

VERMILION PARISH SHERIFF

Abbeville, Louisiana

Financial Report

Year Ended June 30, 2023

## TABLE OF CONTENTS

	Page
Independent Auditor's Report	1-3
<b>BASIC FINANCIAL STATEMENTS</b>	
<b>GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)</b>	
Statement of net position	6
Statement of activities	7
<b>FUND FINANCIAL STATEMENTS (FFS)</b>	
Balance sheet - governmental fund	9
Reconciliation of the governmental fund balance sheet to the statement of net position	10
Statement of revenues, expenditures, and changes in fund balance - governmental fund	11
Reconciliation of the statement of revenues, expenditures, and changes in fund balance of governmental fund to the statement of activities	12
Statement of fiduciary net position	13
Statement of changes in fiduciary net position	14
Notes to basic financial statements	15-38
<b>REQUIRED SUPPLEMENTARY INFORMATION</b>	
Budgetary comparison schedule:	
General Fund	40
Schedule of changes in Total OPEB liability and related ratios	41
Schedule of employer's share of net pension liability	42
Schedule of employer contributions	43
Notes to the required supplementary information	44-45
<b>SUPPLEMENTARY INFORMATION</b>	
Justice System Funding Reporting Schedule	47-48
Schedule of Compensation, Benefits, and Other Payments to Agency Head	49
<b>OTHER INFORMATION</b>	
Affidavit	51

TABLE OF CONTENTS (continued)

	<u>Page</u>
INTERNAL CONTROL, COMPLIANCE AND OTHER MATTERS	
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	53-54
Schedule of current and prior year audit findings and management's corrective action plan	55-57

# KOLDER, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

Brad E. Kolder, CPA, JD\*  
Gerald A. Thibodeaux, Jr., CPA\*  
Robert S. Carter, CPA\*  
Arthur R. Mixon, CPA\*  
Stephen J. Anderson, CPA\*  
Matthew E. Margaglio, CPA\*  
Casey L. Ardoin, CPA, CFE\*  
Wanda F. Arcement, CPA  
Bryan K. Joubert, CPA  
Nicholas Fowlkes, CPA  
Deidre L. Stock, CPA

C. Burton Kolder, CPA\*  
Of Counsel

Victor R. Slaven, CPA\* - retired 2020  
Christine C. Doucet, CPA – retired 2022

183 S. Beadle Rd.  
Lafayette, LA 70508  
Phone (337) 232-4141

1428 Metro Dr. 450 E. Main St.  
Alexandria, LA 71301 New Iberia, LA 70560  
Phone (318) 442-4421 Phone (337) 367-9204

200 S. Main St. 1201 David Dr.  
Abbeville, LA 70510 Morgan City, LA 70380  
Phone (337) 893-7944 Phone (985) 384-2020

434 E. Main St. 11929 Bricksome Ave.  
Ville Platte, LA 70586 Baton Rouge, LA 70816  
Phone (337) 363-2792 Phone (225) 293-8300

WWW.KSRCPAS.COM

## INDEPENDENT AUDITOR'S REPORT

\* A Professional Accounting Corporation

The Honorable Michael Couvillon  
Vermilion Parish Sheriff  
Abbeville, Louisiana

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Vermilion Parish Sheriff (the Sheriff), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Sheriff's basic financial statements as listed in the table of contents.

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

#### *Basis for Opinions*

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

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

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

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

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

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

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

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

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the required supplementary information (RSI), as listed in the table on contents, 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.

The Sheriff has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Sheriff's basic financial statements. The supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and are 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 justice system funding schedules and the schedule of compensation, benefits, and other payments to agency head are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Other Information**

Management is responsible for the other information included in the annual report. The other information comprises the Affidavit but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 5, 2023, on our consideration of the Sheriff's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Sheriff's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Sheriff's internal control over financial reporting and compliance.

***Kolder, Slaven & Company, LLC***  
Certified Public Accountants

Abbeville, Louisiana  
December 5, 2023

## **BASIC FINANCIAL STATEMENTS**

**GOVERNMENT-WIDE  
FINANCIAL STATEMENTS (GWFS)**

VERMILION PARISH SHERIFF  
Abbeville, Louisiana

Statement of Net Position  
June 30, 2023

ASSETS

Cash and interest bearing deposits	\$ 8,528,703
Investments	8,139,144
Other receivables	162,360
Due from other governmental units	1,570,619
Capital assets, net	<u>2,358,994</u>
Total assets	<u>20,759,820</u>

DEFERRED OUTFLOWS OF RESOURCES

OPEB related	1,914,702
Pension related	<u>4,983,566</u>
Total deferred outflows of resources	<u>6,898,268</u>

LIABILITIES

Accounts payable	11,992
Claims payable	226,724
Other accrued liabilities	27,200
Long-term liabilities:	
Other post employment benefits payable	13,284,858
Net pension liability	<u>6,560,575</u>
Total liabilities	<u>20,111,349</u>

DEFERRED INFLOWS OF RESOURCES

OPEB related	405,609
Pension related	<u>399,888</u>
Total deferred inflows of resources	<u>805,497</u>

NET POSITION

Net investment in capital assets	2,358,994
Unrestricted	<u>4,382,248</u>
Total net assets	<u>\$ 6,741,242</u>

The accompanying notes are an integral part of the basic financial statements.

VERMILION PARISH SHERIFF  
 Abbeville, Louisiana  
 Statement of Activities  
 Year Ended June 30, 2023

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue And Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	
Governmental activity:				
Public safety:				
Law enforcement	<u>\$ 14,527,720</u>	<u>\$ 1,372,679</u>	<u>\$ 1,056,211</u>	<u>\$ (12,098,830)</u>
Taxes:				
Property taxes, levied for general purposes				3,153,021
Sales taxes, levied for general purposes				7,305,386
Interest and investment earnings and losses				(9,902)
Loss on disposal of assets				(5,464)
Miscellaneous				198,550
Nonemployer pension contribution				<u>373,214</u>
Total general revenues				<u>11,014,805</u>
Change in net position				(1,084,025)
Net position - beginning				<u>7,825,267</u>
Net position - ending				<u>\$ 6,741,242</u>

The accompanying notes are an integral part of the basic financial statements.

**FUND FINANCIAL STATEMENTS (FFS)**

VERMILION PARISH SHERIFF  
Abbeville, Louisiana

Balance Sheet - Governmental Fund  
June 30, 2023

ASSETS	
Cash and interest bearing deposits	\$ 8,528,703
Investments	8,139,144
Other receivables	162,360
Due from other governmental units	<u>1,570,619</u>
Total assets	<u>\$ 18,400,826</u>
LIABILITIES AND FUND BALANCE	
Liabilities:	
Accounts payable	\$ 11,992
Claims payable	226,724
Other accrued liabilities	<u>27,200</u>
Total liabilities	<u>265,916</u>
Fund balance:	
Unassigned	<u>18,134,910</u>
Total liabilities and fund balance	<u>\$ 18,400,826</u>

The accompanying notes are an integral part of the basic financial statements.

VERMILION PARISH SHERIFF  
Abbeville, Louisiana

Reconciliation of the Governmental Fund Balance Sheet  
to the Statement of Net Position  
June 30, 2023

Total fund balance for governmental fund		\$ 18,134,910
Capital assets, net		2,358,994
Pension:		
Net pension liability/asset	\$ (6,560,575)	
Deferred inflows of resources	(399,888)	
Deferred outflows of resources	<u>4,983,566</u>	(1,976,897)
OPEB:		
Net OPEB liability/asset	(13,284,858)	
Deferred inflows of resources	(405,609)	
Deferred outflows of resources	<u>1,914,702</u>	<u>(11,775,765)</u>
Net position		<u>\$ 6,741,242</u>

The accompanying notes are an integral part of the basic financial statements.

VERMILION PARISH SHERIFF  
Abbeville, Louisiana

Statement of Revenues, Expenditures, and Changes in Fund Balance -  
Governmental Fund  
Year Ended June 30, 2023

Revenues:	
Ad valorem taxes	\$ 3,153,021
Sales tax	7,305,386
Intergovernmental revenues	1,030,124
Fees, charges, and commissions for services -	
Commissions on licenses, taxes, etc.	79,006
Fines and forfeitures	105,389
Civil and criminal fees	389,512
Court costs and attendance	11,084
Feeding, keeping, and transporting prisoners	787,688
Federal grants	26,087
Other	198,550
Investment earnings and losses	<u>(9,902)</u>
Total revenues	<u>13,075,945</u>
Expenditures:	
Current -	
Public safety	12,503,078
Capital outlay	<u>155,320</u>
Total expenditures	<u>12,658,398</u>
Net change in fund balance	417,547
Fund balance, beginning	<u>17,717,363</u>
Fund balance, ending	<u>\$ 18,134,910</u>

The accompanying notes are an integral part of the basic financial statements.

VERMILION PARISH SHERIFF  
Abbeville, Louisiana

Reconciliation of the Statement of Revenues, Expenditures, and  
Changes in Fund Balance of Governmental Fund  
to the Statement of Activities  
For the Year Ended June 30, 2023

Net change in fund balance per Statement of Revenues, Expenditures and Changes in Fund Balance		\$ 417,547
Capital assets:		
Capital additions	\$ 155,321	
Depreciation expense	<u>(562,346)</u>	(407,025)
Transactions involving capital assets:		
Loss on disposal of assets		(5,464)
The effect of recording net pension and OPEB liability/asset, and the related deferred outflows of resources, and deferred inflows of resources:		
Change in pension expense	(582,556)	
Nonemployer plan contribution revenue recognized	373,214	
Change in OPEB expense	<u>(879,741)</u>	<u>(1,089,083)</u>
Changes in net position per Statement of Activities		<u>\$ (1,084,025)</u>

The accompanying notes are an integral part of the basic financial statements.

VERMILION PARISH SHERIFF  
Abbeville, Louisiana

Statement of Fiduciary Net Position  
Fiduciary Funds  
June 30, 2023

	<u>Custodial Funds</u>
<b>ASSETS</b>	
Cash and interest bearing deposits	<u>\$ 870,159</u>
<b>LIABILITIES</b>	
Accounts payable	<u>178,016</u>
<b>NET POSITION</b>	
Fiduciary net position - held for others	<u>\$ 692,143</u>

The accompanying notes are an integral part of the basic financial statements.

VERMILION PARISH SHERIFF  
Abbeville, Louisiana

Statement of Changes in Fiduciary Net Position  
Fiduciary Funds  
Year Ended June 30, 2023

	<u>Custodial Funds</u>
Additions:	
Sheriff's sales, suits, and seizures	\$ 1,135,944
Garnishments	215,496
Bonds	139,929
Fines, forfeitures and costs	246,507
Taxes, fees, etc., paid to tax collector	29,547,741
Commissions	117,713
Interest	<u>52,568</u>
Total additions	<u>31,455,898</u>
Deductions:	
Taxes, fees, etc., distributed to taxing bodies and others	29,522,906
Deposits settled to -	
State agencies	11,403
Clerk of Court	95,558
District Attorney	86,368
Crime lab	60,981
Indigent defender board	90,933
Litigants, attorneys etc.	896,971
Other settlements	47,350
Other reductions	<u>577,042</u>
Total deductions	<u>31,389,512</u>
Net change in fiduciary net position	66,386
Net position - beginning	<u>625,757</u>
Net position - ending	<u>\$ 692,143</u>

The accompanying notes are an integral part of the basic financial statements.

VERMILLION PARISH SHERIFF  
Abbeville, Louisiana

Notes to Basic Financial Statements

INTRODUCTION

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

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

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

The accounts of the tax collector are established to reflect the collections imposed by law, distributions pursuant to such law, and unsettled balances due various taxing bodies and others.

(1) Summary of Significant Accounting Policies

The accompanying basic financial statements of the Sheriff have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

A. Reporting Entity

For financial reporting purposes, the Sheriff includes all funds, account groups, activities, et cetera, that are controlled by the Sheriff as an independently elected parish official. As an independently elected parish official, the Sheriff is solely responsible for the operations of his office, which include the hiring and retention of employees, authority over budgeting, responsibility for deficits, and the receipt and disbursement of funds. Other than certain operating expenditures of the Sheriff's office that are paid or provided by the parish police jury as required by Louisiana law, the Sheriff is financially independent.

Accordingly, the Sheriff is a separate governmental reporting entity. Certain units of the local government, over which the Sheriff exercises no oversight responsibility, such as the parish council, parish school board, other independently elected officials, and municipalities within the parish, are excluded from the accompanying financial statements. These units are considered separate reporting entities and issue financial statements separate from those of the parish Sheriff.

VERMILLION PARISH SHERIFF  
Abbeville, Louisiana

Notes to Basic Financial Statements

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

The statement of net position and statement of activities display information about the Sheriff as a whole. These statements include all funds of the reporting entity except the fiduciary funds. Information contained in these statements reflects the economic resources measurement focus and the accrual basis of accounting. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenue.

The statement of activities presents a comparison between direct expenses and program revenues. Direct expenses are those that are specifically associated with a program or function and therefore, are clearly identifiable to a particular function. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements (FFS)

The Sheriff uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain Sheriff functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts. The various funds of the Sheriff are classified into two categories: governmental and fiduciary. The emphasis on fund financial statements is on major funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the Sheriff or its total assets and deferred outflows, liabilities and deferred inflows, revenues, or expenditures of the individual governmental fund is at least 10 percent of the corresponding total for all governmental funds and are at least 5 percent of the corresponding total for all governmental and enterprise funds combined. The governmental fund of the Sheriff is considered to be a major fund. The funds of the Sheriff are described below:

Governmental Fund -

General Fund - This fund is the primary operating fund of the Sheriff, and it accounts for the operations of the Sheriff's office. The General Fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according to Sheriff policy.

Fiduciary Funds –

Custodial Funds – Fiduciary funds consist of Custodial funds of the Sheriff. Custodial funds account for assets held by the Sheriff for various local governments and inmates. Fiduciary fund statements are prepared using the economic resources measurement focus and full accrual basis of accounting.

VERMILLION PARISH SHERIFF  
Abbeville, Louisiana

Notes to Basic Financial Statements

C. Measurement Focus/Basis of Accounting

The amounts reflected in the General Fund are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balance reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of Sheriff operations.

The amounts reflected in the General Fund use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Sheriff considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. When both restricted and unrestricted resources are available for use, it is the Sheriff's policy to use restricted resources first, then unrestricted resources as they are needed. The governmental fund uses the following practices in recording revenues and expenditures:

Revenues

The Sheriff is the ex-officio tax collector of the parish and is responsible for the collection and distribution of ad valorem property taxes. Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied by the parish government in June and are actually billed to taxpayers by the Sheriff in October. Billed taxes are due by December 31, becoming delinquent on January 1 of the following year. The taxes are based on assessed values determined by the Tax Assessor of Vermilion Parish and are collected by the Sheriff. The taxes are remitted to the appropriate taxing bodies net of deductions for assessor's compensation and pension fund contributions. Ad valorem taxes and the related state revenue sharing are recorded in the year taxes are due and payable. The taxes are generally collected in December, January, and February of the fiscal year.

Intergovernmental revenues and fees, charges and commissions for services are recorded when the Sheriff is entitled to the funds.

Interest on interest-bearing deposits is recorded or accrued as revenues when earned. Substantially all other revenues are recorded when received.

VERMILLION PARISH SHERIFF  
Abbeville, Louisiana

Notes to Basic Financial Statements

Expenditures

The Sheriff's primary expenditures include salaries and insurance, which are recorded when the liability is incurred. Capital expenditures and purchases of various operating supplies are regarded as expenditures at the time purchased.

Other Financing Sources (Uses)

Transfers between funds that are not expected to be repaid are accounted for as other financing sources (uses) when the transfer is authorized by the Sheriff.

D. Cash and Interest-Bearing Deposits

Cash and interest-bearing deposits include amounts in demand deposits, interest-bearing demand deposits, and time deposits. They are stated at cost, which approximates market.

E. Investments

Investments are limited by Louisiana Revised Statute (R.S.) 33:2955. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 or fewer days, they are classified as cash equivalents.

F. Bad Debts

Uncollectible amounts due for accounts receivable are recognized as bad debts at the time information becomes available, which would indicate the collectability of the particular receivables. Although the specific charge-off method is not in conformity with generally accepted accounting principles (GAAP), no allowance for uncollectible receivables was made due to immateriality.

G. Capital Assets

Capital assets, which include buildings, furniture, fixtures, equipment, and vehicles, are reported in the governmental activities columns in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated acquisition cost at the date of donation. The Sheriff maintains a threshold level of \$1,000 or more for capitalizing capital assets. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

VERMILLION PARISH SHERIFF  
Abbeville, Louisiana

Notes to Basic Financial Statements

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Computer equipment	3
Vehicles	5
Office furniture	5-10
Equipment	5-10

In the fund financial statements, capital assets used in government fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

H. Annual and Sick Leave

All full-time employees of the Sheriff's earn from 10 to 15 days of annual leave, depending on their length of service. Full-time employees earn 8 hours sick leave per month actually worked. Sick leave accumulates from year to year, no monetary compensation is allowed at termination. The maximum days of sick leave an employee can accumulate are 31.25 days (250 hours). The Sheriff has no accumulated and vested benefits relating to annual and sick leave, which requires accrual or disclosure to conform with generally accepted accounting principles.

I. Deferred Outflows of Resources and Deferred Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period and thus, will not be recognized as an outflow of resources (expenses/expenditures) until then.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

J. Equity Classifications

In the government-wide statements, net position is displayed in three components:

VERMILLION PARISH SHERIFF  
Abbeville, Louisiana

Notes to Basic Financial Statements

Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted net position – Consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Constraints may be placed on the use, either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Unrestricted net position – Net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in either of the other two categories of net position.

In the fund statements, governmental fund equity is classified as fund balance.

Fund balances of the governmental funds are classified as follows:

*Nonspendable* – amounts that cannot be spent because they are either not in a spendable form (such as inventories and prepaid amounts) or are legally or contractually required to be maintained intact.

*Restricted* – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

*Committed* – amounts that can be spent only for specific purposes determined by a formal action of the government's highest level of decision-making authority. The Sheriff is the highest level of decision-making authority for the Vermilion Parish Sheriff's Office.

*Assigned* – amounts the government intends to use for specific purposes that do not meet the criteria to be classified as restricted or committed. Under the Vermilion Parish Sheriff Office's adopted policy, only the Sheriff may assign amounts for specific purposes.

*Unassigned* – all other spendable amounts.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Sheriff considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Sheriff considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Sheriff has provided otherwise in its commitment or assignment actions.

VERMILLION PARISH SHERIFF  
Abbeville, Louisiana

Notes to Basic Financial Statements

K. Estimates

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

L. Pensions

The net pension liability, deferred outflows of resources, and deferred inflows of resources related to pensions, and pension expense has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. Non-employer contributions are recognized as revenues in the government-wide and proprietary fund financial statements. In the governmental fund financial statements contributions are recognized as expenditures when due.

M. Postemployment Benefits Other than Pensions (OPEB)

The net OPEB liability, deferred outflows of resources, and deferred inflows of resources related to OPEB, and OPEB expenses has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. In the governmental fund financial statements contributions are recognized as expenditures when due.

(2) Cash, Interest-Bearing Deposits, and Investments

A. Cash and Interest-Bearing Deposits

Under state law, the Sheriff may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The Sheriff may also deposit funds in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

These deposits are stated at cost, which approximates market. Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the Sheriff's deposits may not be recovered or will not be able to recover the collateral securities that are in the possession of an outside party. The Sheriff does not have a policy for custodial credit risk; however, under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance, or the pledge of securities owned by the pledging financial institution. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the financial institution. These securities are held in the name of the pledging financial institution in a holding or custodial bank that is mutually acceptable to both parties.

VERMILLION PARISH SHERIFF  
Abbeville, Louisiana

Notes to Basic Financial Statements

Deposit balances (bank balances) are secured as follows:

Bank balances	<u>\$ 9,612,152</u>
Deposits are secured as follows:	
Insured deposits	\$ 250,000
Uninsured and collateral held by the pledging bank, not in the Sheriff's name	<u>9,362,152</u>
Total	<u>\$ 9,612,152</u>

B. Investments

Under state law, the Sheriff may invest in direct United States Treasury obligations fully guaranteed by the government of the United States, bonds, debentures, notes, or other evidence of indebtedness issued or guaranteed by federal agencies, provided such obligations are backed by the full faith and credit of the United States of America or issued or guaranteed by United States government instrumentalities which are federally sponsored. The Sheriff categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; level 2 inputs are significant other observable inputs; level 3 inputs are significant unobservable inputs. The Sheriff has the following recurring fair value measurements:

Description	Fair Value	Level 1	Level 2	Level 3
U.S. Treasury	\$ 2,567,184	\$ 2,567,184	\$ -	\$ -
Municipal Bonds	199,610	-	199,610	-
Federal Home Loan Banks	772,432	-	772,432	-
State and Municipal Securities	328,293	-	328,293	-
Mutual Funds	<u>4,271,625</u>	<u>-</u>	<u>4,271,625</u>	<u>-</u>
Total	<u>\$ 8,139,144</u>	<u>\$ 2,567,184</u>	<u>\$ 5,571,960</u>	<u>\$ -</u>

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its value to changes in market interest rates. The Sheriff does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

VERMILLION PARISH SHERIFF  
Abbeville, Louisiana

Notes to Basic Financial Statements

Information about the exposure of the Sheriff's debt type investments to this risk, using the segmented time distribution model is as follows:

Description	Fair Value	Investment Maturities (in Years)		
		Less than 1	1-5	6-10
U.S. Treasury				
Interest Rates 1.75% - 2.75%	\$2,567,184	\$ 938,572	\$1,258,128	\$ 370,484
Municipal Bonds				
Interest Rates 2.94%	199,610	199,610	-	-
Federal Home Loan Banks				
Interest Rates 1.375% - 2.875%	772,432	390,276	382,156	-
State and Municipal Securities	328,293	-	-	328,293
Mutual Funds	<u>4,271,625</u>	<u>4,271,625</u>	<u>-</u>	<u>-</u>
<b>Total</b>	<b><u>\$8,139,144</u></b>	<b><u>\$5,800,083</u></b>	<b><u>\$1,640,284</u></b>	<b><u>\$ 698,777</u></b>

Credit risk is managed by restricting investments to those authorized by R.S. 33:2955.

The Sheriff attempts to maintain a diversified portfolio to minimize the risk of loss resulting from over concentration of assets in a specific maturity. Securities from issuers totaling five percent or more of a portfolio are as follows:

Description	Rating	Percentage
Municipal Bonds	AAA	2.45%
Federal Home Loan Banks	Aaa	9.49%
Mutual Funds	A	52.48%

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, the Sheriff will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Sheriff does not have custodial credit risk policies for investments.

VERMILLION PARISH SHERIFF  
Abbeville, Louisiana

Notes to Basic Financial Statements

(3) Capital Assets

Capital asset activity was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets being depreciated:				
Buildings and improvements	\$ 1,353,574	\$ -	\$ -	\$ 1,353,574
Jail addition	679,207	-	-	679,207
Equipment and vehicles	<u>7,531,593</u>	<u>155,321</u>	<u>37,157</u>	<u>7,649,757</u>
Totals	<u>9,564,374</u>	<u>155,321</u>	<u>37,157</u>	<u>9,682,538</u>
Less accumulated depreciation				
Buildings and improvements	515,066	53,397	-	568,463
Jail addition	491,624	15,601	-	507,225
Equipment and vehicles	<u>5,786,201</u>	<u>493,348</u>	<u>31,693</u>	<u>6,247,856</u>
Total accumulated depreciation	<u>6,792,891</u>	<u>562,346</u>	<u>31,693</u>	<u>7,323,544</u>
Governmental activities, capital assets, net	<u>\$ 2,771,483</u>	<u>\$ (407,025)</u>	<u>\$ (5,464)</u>	<u>\$ 2,358,994</u>

Depreciation expense was charged to the law enforcement governmental activity \$562,346.

(4) Pension Plan

The Sheriffs' Pension and Relief Fund's employer schedules were prepared using the accrual basis of accounting. Employer contributions, for which the employer allocations are based, are recognized in the period in which the employee is compensated for services performed. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position of the Sheriffs' Pension and Relief Fund (Fund), and additions/deductions from the Fund's fiduciary net position have been determined on the same basis as they are reported by the Fund. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. The following is a description of the plan and its benefits and is provided for general information purposes only.

Plan Description: Employees of the Sheriff are provided with retirement benefits through a cost-sharing multiple-employer defined benefit pension plan established in accordance with the provisions of Louisiana Revised Statute 11:2171 to provide retirement, disability, and survivor benefits to employees of sheriff's offices throughout the State of Louisiana, employees of the Louisiana Sheriffs' Association and the Sheriffs' Pension and Relief Fund's office. The Fund issued a stand-alone audit report that can be obtained on the Louisiana Legislative Auditor's website, [www.la.gov](http://www.la.gov).

VERMILLION PARISH SHERIFF  
Abbeville, Louisiana

Notes to Basic Financial Statements

Retirement benefits for members who become eligible for membership on or before December 31, 2011: Members with twelve years of creditable service may retire at age fifty-five; members with thirty years of service may retire at any age. The retirement allowance is equal to three and one-third percent of the member's average final compensation multiplied by his years of creditable service, not to exceed (after reduction for optional payment form) 100% of average final compensation. Active, contributing members with at least ten years of creditable service may retire at age sixty. The accrued normal retirement benefit is reduced actuarially for each month or fraction thereof that retirement begins prior to the member's earliest normal retirement date assuming continuous service.

Retirement benefits for members whose first employment making them eligible for membership in the system began on or after January 1, 2012: Members with twelve years of creditable service may retire at age sixty-two; members with twenty years of service may retire at age sixty; members with thirty years of creditable service may retire at age fifty-five. The benefit accrual rate for such members with less than thirty years of service is three percent; for members with thirty or more years of service; the accrual rate is three and one-third percent. The retirement allowance is equal to the benefit accrual rate times the member's average final compensation multiplied by his years of creditable service, not to exceed (after reduction for optional payment form) 100% of average final compensation. Members with twenty or more years of service may retire with a reduced retirement at age fifty.

For a member whose first employment, making him eligible for membership in the system, began on or before June 30, 2006, final average compensation is based on the average monthly earnings during the highest thirty-six consecutive months or joined months if service was interrupted. The earnings to be considered for each twelve-month period within the thirty-six-month period shall not exceed 125% of the preceding twelve-month period.

For a member whose first employment, making him eligible for membership in the system, began after June 30, 2006 and before July 1, 2013, final average compensation is based on the average monthly earnings during the highest sixty consecutive months or joined months if service was interrupted. The earnings to be considered for each twelve-month period within the sixty-month period shall not exceed 125% of the preceding twelve-month period.

For a member whose first employment, making him eligible for membership in the system, began on or after July 1, 2013, final average compensation is based on the average monthly earnings during the highest sixty consecutive months or joined months if service was interrupted. The earnings to be considered for each twelve-month period within the sixty-month period shall not exceed 115% of the preceding twelve-month period.

Deferred Retirement Benefits: The Fund does provide for deferred benefits for vested members who terminate before being eligible for retirement. Benefits become payable once the member reaches the appropriate age for retirement.

VERMILLION PARISH SHERIFF  
Abbeville, Louisiana

Notes to Basic Financial Statements

**Back Deferred Retirement Option Plan (Back-DROP):** In lieu of receiving a service retirement allowance, any member of the Fund who has more than sufficient service for a regular service retirement may make a one-time irrevocable election to receive a "Back-DROP" benefit. A member elects Back-DROP at the time of separation from employment (retirement). The Back-DROP benefit is based on the Back-DROP period selected and the final average compensation prior to the period selected. The Back-DROP period is the lesser of three years or the service time accrued between when a member first becomes eligible for retirement and his actual date of retirement. For those individuals with thirty or more years, the Back-DROP period is the lesser of four years or service time accrued between when a member becomes eligible for retirement and his actual date of retirement. A member's Back-DROP benefit is the maximum monthly retirement benefit multiplied by the number of months in the Back-DROP period. In addition, the member's Back-DROP account will be credited with employee contributions received by the Fund during the Back-DROP period. The member's DROP and Back-DROP balances left on deposit are managed by a third party, fixed income investment manager. Participants have the option to opt out of this program and take a lump sum distribution, if eligible, annuitize all or a portion of the Back-DROP balance, or to rollover the assets to another qualified plan.

**Disability Benefits:** A member is eligible to receive disability benefits if he has at least ten years of creditable service when a non-service-related disability is incurred; there are no service requirements for a service-related disability. Disability benefits shall be the lesser of 1) a sum equal to the greatest of 45% of final average compensation or the member's accrued retirement benefit at the time of termination of employment due to disability, or 2) the retirement benefit which would be payable assuming continued service to the earliest normal retirement age. Members who become partially disabled receive 75% of the amount payable for total disability.

**Survivor's Benefits:** Survivor benefits for death solely as a result of injuries received in the line of duty are based on the following: for a spouse alone, a sum equal to 50% of the member's final average compensation with a minimum of \$150 per month. If a spouse is entitled to benefits and has a child or children under eighteen years of age (or over said age if physically or mentally incapacitated and dependent upon the member at the time of his death), an additional sum of 15% of the member's final average compensation is paid to each child with total benefits paid to spouse and children not to exceed 100%. If a member dies with no surviving spouse, surviving children under age eighteen will receive monthly benefits of 15% of the member's final average compensation up to a maximum of 60% of final average compensation if there are more than four children. If a member is eligible for normal retirement at the time of death, the surviving spouse receives an automatic Option 2 benefit. The additional benefit payable to children shall be the same as those available for members who die in the line of duty. In lieu of receiving Option 2 benefit, the surviving spouse may receive a refund of the member's accumulated contributions. All benefits payable to surviving children shall be extended through age twenty-three, if the child is a full-time student in good standing enrolled at a board approved or accredited school, college, or university.

**Cost-of-Living Adjustments:** As fully described in Title 11 of the Louisiana Revised Statutes, the Fund allows for the payment of permanent benefit increases, also known as cost-of-living adjustments (COLAs), which are funded through investment earnings when recommended by the Board of Trustees and approved by the State Legislature. Cost-of-living provisions for the Fund allows the board of trustees to provide an annual cost of living increase of 2.5% of the eligible retiree's original benefit if certain funding criteria are met. Members are eligible to receive a cost-of-living adjustment once they have attained the age of sixty and have been retired at least one year. Funding criteria for granting cost-of-living adjustments is dependent on the funded ratio.

VERMILLION PARISH SHERIFF  
Abbeville, Louisiana

Notes to Basic Financial Statements

Employer Contributions: According to state statute, contribution requirements for all employers are actuarially determined each year. For the year, the actual employer contribution rate was 12.25% with an additional -0-% allocated from the Funding Deposit Account. Employer proportionate share of contributions for the year was \$735,324.

In accordance with state statute, the Fund receives ad valorem taxes, insurance premium taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities but are not considered special funding situations. Non-employer contributions are recognized as revenue in the amount of \$373,214 and excluded from pension expense for the year.

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

As of year-end, the Sheriff reported a liability of \$6,560,575 for its proportionate share of the net pension liability. The net pension liability was measured, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Sheriff's proportion of the net pension liability was based on a projection of the Sheriff's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The Sheriff's proportion was 0.807%, which was an increase of 0.023% from its proportion measured in the prior year.

The Sheriff recognized pension expense of \$1,340,434 net of employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions.

The Sheriff reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experiences	\$ 301,794	\$ 325,970
Changes of assumptions	979,948	-
Net difference between projected and actual earnings on pension plan investments	2,840,316	-
Change in proportion and differences between employer contributions and proportionate share of contributions	103,630	73,918
Employer contributions subsequent to the measurement date	<u>757,878</u>	<u>-</u>
Total	<u>\$4,983,566</u>	<u>\$ 399,888</u>

VERMILLION PARISH SHERIFF  
Abbeville, Louisiana

Notes to Basic Financial Statements

Deferred outflows of resources of \$757,878 related to pensions resulting from the Sheriff's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense, as follows:

Fiscal Year Ended	
6/30/2024	991,145
6/30/2025	856,680
6/30/2026	428,580
6/30/2027	<u>1,549,395</u>
Total	<u>\$ 3,825,800</u>

Contributions – Proportionate Share: Differences between contributions remitted to the Fund and the employer's proportionate share are recognized in pension expense (benefit) using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with a pension through the pension plan. The resulting deferred inflow/outflow and amortization is not reflected in the schedule of employer amounts due to differences that could arise between contributions reported by the Fund and contributions reported by the participating employer.

Actuarial Assumptions: The net pension liability was measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees' past periods of service, less the amount of the pension plan's fiduciary net position.

VERMILLION PARISH SHERIFF  
Abbeville, Louisiana

Notes to Basic Financial Statements

A summary of the actuarial methods and assumptions used in determining the total pension liability are as follows:

Valuation Date	June 30, 2022
Actuarial Cost Method	Individual Entry Age Normal Method
Actuarial Assumptions:	
Investment Rate of Return	6.85%, net of pension plan investment expense, including inflation
Discount Rate	6.85%
Projected Salary Increases	5.00% (2.50% inflation, 2.50% merit)
Mortality	Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Employees multiplied by 120% for males and 115% for females for active members, each with full generational projection using the appropriate MP2019 scale.  Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Healthy Retirees multiplied by 120% for males and 115% for females for annuitants and beneficiaries, each with full generational projection using the appropriate MP2019 scale.  Pub-2010 Public Retirement Plans Mortality Table for Safety Disabled Retirees multiplied by 120% for males and 115% for females for disabled annuitants, each with full generational projection using the appropriate MP2019 scale.
Expected Remaining Service Lives	5 years
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the Fund and includes previously granted cost-of-living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.

VERMILLION PARISH SHERIFF  
Abbeville, Louisiana

Notes to Basic Financial Statements

The mortality rate assumptions were set after reviewing an experience study performed over the period July 1, 2014 through June 30, 2019. The data was then assigned credibility weighting and combined with a standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent to the estimated duration of the Fund's liabilities. Annuity values calculated based on this mortality were compared to those produced by using a setback of standard tables. The result of the procedure indicated that these tables would produce liability values approximating the appropriate generational mortality tables used.

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

Estimates of arithmetic real rates of return for each major asset class based on the Fund's target asset allocation were as follows:

<u>Asset Class</u>	<u>Expected Rate of Return</u>		
	<u>Target Asset Allocation</u>	<u>Real Return Arithmetic Basis</u>	<u>Long-term Expected Real Rates of Return</u>
Equity Securities	62%	6.61%	4.10%
Bonds	25%	4.92%	1.23%
Alternative Investments	<u>13%</u>	<u>6.54%</u>	<u>0.85%</u>
Totals	100%		6.18%
Inflation			<u>2.25%</u>
Expected Arithmetic Nominal Return			<u>8.43%</u>

Discount Rate: The discount rate used to measure the total pension liability was 6.85%, which was a 0.05% decrease from the discount rate used as of the prior period. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the Fund's actuary. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

VERMILLION PARISH SHERIFF  
Abbeville, Louisiana

Notes to Basic Financial Statements

Sensitivity of the Employer’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate: The following presents the employer’s proportionate share of the net pension liability using the discount rate of 6.85%, as well as what the employer’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate:

	<u>1.0% Decrease</u> 5.85%	<u>Current</u> Discount Rate 6.85%	<u>1.0% Increase</u> 7.85%
Employer's proportionate share of the net pension liability	<u>\$ 11,617,328</u>	<u>\$ 6,560,575</u>	<u>\$ 2,344,128</u>

(5) Litigation and Claims

The Sheriff is subject to various lawsuits and claims, many of which arise in the normal course of business. Although their outcome is not presently determinable, it is the opinion of legal counsel that resolution of these matters will not have a material adverse effect on the financial condition of the Sheriff.

(6) Post-Retirement Health Care and Life Insurance Benefits

Plan Description – The Vermilion Parish Sheriff’s Office (the Sheriff) provides certain continuing health care and life insurance benefits for its retired employees. The Vermilion Parish Sheriff’s OPEB Plan (the OPEB Plan) is a single-employer defined benefit OPEB plan administered by the Sheriff. The authority to establish and/or amend the obligation of the employer, employees and retirees rests with the Sheriff. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Governmental Accounting Standards Board (GASB) Statement No. 75.

Benefits Provided – Benefits are provided through comprehensive plans and are made available to employees upon actual retirement. Employees retirement eligibility (D.R.O.P. entry) provisions are as follows: attainment of 30 years of service at any age, or age 55 and 12 years of service if earlier; or, for employees hired after January 1st, 2012, the earliest of age 55 and 30 years of service, age 60 and 20 years of service, and age 62 with 12 years of service. Notwithstanding this there is a minimum service requirement of 15 years for benefits. There are custom eligibility requirements which may further restrict eligibility as follows for employees hired on or after July 1, 2018: (1) At least fifteen years of service and is at least fifty-five years of age, or (2) At least thirty years of continuous service regardless of age.

Life insurance coverage is provided to retirees and 100% of the blended rate (active and retired) for \$10,000 of coverage is paid by the employer. Insurance coverage amounts are reduced to 75% of the original amount at age 65, then to 50% at age 70 except not to an amount below \$10,000.

VERMILLION PARISH SHERIFF  
Abbeville, Louisiana

Notes to Basic Financial Statements

Employees covered by benefit terms - The following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	39
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>119</u>
	<u><u>158</u></u>
 Total OPEB Liability	

The Sheriff's total OPEB liability of \$13,284,858 was measured as of June 30, 2023 and was determined by an actuarial valuation as of that date.

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

Inflation	3.0%
Salary increases	3.0%, including inflation
Discount rate	3.54% annually (Beginning of Year to Determine ADC)
	3.65% annually (As of End of Year Measurement Date)
Healthcare cost trend rates	5.5% annually for 10 years, 4.5% thereafter
Mortality	SOA RP-2014 Table

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

The actuarial assumptions used in the July 1, 2022, valuation were based on the results of ongoing evaluations of the assumptions from July 1, 2009 to June 30, 2023.

Changes in the Total OPEB Liability

Total OPEB obligation - beginning of year	<u>\$ 12,638,297</u>
Changes for the year:	
Service cost	193,113
Interest	450,814
Difference between expected and actual experience	490,496
Changes in assumptions	(223,966)
Benefit payments and net transfers	<u>(263,896)</u>
Net change	<u>646,561</u>
Total OPEB obligation - end of year	<u><u>\$ 13,284,858</u></u>

VERMILLION PARISH SHERIFF  
Abbeville, Louisiana

Notes to Basic Financial Statements

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

	1% Decrease (2.65%)	Current Rate (3.65%)	1% Increase (4.65%)
Total OPEB Liability	\$ 15,716,254	\$ 13,284,858	\$ 11,380,547

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

	1% Decrease (4.5%)	Current Rate (5.5%)	1% Increase (6.5%)
Total OPEB Liability	\$ 11,474,740	\$ 13,284,858	\$ 15,579,647

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

The Sheriff recognized OPEB expense of \$1,143,636. The Sheriff reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experiences	\$ 954,316	\$ (61,370)
Changes of assumptions	960,386	(344,239)
Total	\$ 1,914,702	\$ (405,609)

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

Fiscal Year Ended	
6/30/2024	\$ 499,710
6/30/2025	499,710
6/30/2026	499,710
6/30/2027	14,475
6/30/2028	14,475
Thereafter	(18,987)
Total	\$ 1,509,093

VERMILLION PARISH SHERIFF  
Abbeville, Louisiana

Notes to Basic Financial Statements

(7) Deferred Compensation Plan

The Sheriff offers its employees participation in a deferred compensation plan administered by AXA Equitable. The plan is a defined contribution plan established in accordance with the Internal Revenue Code Section 457. The plan is a retirement savings plan allowing eligible employees to supplement any existing retirement and pension benefits by saving and investing pre-tax and/or after-tax dollars through a voluntary salary contribution.

Contributions to Section 457 plans are determined by the U.S. Department of Treasury's Internal Revenue Service. Participants in the plan may contribute up to the lesser of 100% of earnable compensation or the IRS Statutory limit. Participants who were age 50 or older by the end of the calendar year are eligible to make additional catch-up contributions subject to the IRS limits.

The Sheriff has opted to match participating employees' elective deferrals up to 100%. For the year ended June 30, 2023, the Sheriff contributed \$92,534 to the plan. There were no amounts payable to the plan.

Participants and on-behalf contributions to the plan may be invested in a variety of investment options broadly diversified with distinct risk and return characteristics. Self-directed brokerage and managed account options are available. Contributions and investment earnings are always 100% vested.

(8) Risk Management

A. Commercial Insurance Coverage

The Sheriff is exposed to various risks of loss related to torts; thefts of, damage to, and destruction of assets; errors and omissions; and injuries to employees. To handle such risk of loss, the Sheriff maintains commercial insurance policies covering automobile liability, medical payments, uninsured motorist, and collision; surety bond coverage; and marine liability. In addition to the above policies, the Sheriff maintains a public official's liability policy and a law enforcement policy. No claims were paid, which exceeded the policies' coverage amount, on any of the policies during the past three years.

B. Group Self- Insurance

Effective March 1, 2015, the Sheriff established a risk management program for its group health and life insurance coverage and accounts for it in the General Fund. Both the employer and employees' share of premiums are paid into this fund and are available to pay claims and administrative costs.

For the year ended June 30, 2023, the Sheriff reported a claims liability of \$226,724. The claims liability is based on the requirements of GASB, which is that a liability for claims be reported as of the financial statement date if information prior to the issuance of the financial statement indicates that it is probable that a liability has been incurred and the amount of the loss can be reasonably estimated.

VERMILLION PARISH SHERIFF  
Abbeville, Louisiana

Notes to Basic Financial Statements

Reconciliation of Claims Liabilities

	2022	2021
Unpaid claims, beginning	\$ 158,742	\$ 63,317
Claims incurred	(1,962,354)	(1,593,400)
Claims payments	2,030,336	1,688,825
 Unpaid claims, ending	 \$ 226,724	 \$ 158,742

Claims payable of \$226,724 at June 30, 2023 consisted of claims incurred prior to June 30, 2023 and paid subsequent to that date.

(9) Tax Abatements

Louisiana’s State Constitution Chapter VII Section 21 authorizes the State Board of Commerce and Industry to create a ten (10) year ad valorem tax abatement program for new manufacturing establishments in the State. Under the terms of this program, qualified businesses may apply for an exemption of local ad valorem taxes on capital improvements and equipment related to manufacturing for the first ten year of its operation; after which the property will be added to the local tax roll and taxed at the value and millage in force at the time. The future value of this exempt property could be subject to significant fluctuations from today’s value; however, the Sheriff could receive a substantial increase in ad valorem tax revenues once the exemption on this property expires. Because these taxes are not assessed due, no adjustments have been made to the Sheriff’s financial statements to record a receivable. The Sheriff’s ad valorem tax revenues were reduced by \$8,309 as a result of the tax abatement.

(10) Ex-officio Tax Collector

The amount of cash on hand in the tax collector account consists of the following:

Payments received in June and disbursed in July were for:

State revenue sharing	\$ 1,022
Occupational licenses	92,906
Ad Valorem taxes	43,051
Total	\$ 136,979

VERMILLION PARISH SHERIFF  
Abbeville, Louisiana

Notes to Basic Financial Statements

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

Abbeville Harbor & Terminal	\$ 406,562
Abrom Kaplan Memorial Hospital	506,386
Assessment District	873,647
Consolidated Gravity #2	377,971
Consolidated Gravity Drainage District #1	591,385
Coulee Baton	104,230
Coulee Des Jonc Drainage District	470,310
Coulee Kinney	1,170,397
Gravity Drainage District #2	460,264
Gueydan Gravity Drainage	561,573
Hospital Service District #3	214,341
Isle Maronne	351,162
Louisiana Department of Agriculture	1,713
Louisiana Tax Commission	29,837
7th Ward Fire District	216,056
7th Ward Gravity 2 Maint	478,860
Pecan Island Fire District #16	115,319
Prairie Gregg	706,655
SRI Inc.	38,300
Teche Vermilion Fresh Water District	459,650
Twin Parish Port	202,665
Vermilion Parish Library	1,453,825
Vermilion Parish Police Jury	5,271,938
Vermilion Parish School Board	12,981,093
Vermilion Parish Sheriff's Office	<u>3,152,528</u>
Total	<u>\$ 31,196,667</u>

VERMILLION PARISH SHERIFF  
Abbeville, Louisiana

Notes to Basic Financial Statements

Taxes assessed and uncollected were due to delinquent taxes and movable property and the amounts are as follows:

	Unpaid - Delinquent Taxes	Movable Property	Total
Abbeville Harbor & Terminal	\$ 8	\$ 5,226	\$ 5,234
Abrom Kaplan Memorial Hospital	58	3,315	3,373
Assessment District	75	7,261	7,336
Consolidated Gravity #2	20	15	35
Coulee Des Jonc Drainage District	91	532	623
Coulee Kinney	160	879	1,039
Gravity Drainage District #1	-	5,449	5,449
Gravity Drainage District #2A	-	1,430	1,430
Gueydan Sub Drainage District #5	188	15,385	15,573
Health Unit	-	7,172	7,172
Hos Serv Dist 3	62	4,969	5,031
7th Ward Fire District	-	10,274	10,274
7th Ward Gravity Drainage District 2	-	19,434	19,434
Pecan Island Fire District #16	-	4,686	4,686
Prairie Gregg	-	1,758	1,758
SRI Inc.	300	(300)	-
Teche Vermilion Fresh Water District	41	3,819	3,860
Twin Parish Port	-	1,750	1,750
Vermilion Parish Library	125	12,084	12,209
Vermilion Parish Police Jury	493	41,348	41,841
Vermilion Parish School Board	1,134	107,869	109,003
Vermilion Parish Sheriff's Office	3,516	22,544	26,060
Total	<u>\$ 6,271</u>	<u>\$ 276,899</u>	<u>\$ 283,170</u>

(11) Occupational Licenses

Collections settled during the year for occupational licenses are as follows:

	<u>Collected</u>	<u>Settled</u>	<u>Unsettled</u>
Vermilion Parish Police Jury	\$ 538,057	\$ 459,657	\$ 78,400
Vermilion Parish Sheriff's Office	95,660	81,154	14,506
Total	<u>\$ 633,717</u>	<u>\$ 540,811</u>	<u>\$ 92,906</u>

VERMILLION PARISH SHERIFF  
Abbeville, Louisiana

Notes to Basic Financial Statements

(12) Expenditures of the Sheriff's Office paid by the Parish Police Jury

The cost of maintaining and operating the Sheriff's buildings, as required by statute, is paid by the Vermilion Parish Police Jury. These expenditures are not included in the accompanying financial statements.

**REQUIRED SUPPLEMENTARY  
INFORMATION**

VERMILION PARISH SHERIFF  
Abbeville, Louisiana

General Fund  
Budgetary Comparison Schedule  
Year Ended June 30, 2023

	Budget		Actual	Variance
	Original	Final		Positive (Negative)
<b>Revenues:</b>				
Ad valorem taxes	\$ 3,050,000	\$ 3,125,000	\$ 3,153,021	\$ 28,021
Sales tax	7,000,000	7,332,825	7,305,386	(27,439)
Intergovernmental revenues	745,000	932,196	1,030,124	97,928
Fees, charges, and commissions for services -				
Commissions on licenses, taxes, etc.	74,000	77,000	79,006	2,006
Fines and forfeitures	122,000	151,000	105,389	(45,611)
Civil and criminal fees	250,000	250,000	389,512	139,512
Court costs and attendance	12,000	12,000	11,084	(916)
Feeding, keeping, and transporting prisoners	812,500	792,500	787,688	(4,812)
Federal grants	140,000	117,749	26,087	(91,662)
Other	117,500	164,810	198,550	33,740
Investment earnings and losses	12,000	35,000	(9,902)	(44,902)
Total revenues	<u>12,335,000</u>	<u>12,990,080</u>	<u>13,075,945</u>	<u>85,865</u>
<b>Expenditures:</b>				
Current -				
Public safety	11,686,500	12,397,275	12,503,078	(105,803)
Capital outlay	550,000	318,300	155,320	162,980
Total expenditures	<u>12,236,500</u>	<u>12,715,575</u>	<u>12,658,398</u>	<u>57,177</u>
Excess (deficiency) of revenues over expenditures	98,500	274,505	417,547	143,042
<b>Other financing sources (uses):</b>				
Sale of equipment	2,500	-	-	-
Net change in fund balance	101,000	274,505	417,547	143,042
Fund balance, beginning	<u>17,717,363</u>	<u>17,717,363</u>	<u>17,717,363</u>	<u>-</u>
Fund balance, ending	<u>\$ 17,818,363</u>	<u>\$ 17,991,868</u>	<u>\$ 18,134,910</u>	<u>\$ 143,042</u>

VERMILION PARISH SHERIFF  
Abbeville, Louisiana

Schedule of Changes in Total OPEB Liability and Related Ratios  
For the Year Ended June 30, 2023

Total OPEB Liability *	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Service cost	\$ 190,268	\$ 189,154	\$ 151,404	\$ 222,391	\$ 310,316	\$ 193,113
Interest	287,438	299,168	306,057	239,843	273,094	450,814
Changes of benefit terms	-	-	-	-	-	-
Differences between expected and actual experience	33,715	(88,568)	(54,592)	1,037,426	37,599	490,496
Changes of assumptions	-	-	1,941,182	256,902	(220,641)	(223,966)
Benefit payments	<u>(176,269)</u>	<u>(176,269)</u>	<u>(229,603)</u>	<u>(242,231)</u>	<u>(250,138)</u>	<u>(263,896)</u>
Net change in total OPEB liability	335,152	223,485	2,114,448	1,514,331	150,230	646,561
Total OPEB liability - beginning	<u>8,300,651</u>	<u>8,635,803</u>	<u>8,859,288</u>	<u>10,973,736</u>	<u>12,488,067</u>	<u>12,638,297</u>
Total OPEB liability - ending	<u>\$ 8,635,803</u>	<u>\$ 8,859,288</u>	<u>\$ 10,973,736</u>	<u>\$ 12,488,067</u>	<u>\$ 12,638,297</u>	<u>\$ 13,284,858</u>
Covered-employee payroll	<u>\$ 5,348,868</u>	<u>\$ 5,348,868</u>	<u>\$ 5,624,237</u>	<u>\$ 5,849,207</u>	<u>\$ 5,962,459</u>	<u>\$ 6,141,333</u>
Total OPEB liability as a percentage of covered-employee payroll	161.45%	165.63%	195.12%	213.50%	211.96%	216.32%

\* Equal to net OPEB liability

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

VERMILION PARISH SHERIFF  
Abbeville, Louisiana

Schedule of Employer's Share of Net Pension Liability -  
Sheriff's Pension and Relief Fund  
For the Year Ended June 30, 2023

* Year ended June 30,	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2023	0.807%	\$ 6,560,575	\$ 5,970,354	109.9%	83.90%
2022	0.784%	\$ (388,499)	\$ 5,632,104	6.90%	101.04%
2021	0.777%	\$ 5,379,978	\$ 5,738,627	93.8%	84.73%
2020	0.807%	\$ 3,819,466	\$ 5,642,362	67.7%	88.91%
2019	0.787%	\$ 3,016,292	\$ 5,413,831	55.7%	90.41%
2018	0.788%	\$ 3,413,750	\$ 5,460,432	62.5%	88.49%
2017	0.806%	\$ 5,112,760	\$ 5,501,500	92.9%	82.10%
2016	0.794%	\$ 3,538,832	\$ 5,250,386	67.4%	86.61%
2015	0.761%	\$ 3,012,998	\$ 5,035,032	59.8%	87.34%

\* The amounts presented have a measurement date of the previous fiscal year end.

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

VERMILION PARISH SHERIFF  
Abbeville, Louisiana

Schedule of Employer Contributions -  
Sheriff's Pension and Relief Fund  
For the Year Ended June 30, 2023

Year ended June 30,	Contractually Required Contribution	Contributions in Relation to Contractual Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a % of Covered Payroll
2023	\$ 757,578	\$ 757,878	-	\$ 6,590,221	11.50%
2022	\$ 731,373	\$ 731,373	-	\$ 5,970,354	12.25%
2021	\$ 689,938	\$ 689,938	-	\$ 5,632,104	12.25%
2020	\$ 702,987	\$ 702,987	-	\$ 5,738,627	12.25%
2019	\$ 691,194	\$ 691,194	-	\$ 5,642,362	12.25%
2018	\$ 690,269	\$ 690,269	-	\$ 5,413,831	12.75%
2017	\$ 723,512	\$ 723,512	-	\$ 5,460,432	13.25%
2016	\$ 756,462	\$ 756,462	-	\$ 5,501,500	13.75%
2015	\$ 748,180	\$ 748,180	-	\$ 5,250,386	14.25%

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

VERMILION PARISH SHERIFF  
Abbeville, Louisiana

Notes to the Required Supplementary Information  
For the Year Ended June 30, 2023

(1) Budgets and Budgetary Accounting

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

- A. The chief administrative deputy prepares a proposed budget for the general fund and submits it to the Sheriff for the fiscal year no later than fifteen days prior to the beginning of each fiscal year.
- B. A summary of the proposed budget is published, and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
- C. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
- D. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is legally adopted prior to the commencement of the fiscal year for which the budget is being adopted.
- E. All budgetary appropriations lapse at the end of each fiscal year.
- F. The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted or as finally amended by the Sheriff. Such amendments were not material in relation to the original appropriations.

VERMILION PARISH SHERIFF  
Abbeville, Louisiana

Notes to the Required Supplementary Information  
For the Year Ended June 30, 2023

(2) OPEB

Benefit changes –

There were no changes of benefit terms.

Changes of assumptions –

Year ended June 30,	Discount Rate	Mortality Table	Healthcare Cost Trend
2018	3.50%	RP-2000	5.50%
2019	3.50%	RP-2000	5.50%
2020	2.21%	RP-2000	variable
2021	2.16%	RP-2000	variable
2022	3.54%	RP-2014	variable
2023	3.65%	RP-2014	variable

(3) Pension Plan

Changes of Benefit Terms -

There were no changes of benefit terms.

Changes of Assumptions –

* Year ended June 30,	Discount Rate	Investment Rate of Return	Inflation Rate	Expected Remaining Service Lives	Projected Salary Increase
2015	6.00%	7.70%	3.000%	6	6.00%
2016	7.60%	7.70%	2.870%	6	5.50%
2017	7.50%	7.60%	2.875%	7	5.50%
2018	7.40%	7.50%	2.775%	7	5.50%
2019	7.25%	7.25%	2.600%	6	5.50%
2020	7.10%	7.10%	2.500%	6	5.50%
2021	7.00%	7.00%	2.500%	6	5.00%
2022	6.90%	6.90%	2.500%	5	5.00%
2023	6.85%	6.85%	2.500%	5	5.00%

\* The amounts presented have a measurement date of the previous fiscal year end.

**SUPPLEMENTARY  
INFORMATION**

VERMILION PARISH SHERIFF  
Justice System Funding Schedule - Collecting/Disbursing Entity  
As Required by Act 87 of the 2020 Regular Legislative Session  
For the Year Ended June 30, 2023

<b>Cash Basis Presentation</b>	Six Month Period Ended 12/31/2022	Six Month Period Ended 6/30/2023
<b>Beginning Balance of Amounts Collected</b>	\$ 221,792	\$ 221,787
<b>Add: Collections</b>		
Civil Fees	498,525	1,020,583
Bond Fees	56,518	83,411
Criminal Court Costs/Fees	143,299	168,602
Criminal Fines - Contempt	23,900	29,050
Criminal Fines - Other	65,364	74,097
<b>Subtotal Collections</b>	<u>787,606</u>	<u>1,375,743</u>
<b>Less: Disbursements To Governments &amp; Nonprofits:</b>		
Vermilion Parish District Attorney, Violation Fines	10,352	12,378
Vermilion Parish District Attorney, 2% Commissary bonds	14,880	20,853
Vermilion Parish District Attorney, Court Cost	15,690	17,973
Clerk Of Court- 15Th Judicial District, Court Cost	16,877	18,461
Clerk Of Court- 15Th Judicial District, Civil fees	24,817	36,612
Treasurer, State of LA Cmis, Court Cost	1,870	2,047
LA Dept Health & Hospitals -Act 654, Court Cost	1,483	1,868
LA Dept. Of Wildlife & Fisheries, Court Cost	1,905	5,896
LA Commission On Law Enforcement, Court Cost	3,801	4,139
Acadiana Criminalistics Lab., Court Cost	28,742	35,337
Indigent Defender Office, Court Cost	29,122	32,031
Indigent Defender Office, 2% Commissary bonds	14,880	20,853
Vermilion Consolidated Government, Juror Service Fee	9,399	10,300
Vermilion Consolidated Government, Parish Government (Witness Fund)	6,343	6,958
Vermilion Consolidated Government, Parish Government (General Fund)	3,493	3,879
Vermilion Consolidated Government, Violation fines	65,561	78,392
15Th Judicial Judges' Fund, Court cost	3,444	3,757
15Th Judicial Judges' Fund, 2% Commissary bonds	14,880	20,853
Vermilion Crime Stoppers, Inc., Court Cost	1,247	1,367
Louisiana State Police, Court Cost	2,014	1,638
Abbeville Police, Court Cost	-	52
Kaplan Police, Court Cost	-	1
Maurice Police, Court Cost	-	82
Wildlife & Fisheries, Court Cost	-	-
Kaplan City Court, Court Cost	160	8
Kaplan City Pro., Court Cost	560	28
Abbeville City Court, Court Cost	-	68
Abbeville City Pro., Court Cost	-	238
LA Supreme Court, Court Cost	312	337
Vaso Task Force, Court Cost	63	55
Delcambre Police Dept, Court Cost	50	-
<b>Subtotal Disbursements</b>	<u>271,945</u>	<u>336,461</u>

(continued)

VERMILION PARISH SHERIFF  
Justice System Funding Schedule - Collecting/Disbursing Entity  
As Required by Act 87 of the 2020 Regular Legislative Session  
For the Year Ended June 30, 2023 (continued)

	Six Month Period Ended 12/31/2022	Six Month Period Ended 6/30/2023
<b>Less: Amounts Retained by Collecting Agency</b>		
Collection Fee for Collecting/Disbursing to Others Based on Percentage of Collection:		
Criminal fees - other	164	559
Violation fines	10,352	12,378
2% commissary bonds	14,880	20,853
Civil fees	87,903	124,182
Court costs	16,561	21,521
<b>Less: Disbursements to Individuals or Third Party Agencies</b>		
Civil Fee Refunds	2,377	-
Other Disbursements to Individuals	383,429	859,789
<b>Subtotal Disbursements/Retainage</b>	<b>515,666</b>	<b>1,039,282</b>
<b>Total: Ending Balance of Amounts Collected but not Disbursed/Retained</b>	<b>221,787</b>	<b>221,787</b>
Ending Balance of "Partial Payments" Collected but not Disbursed	-	-
Other Information:		
Ending Balance of Total Amounts Assessed but not yet Collected	-	-
Total Waivers During the Fiscal Period	-	-

VERMILION PARISH SHERIFF  
Abbeville, Louisiana

Schedule of Compensation, Benefits and Other  
Payments to Agency Head  
For the Year Ended June 30, 2023

A detail of compensation, benefits, and other amounts paid to the Sheriff, Mike Couvillon, is as follows:

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 189,811
Benefits- Insurance	7,200
Benefits- Retirement	23,323
Benefits- Dental	415
Benefits- Life Insurance	1,139
Benefits - deferred comp match	13,000
Cell phone	1,136
Registration fees	670
Conference travel	<u>2,254</u>
Total	<u>\$ 238,948</u>

## **OTHER INFORMATION**

STATE OF LOUISIANA, PARISH OF VERMILION

AFFIDAVIT

The Honorable Michael Couvillon, Sheriff of Vermilion Parish

BEFORE ME, the undersigned authority, personally came and appeared, Michael Couvillon, the Sheriff of Vermilion Parish, State of Louisiana, who after being duly sworn, deposed and said:

The following information is true and correct:

\$136,979 is the amount of cash on hand in the tax collector account on June 30, 2023;

He further deposed and said:

All itemized statements of the amount of taxes collected for tax year 2022, by taxing authority, are true and correct.

All itemized statements of all taxes assessed and uncollected, which indicate the reasons for the failure to collect, by taxing authority, are true and correct.

  
Michael Couvillon,  
Sheriff of Vermilion Parish

SWORN to and subscribed before me, Notary, this 24 day of October <sup>2023</sup> 2022, in my office in Abbeville, Louisiana.

 (Signature)  
KENK FRITH (Print), # 8112  
Notary Public  
11-06-24 (Commission)

**INTERNAL CONTROL,  
COMPLIANCE  
AND  
OTHER MATTERS**

# KOLDER, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

Brad E. Kolder, CPA, JD\*  
Gerald A. Thibodeaux, Jr., CPA\*  
Robert S. Carter, CPA\*  
Arthur R. Mixon, CPA\*  
Stephen J. Anderson, CPA\*  
Matthew E. Margaglio, CPA\*  
Casey L. Ardoin, CPA, CFE\*  
Wanda F. Arcement, CPA  
Bryan K. Joubert, CPA  
Nicholas Fowlkes, CPA  
Deidre L. Stock, CPA

---

C. Burton Kolder, CPA\*  
Of Counsel

---

Victor R. Slaven, CPA\* - retired 2020  
Christine C. Doucet, CPA – retired 2022

\* A Professional Accounting Corporation

183 S. Beadle Rd.  
Lafayette, LA 70508  
Phone (337) 232-4141

1428 Metro Dr. 450 E. Main St.  
Alexandria, LA 71301 New Iberia, LA 70560  
Phone (318) 442-4421 Phone (337) 367-9204

200 S. Main St. 1201 David Dr.  
Abbeville, LA 70510 Morgan City, LA 70380  
Phone (337) 893-7944 Phone (985) 384-2020

434 E. Main St. 11929 Bricksome Ave.  
Ville Platte, LA 70586 Baton Rouge, LA 70816  
Phone (337) 363-2792 Phone (225) 293-8300

---

WWW.KCSRCPAS.COM

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

The Honorable Michael Couvillon  
Vermilion Parish Sheriff  
Vermilion, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Vermilion Parish Sheriff (the Sheriff), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Sheriff's basic financial statements and have issued our report thereon dated December 5, 2023.

### Report on Internal Control Over Financial Reporting

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

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

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

accompanying schedule of current and prior year audit findings and management’s corrective action plan as items 2023-001 and 2023-002 that we consider to be significant deficiencies.

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Sheriff’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Sheriff’s Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the Sheriff’s response to the findings identified in our audit is described in the accompanying schedule of current and prior year audit findings and management’s corrective action plan. The Sheriff’s response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Although the intended use of this report may be limited, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

***Kolder, Slaven & Company, LLC***  
Certified Public Accountants

Abbeville, Louisiana  
December 5, 2023

VERMILION PARISH SHERIFF  
Abbeville, Louisiana

Schedule of Current and Prior Year Audit Findings  
and Management's Corrective Action Plan  
Year Ended June 30, 2023

Part I: Current Year Findings and Management's Corrective Action Plan

A. Internal Control Over Financial Reporting

2023-001 Inadequate Segregation of Accounting Functions

Fiscal year finding initially occurred: Unknown

CONDITION: The Sheriff did not have adequate segregation of functions within the accounting system.

CRITERIA: Committee of Sponsoring Organizations (COSO) Internal Control – Integrated Framework and the Louisiana Legislative Auditor's Governmental Audit Guide.

CAUSE: The cause of the condition is the fact that the Sheriff does not have a sufficient number of staff performing administrative and financial duties so as to provide adequate segregation of accounting and financial duties.

EFFECT: Failure to adequately segregate accounting and financial functions increases the risk that errors and/or irregularities including fraud and/or defalcations may occur and not be prevented and/or detected.

RECOMMENDATION: Management should reassign incompatible duties among different employees to ensure that a single employee does not have control of more than one of the following responsibilities: (1) authorization; (2) custody; (3) recordkeeping; and (4) reconciliation.

CORRECTIVE ACTION PLAN: We evaluated the cost vs. benefit of establishing controls over financial reporting and determined that it would not be cost effective to enhance these controls. Currently, our financial staff receive training related to their job duties. Additionally, we carefully review the financial statements, related notes and all proposed journal entries. all questions are adequately answered by our Auditors to allow us to appropriately supervise these functions. we feel that we have taken appropriate steps to reduce the financial statement risk caused by this finding.

VERMILION PARISH SHERIFF  
Abbeville, Louisiana

Schedule of Current and Prior Year Audit Findings  
and Management's Corrective Action Plan (continued)  
Year Ended June 30, 2023

2023-002      Application of Generally Accepted Accounting Principles (GAAP)

Fiscal year finding initially occurred: Unknown

CONDITION: Management and staff lack the expertise and/or experience in the selection and application of generally accepted accounting principles, as applicable to governmental entities in the financial statement preparation process.

CRITERIA: The Sheriff's internal control over financial reporting includes those policies and procedures that pertain to its ability to record, process, summarize, and report financial data consistent with the assertions embodied in the financial statement, including the ability of its management and staff to detect potential misstatements that may exist in the financial statements and related disclosures.

CAUSE: The cause of the condition is the result of a failure to design or implement policies and procedures necessary to achieve adequate internal control.

EFFECT: Financial statements and related supporting transactions may reflect a material departure from generally accepted accounting principles.

RECOMMENDATION: Management should evaluate the additional costs required to achieve the desired benefit and determine if it is economically feasible in relation to the benefit received.

CORRECTIVE ACTION PLAN: We evaluated the cost vs. benefit of fully segregating accounting functions and determined that it would not be cost effective to fully segregate these functions. We evaluated our processes, and to the extent practicable with our current staffing level, have reassigned duties and functions and have created compensating controls. While this may not be sufficient to eliminate this finding, we feel that we have taken appropriate steps to reduce the financial statement risk caused by inadequate segregation of accounting functions.

B.      Compliance

None reported.

VERMILION PARISH SHERIFF  
Abbeville, Louisiana

Schedule of Current and Prior Year Audit Findings  
and Management's Corrective Action Plan (continued)  
Year Ended June 30, 2023

Part II: Prior Year Findings:

A. Internal Control Over Financial Reporting

2022-001 Inadequate Segregation of duties

CONDITION: The Sheriff did not have adequate segregation of functions within the accounting system.

RECOMMENDATION: Management should reassign incompatible duties among different employees to ensure that a single employee does not have control of more than one of the following responsibilities: (1) authorization; (2) custody; (3) recordkeeping; and (4) reconciliation.

CURRENT STATUS: Unresolved. See item 2023-001.

2022-002 Application of Generally Accepted Accounting Principles (GAAP)

CONDITION: Management and staff lack the expertise and/or experience in the selection and application of generally accepted accounting principles, as applicable to governmental entities in the financial statement preparation process.

RECOMMENDATION: Management should evaluate the additional costs required to achieve the desired benefit and determine if it is economically feasible in relation to the benefit received.

CURRENT STATUS: Unresolved. See item 2023-002.

B. Compliance

None reported.

**Vermilion Parish Sheriff**

Abbeville, Louisiana

Statewide Agreed-Upon Procedures

Fiscal period July 1, 2022 through June 30, 2023

# KOLDER, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

Brad E. Kolder, CPA, JD\*  
Gerald A. Thibodeaux, Jr., CPA\*  
Robert S. Carter, CPA\*  
Arthur R. Mixon, CPA\*  
Stephen J. Anderson, CPA\*  
Matthew E. Margaglio, CPA\*  
Casey L. Ardoin, CPA, CFE\*  
Wanda F. Arcement, CPA  
Bryan K. Joubert, CPA  
Nicholas Fowlkes, CPA  
Deidre L. Stock, CPA

C. Burton Kolder, CPA\*  
Of Counsel

Victor R. Slaven, CPA\* - retired 2020  
Christine C. Doucet, CPA – retired 2022

\* A Professional Accounting Corporation

183 S. Beadle Rd.  
Lafayette, LA 70508  
Phone (337) 232-4141

1428 Metro Dr. 450 E. Main St.  
Alexandria, LA 71301 New Iberia, LA 70560  
Phone (318) 442-4421 Phone (337) 367-9204

200 S. Main St. 1201 David Dr.  
Abbeville, LA 70510 Morgan City, LA 70380  
Phone (337) 893-7944 Phone (985) 384-2020

434 E. Main St. 11929 Bricksome Ave.  
Ville Platte, LA 70586 Baton Rouge, LA 70816  
Phone (337) 363-2792 Phone (225) 293-8300

WWW.KSRCPAS.COM

## INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

The Honorable Michael Couvillon  
Vermilion Parish Sheriff  
and the Louisiana Legislative Auditor:

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

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

The procedures and associated findings are as follows:

### *Written Policies and Procedures*

1. 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:
  - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget.
  - b) **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.
  - c) **Disbursements**, including processing, reviewing, and approving.
  - d) **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).

- e) **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.
- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- g) **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- h) **Credit Cards (and debit cards, fuel cards, purchase cards)**, 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).
- i) **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.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) **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.
- l) **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.

### ***Board or Finance Committee***

---

2. 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:
  - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
  - b) For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum on all special revenue funds. *Alternatively, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
  - c) 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.
  - d) 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.

### ***Bank Reconciliations***

---

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

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

---

4. 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).
5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (e.g., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that
  - a) Employees responsible for cash collections do not share cash drawers/registers;
  - b) 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;
  - c) Each employee responsible for collecting cash is not 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
  - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, is (are) not also responsible for collecting cash, unless another employee/official verifies the reconciliation.
6. 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.
7. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedures #3 (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). *Alternately, 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:
  - a) Observe that receipts are sequentially pre-numbered.
  - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

- c) Trace the deposit slip total to the actual deposit per the bank statement.
- d) 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).
- e) Trace the actual deposit per the bank statement to the general ledger.

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

---

- 8. 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).
  - 9. For each location selected under procedure #8 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
    - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;
    - b) At least two employees are involved in processing and approving payments to vendors;
    - c) 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;
    - d) 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
    - e) Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.
- [Note: Findings related to controls that constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); should not be reported.]
- 10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and
    - a) 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
    - b) Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.
  - 11. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3, 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.

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

---

12. 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.
13. 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
  - a) 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
  - b) Observe that finance charges and late fees were not assessed on the selected statements.
14. Using the monthly statements or combined statements selected under #13 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.

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

---

15. 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:
  - a) If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov));
  - b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;
  - c) 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 #1g); and
  - d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

### ***Contracts***

---

16. 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. *Alternately, 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

- a) 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;
- b) Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter);
- c) 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
- d) 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.

### ***Payroll and Personnel***

---

17. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
18. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #17 above, obtain attendance records and leave documentation for the pay period, and:
  - a) Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.);
  - b) Observe whether supervisors approved the attendance and leave of the selected employees/officials;
  - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and
  - d) Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.
19. 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 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.
20. 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.

### ***Ethics***

---

21. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #17 obtain ethics documentation from management, and:
  - a. 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
  - b. 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.

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

### ***Debt Service***

---

23. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.
24. 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).

### ***Fraud Notice***

---

25. 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.
26. 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.

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

---

27. Perform the following procedures, verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."
- a. 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.
  - b. 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.
  - c. 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.
28. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #19. Observe evidence that the selected terminated employees have been removed or disabled from the network.

## ***Prevention of Sexual Harassment***

---

29. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #17, 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.
30. 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).
31. 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:
  - a. Number and percentage of public servants in the agency who have completed the training requirements;
  - b. Number of sexual harassment complaints received by the agency;
  - c. Number of complaints which resulted in a finding that sexual harassment occurred;
  - d. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
  - e. Amount of time it took to resolve each complaint.

## ***Findings:***

---

The following exceptions were found as a result of procedures list above.

### **Bank Reconciliations:**

*Four of the five bank reconciliations had long outstanding checks that were not investigated.*

### **Collections (excluding electronic funds transfers):**

*Two of the five collection locations did not issue sequentially prenumber receipts.*

*One of the five collection locations did not document collection date; therefore, we were not able to observe that the deposit was made within one business day of receipt at the collection location.*

*Three deposits were not made in a timely manner.*

### **Prevention of Sexual Harassment:**

*The Sheriff did not prepare a sexual harassment report on or before February 1, 2023.*

***Management's Response:***

---

The Sheriff concurs with the exceptions and is working to address the deficiencies identified.

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

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

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

***Kolder, Slaven & Company, LLC***  
Certified Public Accountants

Abbeville, Louisiana  
December 5, 2023