

LOUISIANA SHERIFFS' AUTOMOBILE PROGRAM

FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

LOUISIANA SHERIFFS' AUTOMOBILE PROGRAM

Contents

	Page
Independent Auditors' Report	1 - 3
Required Supplementary Information	
Management's Discussion and Analysis	4 - 6
Basic Financial Statements	
Statements of Net Position	7
Statements of Revenues, Expenses and Change in Net Position	8
Statements of Cash Flows	9
Notes to Financial Statements	10 - 15
Required Supplementary Information	
Schedule of Five-Year Claims Development Activity	16
Supplementary Information	
Schedule of Compensation, Benefits, and Other Payments to Director	17
Other Reports Required by <i>Government Auditing Standards</i>	
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	18 – 19
Schedule of Findings and Responses	20
Schedule of Prior Year Audit Findings	21

INDEPENDENT AUDITORS' REPORT

To the Board of Managers
of Louisiana Sheriffs' Automobile Program

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Louisiana Sheriffs' Automobile Program (a quasi-public organization) (the "Program"), which comprise the statements of net position as of June 30, 2025 and 2024, and the related statements of revenues, expenses, and changes in net position, and cash flows for the years then ended, and the related notes to the financial statements, which collectively comprise the Program's basic financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Program as of June 30, 2025 and 2024, and the changes in financial position and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits 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 Program and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Program'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 opinion. 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, including omissions, 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 Program'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 Program's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 – 6 and the schedule of five-year claims development activity on page 16 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 an opinion on the financial statements that comprise the Program's basic financial statements. The Schedule of Compensation, Benefits, and Other Payments to Director on page 17 is 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 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 a report, dated December 12, 2025, 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, 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 Program'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 Program's internal control over financial reporting and compliance.

EisnerAmper LLP

EISNERAMPER LLP
Baton Rouge, Louisiana
December 12, 2025



LOUISIANA SHERIFFS' AUTOMOBILE 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 years ended June 30, 2025 and 2024. This document focuses on the current period's activities, resulting changes, and currently known facts in comparison with the prior year's information. 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, 2025, by \$3,141,977, which is an approximately 87% increase from June 30, 2024. The assets of the Program exceeded its liabilities at June 30, 2024 by \$1,679,504 which is an approximately 8% increase from June 30, 2023.
- At June 30, 2025, the Program's assets totaled \$11,054,977, which consisted primarily of cash, cash equivalents, and an investment in an external investment pool.
- The Program reported earned premiums of \$11,192,772 during the year ended June 30, 2025, and an increase in net position of \$1,462,473. During the year ended June 30, 2024 the Program earned premiums of \$8,808,114, and experienced an increase in net position of \$122,981. The Program reported earned premiums of \$6,137,751 during the year ended June 30, 2023, and an increase in net position of \$606,261.
- At the end of the current fiscal year, net position totaled \$3,141,977 or approximately 31% 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, required supplementary information, and supplementary information. 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.

LOUISIANA SHERIFFS' AUTOMOBILE PROGRAM

Management's Discussion and Analysis (Unaudited)

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.

Financial Analysis of the Program

The Statement of Net Position and the Statement of Revenues, Expenses and Change 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 Statements of Net Position

	<u>June 30, 2025</u>	<u>June 30, 2024</u>	<u>June 30, 2023</u>
Total assets	\$ 11,054,977	\$ 7,885,504	\$ 5,618,328
Total liabilities	<u>7,913,000</u>	<u>6,206,000</u>	<u>4,061,805</u>
Net position	<u>\$ 3,141,977</u>	<u>\$ 1,679,504</u>	<u>\$ 1,556,523</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, cash equivalents and investments. Total liabilities consisted mainly of unpaid claims liabilities. Total assets at June 30, 2025 increased approximately 40% from June 30, 2024, and total assets increased at June 30, 2024 approximately 40% from June 30, 2023. Total liabilities at June 30, 2025 increased approximately 28% from June 30, 2024, and total liabilities increased at June 30, 2024 approximately 53% from June 30, 2023.

Condensed Statements of Revenues, Expenses and Changes in Net Position

	<u>Year Ended June 30, 2025</u>	<u>Year Ended June 30, 2024</u>	<u>Year Ended June 30, 2023</u>
Total operating revenues	\$ 11,192,772	\$ 8,808,114	\$ 6,137,751
Total operating expenses	\$ (10,284,989)	\$ (9,173,477)	\$ (5,730,917)
Non-operating income	<u>554,690</u>	<u>488,344</u>	<u>199,427</u>
Change in net position	<u>\$ 1,462,473</u>	<u>\$ 122,981</u>	<u>\$ 606,261</u>

LOUISIANA SHERIFFS' AUTOMOBILE 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, 2025, was an increase of approximately \$1,462,000 from June 30, 2024. The Program's change in net position for the year ended June 30, 2024, was an increase of approximately \$123,000 from June 30, 2023.

Financial Outlook

The Program anticipates consistency in membership during the next fiscal year. Management emphasizes that the Program's expenses are greatly impacted by claims losses and related expenses which are influenced by factors beyond management's control, including the rate of inflation, judicial rulings, and legislative changes.

The Program's investment activities are subject to fluctuations in value due to market and economic conditions which are outside of management's control. The fair value of investments can be particularly sensitive to changes in overall market interest rates and economic uncertainties. While the fair value of the Program's investments is subject to overall financial market valuation volatility, the Program's investment practices are primarily to hold securities for long-term and does not engage in active trading practices.

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

Statements of Net Position

	June 30,	
	2025	2024
ASSETS		
Cash and cash equivalents	\$ 573,665	\$ 362,774
Investments	10,460,624	7,516,901
Premiums receivable from members	242	5,829
Prepaid insurance	20,446	-
Total assets	<u>\$ 11,054,977</u>	<u>\$ 7,885,504</u>
 LIABILITIES AND NET POSITION		
Liabilities:		
Unpaid claims liability	\$ 7,913,000	\$ 6,184,000
Accounts payable and accrued expenses	-	22,000
Total liabilities	<u>7,913,000</u>	<u>6,206,000</u>
Net position, unrestricted	<u>3,141,977</u>	<u>1,679,504</u>
Total liabilities and net position	<u>\$ 11,054,977</u>	<u>\$ 7,885,504</u>

LOUISIANA SHERIFFS' AUTOMOBILE PROGRAM

Statements of Revenues, Expenses and Change in Net Position

	Year Ended	
	June 30,	
	<u>2025</u>	<u>2024</u>
Operating revenues:		
Premium income	<u>\$ 11,192,772</u>	<u>\$ 8,808,114</u>
Operating expenses:		
Claim losses and claims adjustment expenses	<u>4,389,019</u>	4,709,045
Excess insurance premiums	<u>5,273,333</u>	3,943,112
Administration fees	<u>398,682</u>	358,675
Other general and administrative expenses	<u>223,955</u>	162,645
Total operating expenses	<u>10,284,989</u>	<u>9,173,477</u>
Operating income (loss)	<u>907,783</u>	<u>(365,363)</u>
Non-operating income:		
Investment income	<u>554,690</u>	<u>488,344</u>
Change in net position	<u>1,462,473</u>	<u>122,981</u>
Net position, beginning of the year	<u>1,679,504</u>	<u>1,556,523</u>
Net position, end of the year	<u>\$ 3,141,977</u>	<u>\$ 1,679,504</u>

LOUISIANA SHERIFFS' AUTOMOBILE PROGRAM

Statements of Cash Flows

	Year Ended June 30,	
	2025	2024
Cash flows from operating activities:		
Cash received from:		
Member premiums collected	\$ 11,198,359	\$ 8,806,323
Cash paid for:		
Service providers	(644,637)	(543,125)
Excess insurance premiums	(5,293,779)	(3,943,112)
Claims and claims expenses	(2,660,019)	(2,543,045)
Net cash provided by operating activities	<u>2,599,924</u>	<u>1,777,041</u>
Cash flows from investing activities:		
Investment income	554,690	488,344
Proceeds from the sale and maturity of investments	8,015,000	4,559,263
Purchases of investments	(10,958,723)	(7,397,803)
Net cash used in investing activities	<u>(2,389,033)</u>	<u>(2,350,196)</u>
Net change in cash and cash equivalents	210,891	(573,155)
Cash and cash equivalents, beginning of year	<u>362,774</u>	<u>935,929</u>
Cash and cash equivalents, end of year	<u>\$ 573,665</u>	<u>\$ 362,774</u>
Reconciliation of change in net position to net cash used in operating activities:		
Operating income (loss)	\$ 907,783	\$ (365,363)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Change in receivables	5,587	(1,791)
Change in prepaid insurance	(20,446)	
Change in unpaid claims liability	1,729,000	2,166,000
Change in accounts payable and accrued expenses	(22,000)	(21,805)
Net cash provided by operating activities	<u>\$ 2,599,924</u>	<u>\$ 1,777,041</u>

LOUISIANA SHERIFFS' AUTOMOBILE PROGRAM

Notes to Financial Statements June 30, 2025 and 2024

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 two third-party administrators, whose duties consist of development of the self-insurance fund, billing and collecting, securing excess insurance 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 June 30, 2025 and 2024

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 statements of net position are not presented in a classified format.

(c) *Investments*

Investments are reported at estimated fair value. Fair value is based on the last reported sales price if available; if not available, fair value is based on estimated fair value. Realized and unrealized gains and losses on investments recorded at fair value are included in net investment income.

(d) *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.

(e) *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, if any, are deferred from income recognition and are recorded as a liability as advanced premiums.

Premium receivables, if any, 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.

(f) *Statements of Cash Flows*

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

LOUISIANA SHERIFFS' AUTOMOBILE PROGRAM

Notes to Financial Statements June 30, 2025 and 2024

1. Significant Accounting Policies (continued)

(g) *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.

(h) *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 Program 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.

(i) *Income Taxes*

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

(j) *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

The Board outsources the administration of the Program to two third-party administrators, who provide administration of the Program as described in Note 1. Fees for the insurance administration services are generally based on a percentage of premiums charged to members and were approximately \$399,000 and \$359,000 for the years ended June 30, 2025 and 2024, respectively. Fees for claims administration services are generally 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 \$433,000 and \$365,000 for the years ended June 30, 2025 and 2024, respectively, and are included in claims expense as loss adjustment expenses. An owner of the third-party claims administrator also serves as an excess insurance broker for the Program's excess insurance contracts.

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

LOUISIANA SHERIFFS' AUTOMOBILE PROGRAM

Notes to Financial Statements June 30, 2025 and 2024

3. Claims Expense And Unpaid Claims Liability

The following represents changes in the Program's aggregate unpaid claims liabilities for the years ended June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Liability for unpaid losses at beginning of year (gross)	\$ 9,684,000	\$ 6,978,000
Less: excess insurance recoverable	3,500,000	2,960,000
Liability for unpaid losses at beginning of year (net)	<u>6,184,000</u>	<u>4,018,000</u>
Net incurred related to:		
Current year claims	4,079,910	4,466,312
Prior year claims	(123,400)	(122,416)
Loss adjustment expenses	432,509	365,149
Total incurred	<u>4,389,019</u>	<u>4,709,045</u>
Net paid related to:		
Current year claims	835,910	1,019,312
Prior year claims	1,391,600	1,158,584
Loss adjustment expenses	432,509	365,149
Total paid	<u>2,660,019</u>	<u>2,543,045</u>
Liability for unpaid losses at end of year (gross)	12,843,000	9,684,000
Less: excess insurance recoverable	4,930,000	3,500,000
Liability for unpaid losses at end of year (net)	<u>\$ 7,913,000</u>	<u>\$ 6,184,000</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.

The Program experienced favorable development on unpaid claims liabilities established in the prior year during the fiscal years ended June 30, 2025 and 2024. The favorable development results from claims arising in prior years settling or expected to cost less than previously estimated amounts. 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, 2025, are adequate to cover claims for losses that have occurred. Management can give no assurance that the ultimate claims incurred through June 30, 2025, will not vary from the above estimates, and such difference could be significant.

The Program expects the liability to be paid out as claims are adjudicated in amounts consistent with amounts paid in recent years as reflected in the table above.

LOUISIANA SHERIFFS' AUTOMOBILE PROGRAM

Notes to Financial Statements June 30, 2025 and 2024

4. Cash, Cash Equivalents And Investments

At June 30, 2025 and 2024, the Program had cash equivalents totaling \$573,665 and \$362,774, respectively, which are held in demand deposit accounts. At times the Program may have deposits in financial institutions in excess of federally insured limits.

At June 30, 2025 and 2024, the Program had investments totaling \$10,460,624 and \$7,516,901 that are invested in Louisiana Asset Management Pool (LAMP), an external investment pool. LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA – R.S. 33:2955. The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the net asset value of the pool shares. This investment pool is classified as an external investment pool. LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

Custodial Credit Risk

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, 2025 and 2024.

LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will be unable to meet its obligations. The Program minimizes this risk by adhering to an investment strategy designed to achieve a conservative risk/return characteristic by investing in diversified mutual funds.

Concentration of credit risk relates to the risk of loss attributed to the magnitude of the Program's investment in a single issuer. Investments in LAMP's pooled investments are excluded from the 5% disclosure requirement. LAMP is rated AAAM by Standard and Poor's

LOUISIANA SHERIFFS' AUTOMOBILE PROGRAM

Notes to Financial Statements June 30, 2025 and 2024

4. Cash, Cash Equivalents And Investments (continued)

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the estimated fair value of an investment. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 60 days, and consists of no securities with a maturity in excess of 397 days. The WAM for LAMP's total investments is 28 days at June 30, 2025.

5. Excess Insurance Policy Coverage

Effective July 1, 2024 through June 30, 2025, 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 11, 2025, the last date rated). The Program's excess insurance contracts were renewed for the period July 1, 2025 through June 30, 2026, 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 contracts for automobile liability provides for specific occurrence and aggregate loss coverage. The specific coverage provides coverage of \$750,000 in excess of the Program's retention of \$250,000 per occurrence up to the Program's maximum coverage limits of \$1,000,000 per occurrence. Additionally, the aggregate coverage provides \$2,000,000 in excess of \$3,593,000 and \$3,369,000 of aggregate losses during the years ended June 30, 2025 and 2024, respectively.

The excess insurance contract for automobile physical damage provides coverage for a specified listing of vehicles included in the contract. The contracts provide 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 years ended June 30, 2025 and 2024, the Program did not receive any excess reimbursements but has estimated recoverables for unpaid losses as described in Note 3.

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.

LOUISIANA SHERIFF'S AUTOMOBILE PROGRAM

**Schedule of Five-Year Claims Development Activity
June 30, 2025**

(Unaudited)

The table below illustrates the Program'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. The table below includes five years as it begins with the period of inception.

	Years Ended June 30,				
	2025	2024	2023	2022	2021
ENP and interest income	\$ 11,747,462	\$ 9,296,458	\$ 6,337,178	\$ 5,558,530	\$ 5,166,881
Operating costs, unallocated	6,328,479	4,829,581	3,097,571	2,739,006	2,173,660
Estimated incurred claims and expense, end of policy year	4,080,000	4,466,000	2,488,000	2,908,000	2,467,000
Paid (cumulative) as of:					
End of policy year	835,910	1,019,312	489,854	892,504	481,788
One year later	-	1,461,204	747,169	1,981,979	1,130,139
Two years later	-	-	1,355,689	2,680,992	2,143,126
Three years later	-	-	-	2,871,736	2,955,410
Four years later	-	-	-	-	3,183,022
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	4,080,000	4,466,000	2,488,000	2,908,000	2,467,000
One year later	-	4,242,000	2,337,000	3,140,000	1,955,000
Two years later	-	-	2,508,000	3,143,000	1,862,000
Three years later	-	-	-	3,143,000	1,903,100
Four years later	-	-	-	-	1,822,000
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	-	(224,000)	20,000	235,000	(645,000)

See independent auditors' report

LOUISIANA SHERIFFS' AUTOMOBILE PROGRAM

**Schedule of Compensation, Benefits, and Other Payments to Director
Year Ended June 30, 2025**

Director Name: Willy Martin

Purpose	Amount
Salary	\$ 68,466
Payroll taxes	5,807
Travel	1,799

**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**

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 Louisiana Sheriffs' Automobile Program (the "Program") as of and for the year ended June 30, 2025, and the related notes to the financial statements and have issued our report thereon dated December 12, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Program'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Program's internal control. Accordingly, we do not express an opinion on the effectiveness of the Program'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 over financial reporting 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 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.

EisnerAmper LLP

EISNERAMPER LLP
Baton Rouge, Louisiana
December 12, 2025

EISNERAMPER
LLP



LOUISIANA SHERIFFS' AUTOMOBILE PROGRAM

Schedule of Findings and Responses Year Ended June 30, 2025

A. SUMMARY OF AUDITORS' RESULTS

The auditors' report expressed an unmodified opinion on the financial statements of the Louisiana Sheriffs' Automobile Program (the "Program") as of June 30, 2025, and for the year then ended.

B. FINDINGS – FINANCIAL STATEMENT AUDIT

None noted for the year ended June 30, 2025.

LOUISIANA SHERIFFS' AUTOMOBILE PROGRAM

**Schedule of Prior Year Audit Findings
Year Ended June 30, 2024**

None noted for the year ended June 30, 2024.

LOUISIANA SHERIFFS' AUTOMOBILE PROGRAM

REPORT ON STATEWIDE
AGREED-UPON PROCEDURES ON
COMPLIANCE AND CONTROL AREAS

YEAR ENDED JUNE 30, 2025

LOUISIANA SHERIFFS' AUTOMOBILE PROGRAM

Contents

	Page
Independent Accountants' Report on Applying Agreed-Upon Procedures	1
Schedule A: Agreed-Upon Procedures Performed and Associated Findings	2 – 13
Schedule B: Management's Response and Corrective Action Plan	14

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Managers of the
Louisiana Sheriffs' Automobile Program 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 Louisiana Sheriffs' Automobile Program (the Program) for the fiscal period July 1, 2024 through June 30, 2025. The Program's management is responsible for those C/C areas identified in the SAUPs.

The Program has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of performing specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period July 1, 2024 through June 30, 2025. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures we performed, and the associated findings are summarized in the attached Schedule A, which is an integral part of this report.

We were engaged by the Program 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 Program for the fiscal period July 1, 2024 through June 30, 2025. 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 Program 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 12, 2025

LOUISIANA SHERIFFS' AUTOMOBILE PROGRAM

Agreed-Upon Procedures Performed and Associated Findings June 30, 2025

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.

The Program outsources its administrative functions and claims administration functions to the Louisiana Sheriffs' Association (LSA) administrative personnel and a third-party claims administration vendor, respectively. The below procedures were determined to be applicable based solely on the functions of the Program and not the outsourced functions.

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):

The Program does not maintain written policies or procedures. The Program has one employee and outsources its administrative functions and claims administration function to third-party administrators. The third-party administrators have their own policies and procedures regarding administrative functions and the processing and disbursements of claims.

- i. **Budgeting**, including preparing, adopting, monitoring, and amending the budget.

See above. Not applicable.

- 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.

See above.

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

See above.

- 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).

See above.

- 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.

See above.

LOUISIANA SHERIFFS' AUTOMOBILE PROGRAM

Agreed-Upon Procedures Performed and Associated Findings June 30, 2025

Schedule A

- vi. **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

See above.

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

See above.

- 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).

See above. Not applicable.

- 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.

See above.

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

See above. Not applicable.

- 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.

See above. Not applicable.

- xii. **Prevention of Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

See above.

2) Board or Finance Committee

Procedures were not performed in the current year (Year 2) in accordance with LLA guidelines.

- A. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
- i. Observe whether the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

LOUISIANA SHERIFFS' AUTOMOBILE PROGRAM

Agreed-Upon Procedures Performed and Associated Findings June 30, 2025

Schedule A

Not applicable as noted above.

- 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.*

Not applicable as noted above.

- 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.

Not applicable as noted above.

- 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.

Not applicable as noted above.

3) **Bank Reconciliations**

Procedures were not performed in the current year (Year 2) in accordance with LLA guidelines.

- A. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

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

Not applicable as noted above.

- 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, electronically logged); and

Not applicable as noted above.

- 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.

Not applicable as noted above.

LOUISIANA SHERIFFS' AUTOMOBILE PROGRAM

Agreed-Upon Procedures Performed and Associated Findings June 30, 2025

Schedule A

4) Collections (excluding electronic funds transfers)

Procedures were not performed in the current year (Year 2) in accordance with LLA guidelines.

- 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).

Not applicable as noted above.

- 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:

Not applicable as noted above.

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

Not applicable as noted above.

- 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;

Not applicable as noted above.

- 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

Not applicable as noted above.

- 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 verifies the reconciliation.

Not applicable as noted above.

- 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.

Not applicable as noted above.

- 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).

LOUISIANA SHERIFFS' AUTOMOBILE PROGRAM

Agreed-Upon Procedures Performed and Associated Findings June 30, 2025

Schedule A

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:

Not applicable as noted above.

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

Not applicable as noted above.

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

Not applicable as noted above.

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

Not applicable as noted above.

- 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).

Not applicable as noted above.

- v. Trace the actual deposit per the bank statement to the general ledger.

Not applicable as noted above.

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

Procedures were not performed in the current year (Year 2) in accordance with LLA guidelines.

- 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).

Not applicable as noted above.

- B. For each location selected under #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that:

Not applicable as noted above.

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

Not applicable as noted above.

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

LOUISIANA SHERIFFS' AUTOMOBILE PROGRAM

Agreed-Upon Procedures Performed and Associated Findings June 30, 2025

Schedule A

Not applicable as noted above.

- 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;

Not applicable as noted above.

- 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

Not applicable as noted above.

- 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.

Not applicable as noted above.

- C. For each location selected under #5A above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and

Not applicable as noted above.

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

Not applicable as noted above.

- 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.

Not applicable as noted above.

- 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.

Not applicable as noted above.

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.

LOUISIANA SHERIFFS' AUTOMOBILE PROGRAM

Agreed-Upon Procedures Performed and Associated Findings June 30, 2025

Schedule A

Not applicable.

- 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

Not applicable.

- 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

Not applicable.

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

Not applicable.

- C. Using the monthly statements or combined statements selected under procedure #6B 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.

Not applicable.

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

Procedures were not performed in the current year (Year 2) in accordance with LLA guidelines.

- 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:

Not applicable as noted above.

- 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);

Not applicable as noted above.

LOUISIANA SHERIFFS' AUTOMOBILE PROGRAM

Agreed-Upon Procedures Performed and Associated Findings June 30, 2025

Schedule A

- ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;

Not applicable as noted above.

- 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

Not applicable as noted above.

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

Not applicable as noted above.

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;

Not applicable.

- 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 exception 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 exception 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.

There was one instance noted where the fee charged to the Program was different than the stated contract provisions.

LOUISIANA SHERIFFS' AUTOMOBILE PROGRAM

Agreed-Upon Procedures Performed and Associated Findings June 30, 2025

Schedule A

9) Payroll and Personnel

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

A listing of employees/elected officials employed during the fiscal year was provided. There is only one employee/official, who is the executive director.

From the listing provided, we selected the official and performed the specified procedures. No exceptions noted.

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

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

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

The Board does not require the executive director to document attendance.

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

Not applicable.

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

Not applicable. The executive director does not earn leave.

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

The executive director did not have an employment agreement and there is no explicit board approval of his rate of pay noted in board minutes.

- 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.

Not applicable.

LOUISIANA SHERIFFS' AUTOMOBILE PROGRAM

Agreed-Upon Procedures Performed and Associated Findings June 30, 2025

Schedule A

- D. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

No exceptions noted.

10) Ethics

- A. Using the 5 randomly selected employees/officials from procedure "Payroll and Personnel" procedure #9A, above obtain ethics documentation from management, and

- i. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and

The employee does not participate in ethics training.

- 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.

The Program does not maintain an ethics policy for the executive director.

- B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

The entity has not appointed an ethics designee.

11) Debt Service

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

Not applicable.

- B. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Not applicable.

LOUISIANA SHERIFFS' AUTOMOBILE PROGRAM

Agreed-Upon Procedures Performed and Associated Findings June 30, 2025

Schedule A

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.

- 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.

Not applicable.

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."**

The Program outsources its administrative functions and claims administration functions to third-party administrators. The below procedures were determined to be not applicable based solely on the functions of the Program and not the outsourced functions.

- 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.

Not applicable.

- 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.

Not applicable.

- 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.

Not applicable.

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

Not applicable.

LOUISIANA SHERIFFS' AUTOMOBILE PROGRAM

Agreed-Upon Procedures Performed and Associated Findings June 30, 2025

Schedule A

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

Not applicable.

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.

The Program has only one employee, who does not participate in sexual harassment training.

- B. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

The Program does not have written policies related to sexual harassment.

- 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;

Not applicable.

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

Not applicable.

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

Not applicable.

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

Not applicable.

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

Not applicable.

LOUISIANA SHERIFFS' AUTOMOBILE PROGRAM

**Agreed-Upon Procedures Performed And Associated Findings
June 30, 2025**

Schedule B

Management corrective action plan

Management of the Louisiana Sheriff's Automobile Program agrees with the findings and will implement corrective action where necessary to address these findings in future periods.