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**LOUISIANA SHERIFFS' AUTOMOBILE PROGRAM**

**FINANCIAL STATEMENTS**

**JUNE 30, 2021**

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**LOUISIANA SHERIFFS' AUTOMOBILE PROGRAM**

**FINANCIAL STATEMENTS**

**JUNE 30, 2021**

**LOUISIANA SHERIFFS' AUTOMOBILE PROGRAM**

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## **INDEPENDENT AUDITORS' REPORT**

Board of Managers  
Louisiana Sheriffs' Automobile Program

### Report on Financial Statements

We have audited the accompanying financial statements of Louisiana Sheriffs' Automobile Program (a quasi-public organization) (the Program), which comprise the statement of net position as of June 30, 2021, and the related statements of revenues, expenses, and change in net position, and cash flows for the year then ended, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

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

### Auditors' Responsibility

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

An audit includes performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Program's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Program's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Louisiana Sheriffs' Automobile Program as of June 30, 2021, and the changes in its financial position, and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.



#### Other Matters – Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management’s discussion and analysis on pages 3 through 5 and the schedule of ten-year claims development on page 14 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### Other Matters – Supplementary Information

The Schedule of Compensation, Benefits, and Other Payments to Director included on page 17 is also presented for purposes of additional analysis and is 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements as a whole.

#### Other Reports Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report, dated December 20, 2021, on our consideration of the Program’s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

A handwritten signature in black ink, appearing to read 'Postlethwaite &amp; Netterville', is written in a cursive style.

Baton Rouge, Louisiana  
December 20, 2021

# LOUISIANA SHERIFFS' LAW ENFORCEMENT PROGRAM

## MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

The Management's Discussion and Analysis of the Louisiana Sheriffs' Automobile Program's (the Program) financial performance presents a narrative overview and analysis of the Program's financial activities for the year ended June 30, 2021. The Program began operations effective July 1, 2020, and this document, therefore, focuses on the current period's activities and currently known circumstances. We encourage readers to consider the information presented here in conjunction with the Program's financial statements, which follow this section.

### **Financial Highlights**

- The assets of the Program exceeded its liabilities at June 30, 2021, by \$526,533.
- At June 30, 2021, the Program's assets totaled \$3,193,753, which consisted primarily of cash and cash equivalents.
- The Program reported earned premiums of \$5,162,452 during the year ended June 30, 2021, and an increase in net position of \$526,533.
- At the end of the current fiscal year, net position totaled \$526,533 or 11% of the current year expenses.

### **Overview of the Financial Statements**

This financial report consists of Management's Discussion and Analysis and the basic financial statements. The basic financial statements also include notes to the financial statements, which explain some of the information in the financial statements in more detail.

The basic financial statements of the Program report information about the Program using accounting methods similar to those used by private sector businesses. These statements offer short and long-term financial information about the Program's activities. The Statement of Net Position includes all of the Program's assets and liabilities and provides information about the nature and amounts of investments in resources (assets) and the obligations to the Program's members and creditors (liabilities). It also provides the basis for computing rate of return, evaluating the capital structure of the Program and assessing the liquidity and financial flexibility of the Program. All of the year's revenues and expenses are accounted for in the Statement of Revenues, Expenses and Change in Net Position. This statement measures the success of the Program's operations over the year and can be used to determine whether the Program has successfully recovered all its costs through its premium income, profitability and credit worthiness. The final required financial statement is the Statement of Cash Flows. The primary purpose of this statement is to provide information about the Program's cash receipts and cash payments throughout the year. These statements report cash receipts, cash payments and net changes in cash resulting from operations, investing, and financing activities.

The preparation of these financial statements requires the utilization of significant estimates, many of which will not be known for many years. Changes in estimates as well as the differences in actual results and estimated amounts will be included in the Statement of Revenues, Expenses and Changes in Net Position as these circumstances become known.

**LOUISIANA SHERIFFS' LAW ENFORCEMENT PROGRAM**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**(UNAUDITED)**

**Financial Analysis of the Program**

The Statement of Net Position and the Statement of Revenues, Expenses and Changes in Net Position report information in a way that the reader can determine if the Program is in a better financial position as a result of the year's activities. These statements report the net position of the Program and changes in them. The net position (difference between assets and liabilities) can be used to measure financial health or financial position. Over time, increases and decreases in the Program's net position are one indicator as to whether its financial health is improving or deteriorating. There are other non-financial factors to consider, such as changes in economic conditions, judicial environment, and new or changed government legislation.

**Condensed Statement of Net Position**

	<u>June 30, 2021</u>
Total assets	\$ 3,193,753
Total liabilities	<u>2,667,220</u>
Net position	\$ <u>526,533</u>

All of the Program's assets can be used for any lawful purpose consistent with the policies and guidelines established by the Managers of the Program. Total assets consisted primarily of cash and cash equivalents and receivables. Total liabilities consisted mainly of unpaid claims liabilities and advanced premiums.

**Condensed Statement of Revenues, Expenses  
and Changes in Net Position**

	<u>Year Ended June 30, 2021</u>
Total operating revenues	\$ 5,162,452
Total operating expenses	( 4,640,348)
Non-operating income	<u>4,429</u>
Change in net position	\$ <u>526,533</u>

**LOUISIANA SHERIFFS' LAW ENFORCEMENT PROGRAM**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**(UNAUDITED)**

**Financial Analysis of the Program (continued)**

Operating revenues result from premiums charged to members in exchange for insurance coverage. Total operating expenses relate mainly to claim losses and loss adjustment expenses and excess insurance premiums.

The Program's change in net position for the year ended June 30, 2021, was an increase of approximately \$526,500.

In March, 2020, the World Health Organization declared the coronavirus (COVID-19) a global pandemic. The spread of the virus has adversely affected global business activities and has resulted in significant uncertainty in the global economy. The impact of the COVID-19 pandemic continues to evolve and has been marked by rapid changes and developments. The extent to which the COVID-19 pandemic may directly or indirectly impact the Program's financial condition or results of operations cannot be reasonably estimated at this time.

**Requests for Information**

This financial report is designed to provide our members, investors, and creditors with a general overview of the Program's finances, as well as demonstrate accountability for funds the Program receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Louisiana Sheriffs' Automobile Program, P.O. Box 82295, Lafayette, LA or call 337-235-3131.



**LOUISIANA SHERIFFS' AUTOMOBILE PROGRAM**

**STATEMENT OF NET POSITION**

**JUNE 30, 2021**

**ASSETS**

Cash and cash equivalents	\$ 2,926,944
Premiums receivable from members	266,809
	<hr/>
Total assets	\$ 3,193,753
	<hr/> <hr/>

**LIABILITIES AND NET POSITION**

Liabilities:	
Unpaid claims liability	\$ 1,985,000
Advanced premiums	682,220
Total liabilities	2,667,220
	<hr/>
Net position, unrestricted	526,533
	<hr/>
Total liabilities and net position	\$ 3,193,753
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See accompanying notes to this financial statement.

**LOUISIANA SHERIFFS' AUTOMOBILE PROGRAM**

**STATEMENT OF REVENUES, EXPENSES AND CHANGE IN NET POSITION**  
**YEAR ENDED JUNE 30, 2021**

**OPERATING REVENUES**

Premium income \$ 5,162,452

**OPERATING EXPENSES**

Claim losses and claims adjustment expenses 2,466,778

Excess insurance premiums 1,623,638

Administration fees 479,458

Other general and administrative expenses 70,474

Total operating expenses 4,640,348

**OPERATING INCOME**

522,104

**NON-OPERATING INCOME**

Interest income 4,429

**CHANGE IN NET POSITION**

526,533

**NET POSITION - BEGINNING OF YEAR**

-

**NET POSITION - END OF YEAR**

\$ 526,533

See accompanying notes to this financial statement.

**LOUISIANA SHERIFFS' AUTOMOBILE PROGRAM**

**STATEMENT OF CASH FLOWS**  
**YEAR ENDED JUNE 30, 2021**

**CASH FLOWS FROM OPERATING ACTIVITIES:**

<u>Cash received from:</u>	
Member premiums collected	\$ 5,577,863
<u>Cash paid for:</u>	
Service providers	(549,932)
Excess insurance premiums	(1,623,638)
Claims and claims expenses	<u>(481,778)</u>
Net cash provided by operating activities	<u>2,922,515</u>

**CASH FLOWS FROM INVESTING ACTIVITIES:**

Interest income	<u>4,429</u>
Net cash provided by investing activities	<u>4,429</u>

**NET CHANGE IN CASH**

2,926,944

**CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR**

-

**CASH AND CASH EQUIVALENTS, END OF YEAR**

\$ 2,926,944

**Reconciliation of change in net position to net cash used in operating activities:**

Change in net position:	\$ 526,533
Interest income	<u>(4,429)</u>
Operating income	522,104
Adjustments to reconcile operating income to net cash provided by operating activities:	
Change in receivables	(266,809)
Change in unpaid claims liability	1,985,000
Change in deposits held for others	<u>682,220</u>
Net cash provided by operating activities	<u>\$ 2,922,515</u>

See accompanying notes to this financial statement.

# LOUISIANA SHERIFFS' AUTOMOBILE PROGRAM

## NOTES TO FINANCIAL STATEMENTS

### 1. SIGNIFICANT ACCOUNTING POLICIES

#### *(a) Organization*

The Louisiana Sheriffs' Automobile Program (the Program), and its related Articles of Association were created pursuant to the provisions of Louisiana R.S. 13:5571-5575 to establish an interlocal risk management agency to provide a group self-insurance fund for participating member Sheriffs to pool public automobile liability risks as well as physical damage coverage. Operations of the Program began effective July 1, 2020, and are controlled by the Board of Managers, consisting of four Sheriffs elected by a majority vote of the member Sheriffs participating in the Program. Managers are elected for staggered terms of four years and may be re-elected to any number of successive terms.

The Program's insurance administration and other general administrative functions are performed by a third party administrator, whose duties consist of development of the self-insurance fund, billing and collecting, securing excess or reinsurance coverage, adjudicating claims, bookkeeping support and other general administrative functions, as directed by the Board of Managers.

Governmental Accounting Standards Board (GASB) Statement 14, as amended by Statement 61, establishes criteria for determining the governmental reporting entity and component units that should be included within a reporting entity. Under provisions of this Statement, the Program is considered a primary government, since it is a special purpose government that has a separately appointed governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement 61, fiscally independent means that the Program may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. The Program also has no component units, defined by the standards as other legally separate organizations for which the Board of Managers are financially accountable. There are no other primary governments with which the Program has a significant relationship. The Program is not considered a component unit of any other entity.

#### *(b) Basis of Accounting*

The financial statements of the Program have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) 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. Private sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed to the extent they have been made authoritative under GASB 62, *Codification of Accounting and Financial Reporting Guidance contained in Pre-November 30, 1989 FASB and AICPA pronouncements*.

## LOUISIANA SHERIFFS' AUTOMOBILE PROGRAM

### NOTES TO FINANCIAL STATEMENTS

#### 1. SIGNIFICANT ACCOUNTING POLICIES (continued)

*(b) Basis of Accounting (continued)*

The Program is a proprietary fund type and is presented as a business type activity. Proprietary fund types are used to account for governmental activities that are similar to those found in the private sector where the determination of operating income and changes in net position are necessary or useful for sound financial administration. GAAP used for proprietary funds are generally those applicable to similar businesses in the private sector (accrual basis of accounting). Under the accrual basis of accounting, revenues are recognized in the accounting period in which they are earned and expenses are recognized in the period incurred.

Since the business of the Program is essentially that of an insurance enterprise having a business cycle greater than one year, the statement of net position is not presented in a classified format.

*(c) Operating / Non-operating Revenues and Expenses*

Operating revenues consist of member premiums as these revenues are generated from the Program's operations and are needed to carry out its statutory purpose. All expenses incurred for that purpose are classified as operating expenses. Other revenues and expenses which are ancillary to the Program's statutory purpose are classified as non-operating.

*(d) Premium Income and Receivable*

Premiums are recognized as income over the term of the policies as they become earned on a pro-rata basis. Any adjustments to annual premiums are considered to be a change in estimate and are recognized in the year they become known. The costs associated with new and renewal contracts as acquisition costs are immaterial to the financial statements and are expensed when incurred.

Premiums billed and collected in advance of the next succeeding policy year are deferred from income recognition and are recorded as a liability as advanced premiums.

Premium receivables are comprised of amounts due from members and are considered to be fully collectible by management; therefore, no reserve for bad debts has been established.

*(e) Statement of Cash Flows*

For the purposes of the statement of cash flows, cash includes cash in demand deposit accounts with banks.

*(f) Excess Insurance*

The Program uses excess insurance to reduce its exposure to large losses on insured events. The Program does not report risks covered by excess insurance as liabilities unless it is probable that those risks will not be covered by excess insurance carriers.

## LOUISIANA SHERIFFS' AUTOMOBILE PROGRAM

### NOTES TO FINANCIAL STATEMENTS

#### 1. SIGNIFICANT ACCOUNTING POLICIES (continued)

##### *(g) Unpaid Claims Liability*

The liability for losses and loss adjustment expenses includes amounts estimated from losses reported on individual claims, an amount for claims incurred but not yet reported based upon past experience and industry data, and expenses for processing and investigation of unpaid claims. Such liabilities are necessarily based on estimates, and, while management believes the amount is adequate, the ultimate liability may differ from the amount provided. The Company does not discount its reserve liabilities but does record its reserve liabilities net of anticipated salvage and subrogation and member deductible recoverables. The methods for making such estimates and for establishing the resulting liabilities are continually reviewed and any adjustments are reflected in the period determined.

##### *(h) Income Taxes*

The Program is exempt from federal income taxes under Sections 7701 and 115(1) of the Internal Revenue Code.

##### *(i) Use of Estimates*

Management of the Program has made a number of estimates and assumptions relating to the reporting of assets and liabilities to prepare these financial statements in conformity with accounting principles generally accepted in the United States of America. Actual results could differ from those estimates and assumptions. For example, significant estimates and assumptions are used in estimating its insurance liabilities and accruals. If future experience differs materially from these estimates and assumptions, the financial statements could be affected.

#### 2. SERVICE CONTRACTS AND RELATED PARTY TRANSACTIONS

Paramount Risk Services, LLC (the Administrator) provides the insurance administration of the Program. The fees for these services are based on a percentage of the Program's premiums from members plus an annual fee for each vehicle enrolled for coverage. Total fees were approximately \$479,000 for the year ended June 30, 2021. An employee of the Administrator also serves as an excess reinsurance broker for the Program's excess insurance contract.

The Program provides insurance coverage for Sheriffs making up the Program's Board of Managers.

**LOUISIANA SHERIFFS' AUTOMOBILE PROGRAM**

**NOTES TO FINANCIAL STATEMENTS**

**3. CLAIMS EXPENSE AND UNPAID CLAIMS LIABILITY**

The following represents changes in the Program's aggregate unpaid claims liabilities for the year ended June 30, 2021:

Liability for unpaid losses at beginning of year	\$ -
Net incurred related to:	
Current year claims	2,466,778
Prior year claims	-
Total incurred	<u>2,466,778</u>
Net paid related to:	
Current year claims	481,778
Prior year claims	-
Total paid	<u>481,778</u>
Liability for unpaid losses at end of year	<u>\$ 1,985,000</u>

The Program's unpaid claims liability represents the estimated cost of all reported and unreported loss and loss adjustment expenses incurred and unpaid at any given point in time based on known facts and circumstances. The Program estimates its unpaid claims liability using case valuations and actuarial analysis.

In establishing reserves, management considers facts currently known, historical claims information, industry average loss data, and the present state of laws and coverage litigation. However, the process of establishing loss reserves is a complex and imprecise science that reflects significant judgmental factors. Management believes that the aggregate loss reserves at June 30, 2021, are adequate to cover claims for losses that have occurred. Management can give no assurance that the ultimate claims incurred through June 30, 2021, will not vary from the above estimates, and such difference could be significant.

**4. CASH AND CASH EQUIVALENTS**

At June 30, 2021, the Program had cash equivalents totaling \$2,926,944, which are held in demand deposit accounts. At times the Program may have deposits in financial institutions in excess of federally insured limits.

Custodial credit risk is the risk that in the event of financial institution failure, the Program's deposits may not be returned to them. The Program has no significant custodial credit risk with respect to demand deposit accounts at June 30, 2021.

## **LOUISIANA SHERIFFS' AUTOMOBILE PROGRAM**

### **NOTES TO FINANCIAL STATEMENTS**

#### **5. EXCESS INSURANCE POLICY COVERAGE**

Effective July 1, 2020 through June 30, 2021, the Program entered into excess insurance agreements with Old Republic Insurance Group, which is rated as A+ Superior by A.M. Best Company (as of April 21, 2021, the last date rated). The Program's excess insurance contracts were renewed for the period July 1, 2021 through June 30, 2022, under substantially similar terms at which time management negotiated agreements sufficient to continue to mitigate the Program's exposure to significant losses.

The excess insurance contract for automobile liability provides for two layers of coverage. The first layer provides coverage of \$750,000 in excess of the Program's retention of \$250,000 per occurrence up to the maximum coverage limits of \$1,000,000 per occurrence. Additionally, the second layer provides coverage of \$2,000,000 in excess of \$3,130,000 aggregate retention.

The excess insurance contract for automobile physical damage provides coverage for a specified listing of vehicles included in the contract. The contract provides coverage of \$750,000 in excess of the Program's retention of \$100,000 per occurrence.

The Program evaluates the financial condition of its excess carriers and monitors concentrations of credit risk arising from similar geographic regions, activities, or economic characteristics of the excess carrier to minimize its exposure to significant losses from excess carrier insolvencies.

During the year ended June 30, 2021, the Program did not receive any excess reimbursements.

#### **6. CONTINGENCIES**

During the normal course of business, the Program becomes involved in various insurance-related claims and legal actions. Management of the Program establishes estimated liabilities for reported and unreported contingencies. Management believes that the outcome of claims and any related legal proceedings will be provided for by the estimated insurance liabilities and will not have a material adverse effect on the Program's financial position or results of operations.

In March, 2020, the World Health Organization declared the coronavirus (COVID-19) a global pandemic. The spread of the virus has adversely affected global business activities and has resulted in significant uncertainty in the global economy. The impact of the COVID-19 pandemic continues to evolve and has been marked by rapid changes and developments. The extent to which the COVID-19 pandemic may directly or indirectly impact the Program's financial condition or results of operations cannot be reasonably estimated at this time.

#### **7. SUBSEQUENT EVENTS**

Management has evaluated subsequent events through the date the financial statements were available to be issued, December 20, 2021, and determined that no additional disclosures were necessary. No additional events occurring after this date have been evaluated for inclusion in the financial statements.



**LOUISIANA SHERIFF'S AUTOMOBILE PROGRAM**  
**SCHEDULE OF TEN-YEAR CLAIMS DEVELOPMENT INFORMATION**

**JUNE 30, 2021**

*(Unaudited)*

The table below illustrates the Fund's earned normal premium and interest income compared to related costs and undiscounted claims expense (net of losses assumed by excess carrier) incurred by the Program as of the end of June 30, 2021. The table below does not include costs on estimated incurred claims related to unallocated loss adjustment expenses.

		2021
ENP and interest income	\$	5,166,881
Operating costs, unallocated		2,173,570
Estimated incurred claims and expense, end of policy year		2,467,000
Paid (cumulative) as of:		
End of policy year		481,778
One year later		-
Two years later		-
Three years later		-
Four years later		-
Five years later		-
Six years later		-
Seven years later		-
Eight years later		-
Nine years later		-
Estimated incurred claims and claims expense:		
End of policy year		2,467,000
One year later		-
Two years later		-
Three years later		-
Four years later		-
Five years later		-
Six years later		-
Seven years later		-
Eight years later		-
Nine years later		-
Increase (decrease) in estimated incurred claims and expense from end of policy year		-

See accompanying independent auditors' report.

**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**

Board of Managers  
Louisiana Sheriffs' Automobile Program

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 the Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the Louisiana Sheriffs' Automobile Program, which comprise the statement of net position as of and for the year ended June 30, 2021, and the related statement of revenues, expenses, and change in net position and cash flows for the year then ended, and the related notes to the financial statements and have issued our report thereon dated December 20, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Louisiana Sheriffs' Automobile Program's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Louisiana Sheriffs' Automobile Program's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Louisiana Sheriffs' Automobile Program's internal control over financial reporting.

*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.

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 may exist that have not been identified.

### Compliance and Other Matters

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

### Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and do not provide an opinion on the effectiveness of the Program'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 Program's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Baton Rouge, Louisiana  
December 20, 2021

**LOUISIANA SHERIFFS' AUTOMOBILE PROGRAM**

**SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO DIRECTOR**  
**YEAR ENDED JUNE 30, 2021**

**Louisiana Sheriff's Law Enforcement Program**

*Schedule of Compensation, Benefits and Other Payments to Director*

**Year Ended:** June 30, 2021

**Director Name:** Willy J. Martin, Jr.

<b>Purpose</b>	<b>Amount</b>
Compensation	\$ 0
Benefits	0
Other payments	0

\*\*No compensation of the Director is included in the above schedule of compensation, benefits and other payments as no such amounts were paid from "public funds" as required to be reported pursuant of R.S. 24:513(A)(3), as amended by Act 462 in 2015, and applicable guidance published by the Louisiana Legislative Auditor.