-30-18	120,384	-
Subtotal			192,852	-
State and Community Highway Safety	20.600 *	2023-30-18	41,200	-
National Priority Safety Programs	20.616 *	2023-30-18	7,590	-
State and Community Highway Safety	20.600 *	2024-30-18	122,942	-
National Priority Safety Programs	20.616 *	2024-30-18	25,707	-
Subtotal			197,439	-
Total United States Department of Transportation			390,291	-
<u>United States Department of Homeland Security</u>				
<u>Passed Through:</u>				
<i>Governor's Office of Homeland Security & Emergency Preparedness:</i>				
High Intensity Drug Trafficking Areas Program	95.001	G23GC0001A	133,140	-
High Intensity Drug Trafficking Areas Program	95.001	G24GC0001A	4,200	-
Subtotal			137,340	-
Port Security Grant Program	97.056	EMW2022PU00236	66,125	-
Subtotal			66,125	-
Total United States Department of Homeland Security			203,465	-
Total Expenditures			1,616,386	205,788
* Highway Safety Cluster - Total	\$	197,439		
Total for Edward Byrne Memorial Justice Assistance Grant Program (16.738)	\$	712,747		
Total for State and Community Highway Safety (20.600)	\$	164,142		
Total for National Priority Safety Programs (20.616)	\$	33,297		

EAST BATON ROUGE PARISH SHERIFF

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024**

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	\$ 1,616,386
Revenue expended over collected for Equitable Sharing Program	55,515
FEMA revenues paid in excess of amounts obligated in a prior year	<u>869,967</u>
Federal grants revenue per financial statements	<u>\$ 2,541,868</u>

EAST BATON ROUGE PARISH SHERIFF
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2024

A. Summary of Auditors' Results

Financial Statements

Type of auditor's report issued: *Unmodified*

Internal Control over Financial Reporting:

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

Noncompliance material to financial statements noted?

_____ yes x no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? _____ yes x no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? x 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?

 x yes _____ no

Identification of major programs:

CFDA Numbers

16.738

Name of Federal Program or Cluster

Edward Byrne Memorial Justice Assistance Grant Program

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

The East Baton Rouge Parish Sheriff was not determined to be a low-risk auditee.

EAST BATON ROUGE PARISH SHERIFF
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2024

B. Findings – Financial Statement Audit

None

C. Findings and Questioned Costs – Major Federal Award Programs

2024-001: Compliance over Subrecipient Monitoring, Procurement, and Reporting

Edward Byrne Memorial Justice Assistance Grant Program
Assistance Listing Numbers – 16.738

Criteria: The Uniform Guidance Federal regulations per 2 CFR section 200.332 requires among other things, that all requirements be imposed by the pass-through entity (PTE) on the subrecipient so that the federal award is used in accordance with federal statutes, regulations, and the terms and conditions of the award.

Universe/Population: The portion of federal expenditures reimbursed and passed through to subrecipients by the East Baton Rouge Parish Sheriff's Office (the Sheriff). Based on these requirements, the population consisted of a total dollar amount of \$205,788.

Condition: Funding passed down to subrecipients of the federal program are not adequately reviewed for all applicable compliance requirements as required under the Uniform Guidance. We noted that for the subrecipient a grant accountant reviewed the expenditures for allowable activities and allowable costs, however these costs were not reviewed for appropriate federal procurement and reporting requirements.

Cause: The Sheriff does not currently have an adequate control designed and implemented to test the expenditures being reimbursed for various award requirements as required under the Uniform Guidance over subrecipient monitoring policies, to a sufficient level of detail and understanding.

Effect: Without accurate review of the costs being submitted for reimbursement, the Sheriff could request for reimbursement costs that are unallowable or did not follow the appropriate federal guidelines for reimbursement. The amount of questioned costs is \$205,788.

Recommendation: The Sheriff should review subrecipient costs for all grant requirements before being submitted for reimbursement to ensure appropriate monitoring. This review should also include review of subrecipient quarterly reports.

View of Responsible Official: Management agrees with this finding and will implement a more detailed review process for PTE and subrecipient monitoring requirements to ensure grant requirements are being appropriately followed.

EAST BATON ROUGE PARISH SHERIFF
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
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

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 oversight 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.

Current Year Status: **Resolved**

December 28, 2024

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

We have audited the financial statements of the East Baton Rouge Parish Sheriff (the Sheriff) for the year ended June 30, 2024, have issued our report thereon. As part of our audit, we considered the Sheriff's internal control over financial reporting as well as compliance with the terms of applicable laws and regulations, contracts, and grant agreements that could have a material effect on its financial statements under *Government Auditing Standards*. The purpose of our consideration of internal control and compliance was to establish a basis for designing our auditing procedures, and to determine the effects of compliance on the financial statements. Our consideration was not for the purpose of expressing an opinion on the effectiveness of the Sheriff's internal control or expressing an opinion on compliance.

Our consideration of internal control was for the limited purposes described in the preceding paragraph and was not designed to identify all deficiencies that might be significant deficiencies or material weaknesses in internal control and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. We did not identify any deficiencies in internal control that we consider to be material weaknesses. However, as described below, we identified a certain matter involving internal control and other operations matters that are presented for your consideration.

This letter does not affect our reports dated December 28, 2024, on the financial statements of East Baton Rouge Parish Sheriff or East Baton Rouge Parish Sheriff's internal control over financial reporting in accordance with *Government Auditing Standards*. Our comment is summarized below:

ML 2024-001

Documenting Controls over Reconciliations and Report Submissions

Condition:

Control activities serve the purpose of preventing errors or unauthorized transactions or detecting errors or unauthorized transactions timely. For control activities to be effective, an established protocol for timing, frequency and documentation requirements should be followed. We noted the following items.

- The accounting and payroll departments do not formally document the reconciliation of pensionable wages between the two departments over the course of the fiscal year. While communication between the two departments does occur often, the two departments track and maintain separate payroll reports and reconciliation reports timely with little communication between the departments over differences.

- Before the submission of federal grant quarterly reports, a review of the information entered should be conducted. While there is a control over the accuracy of the information to be submitted, prior to being input into the reporting system, no such review is being performed to ensure the accuracy or completeness of the information being submitted.

Recommendations: The Sheriff's Office should establish a structured frequency and documentation standard for the controls described above.

Management Response: Management agrees with this comment and will document and implement greater controls over the pensionable wage's reconciliation process and the federal grant quarterly reporting review process to ensure accuracy and completeness in conformity with best practice suggestions.

EisnerAmper LLP

EISNERAMPER LLP



EISNERAMPER

East Baton Rouge Parish Sheriff

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

FOR THE YEAR ENDED
JUNE 30, 2024



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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, 2023 through June 30, 2024. 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 the LLA's SAUPs for the fiscal period July 1, 2023 through June 30, 2024. Additionally, the 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, 2023 through June 30, 2024. 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
December 28, 2024

East Baton Rouge Parish Sheriff
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
JUNE 30, 2024

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. This is considered an exception. For attributes (1) and (2), no exceptions were noted.
 - 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.

East Baton Rouge Parish Sheriff
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
JUNE 30, 2024

Schedule A

- 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. These are considered exceptions. 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.
We performed the procedures and discussed the results with management.
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.

East Baton Rouge Parish Sheriff
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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 that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

Procedure 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 comparisons, at a minimum, on all proprietary funds, and semi-annual budget-to-actual comparisons, 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.

- 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

- 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 (1 main operating and 4 randomly) and obtained the bank reconciliations for the month ending June 30, 2024, 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 or 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 within 1 month of the date the reconciliation was prepared (e.g., initialed and dated or electronically logged); and

For four of the five bank reconciliations selected for testing, there was no written evidence of review of the bank reconciliation by a member of management or a board member within 1 month of the reconciliation being prepared. This is considered an exception. No other exceptions were 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.

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.

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- B. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (e.g., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that
- i. Employees responsible for cash collections do not share cash drawers/registers;
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.
 - iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or custodial fund additions, is (are) not also responsible for collecting cash, unless another employee/official 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
- i. Observe that receipts are sequentially pre-numbered.
No exceptions noted.
 - ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
No exceptions noted.

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- 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.
- 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 year period was provided and included 4 disbursement locations. No exceptions were noted while performing this procedure.
From the listing provided, we selected all four payment processing locations and performed the procedures below.
- B. For each location selected under procedure #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that
 - i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;
No exceptions noted.
 - ii. At least two employees are involved in processing and approving payments to vendors;
For three of the four locations selected, no exceptions were noted. For one location, the same employee who initiated the purchase was also responsible for approval of 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.

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- 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
For three of the four locations selected, no exceptions were noted. For one location, the same employee who signs checks was also responsible for processing payments.
 - 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.
For three of the four locations selected, no exceptions were noted. For one location, one employee who is not authorized to sign checks approves electronic disbursements.
- C. For each location selected under procedure #5A above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and
A listing of non-payroll disbursements for each payment processing location selected in procedure #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 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, approving the purchase order, and processing the payment for approval. For the remaining 15 disbursements, no exceptions were noted.

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- 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)

- 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

No exceptions noted.

- ii. Observe that finance charges and late fees were not assessed on the selected statements.

No exceptions noted.

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- C. Using the monthly statements or combined statements selected under procedure #7B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g., each card should have 10 transactions subject to inspection). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

No exceptions noted.

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

- A. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements and obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected

The listing of travel and travel-related expense reimbursements were 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);

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.

- 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.

Of the 5 contracts tested, one invoice and the related payment was not in agreement with contract terms and conditions. No other exceptions were noted.

9) Payroll and Personnel

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

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.

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

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 or 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.

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.

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10) Ethics

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and
- i. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and
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 and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.
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.
Not applicable, no reporting of fraud nor exceptions noted.

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- B. Observe that the entity has posted, on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

No exceptions noted.

13) Information Technology Disaster Recovery/Business Continuity

- 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 Payroll and Personnel procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.

We performed the procedures and discussed the results with management.

- C. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency’s information technology assets have completed cybersecurity training as required by R.S. 42:1267. The requirements are as follows:

- Hired before June 9, 2020 - completed the training; and

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- Hired on or after June 9, 2020 - completed the training within 30 days of initial service or employment.

We performed the procedures and discussed the results with management.

14) Prevention of Sexual Harassment

- 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. This is considered an exception. No exceptions were noted for the remaining 4 employees tested.

- 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
MANAGEMENT'S RESPONSE AND CORRECTIVE ACTION PLAN
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Schedule B

Management has reviewed and will address the exceptions noted above.