

**DESOTO PARISH TAX ASSESSOR  
MANSFIELD, LOUISIANA**

**ANNUAL FINANCIAL REPORT  
DECEMBER 31, 2023**

DeSoto Parish Tax Assessor  
Mansfield, Louisiana

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DeSoto Parish Tax Assessor  
Mansfield, Louisiana

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**INDEPENDENT AUDITOR’S REPORT**

DeSoto Parish Tax Assessor  
212 Adams Street  
Mansfield, Louisiana 71052

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

***Opinions***

We have audited the accompanying financial statements of the governmental activities and major fund of the DeSoto Parish Tax Assessor (Assessor), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Assessor’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 and major fund of the Assessor as of December 31, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the *Louisiana Governmental Audit Guide*. 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 Assessor and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Assessor’s ability to continue as a going concern for twelve months beyond the financial statements 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 opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements 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 Assessor'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 Assessor's ability to continue as a going concern for a reasonable period of time.

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

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

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Budgetary Comparison Schedule, Schedule of Proportionate Share of Net Pension Liability, Schedule of Employer Pension Contributions, Schedule of Changes in Net OPEB Liability and Related Ratios be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements.

We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Assessor's basic financial statements. The Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer listed as other supplementary information in the Table of Contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer is fairly stated, in all material respects, in relation to the financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2024, on our consideration of the Assessor'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 Assessor's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Assessor's internal control over financial reporting and compliance.

### ***Report on Other Legal and Regulatory Requirements***

In accordance with the requirements of the Louisiana Legislative Auditor, we have issued a report, dated June 26, 2024, on the results of our statewide agreed-upon procedures performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards*. The purpose of that report is solely to describe the scope of testing performed on those control and compliance areas identified in the Louisiana Legislative Auditor's state wide agreed-upon procedures, and the results of that testing, and not to provide an opinion on control or compliance.

*Thomas, Cunningham, Broadway & Todtenbier, CPA's*

Thomas, Cunningham, Broadway & Todtenbier, CPA's

Natchitoches, Louisiana

June 26, 2024

# DESOTO PARISH TAX ASSESSOR

Mansfield, Louisiana

## MANAGEMENT'S DISCUSSION AND ANALYSIS

For the year ending December 31, 2023

Within this section of the DeSoto Parish Tax Assessor's (the Assessor) annual financial report, the Assessor's management is pleased to provide this narrative overview and analysis of the financial activities of the Assessor as of and for the fiscal year ended December 31, 2023. The Assessor's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section. We encourage readers to consider the information presented here in conjunction with the Assessor's basic financial statements and supplementary information provided in this report in assessing the efficiency and effectiveness of our stewardship of public resources.

### FINANCIAL HIGHLIGHTS

- The Assessor's net position increased by \$2,228,460 or 15.09% for the year ending December 31, 2023, compared to an increase of \$740,638 or 5.28% in 2022.
- Property taxes increased \$1,215,500 (65.51%) to \$3,070,979 during the year ended December 31, 2023 compared to \$1,855,479 during 2022.
- The Assessor's total general and program revenues increased by \$1,638,564 or 81.09% during the year ended December 31, 2023.
- During the year ended December 31, 2023, the Assessor had total expenses of \$1,416,724, excluding depreciation and amortization of \$14,118, compared to \$1,267,202 in 2022. This reflects an increase of \$149,522 or 11.80% during the year ended December 31, 2023.

### OVERVIEW OF FINANCIAL STATEMENTS

This Management Discussion and Analysis document introduces the basic financial statements which include government-wide financial statements and fund financial statements. These two types of financial statements present the Assessor's financial position and results of operations from differing perspectives, which are described as follows:

#### Government-Wide Financial Statements

The government-wide financial statements report information about the Assessor as a whole using accounting methods similar to those used by private-sector companies. These report all revenues and expenses regardless of when cash is received or paid. Furthermore, the government-wide statements include all of the Assessor's assets and all of its liabilities. All of the Assessor's activities are classified as governmental activities in the government-wide financial statements. The governmental activities are financed primarily by property taxes and related revenue sharing.

#### Fund Financial Statements

Fund financial statements provide detailed information regarding the Assessor's most significant activities and are not intended to provide information for the Assessor's as a whole. Funds are accounting devices that are used to account for specific sources of funds. All of the Office's funds are limited to its general fund, which is classified as a Governmental Fund. This fund is used to account for essentially the same functions that are reported as governmental activities in the government-wide financial statements. However, unlike government-wide financial statements, the governmental fund uses a modified accrual basis of accounting that provides a short-term view of the Assessor's finances. Assets reported by the governmental fund are limited to amounts that are available for current needs. In addition, liabilities are limited to amounts that are expected to be paid from currently available assets.

#### Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

#### Required Supplementary Information

The basic financial statements are followed by a section of required supplementary information. This section includes the budgetary comparison schedule for the general fund. Annual budgets are prepared on the cash basis. There is a schedule of changes in net OPEB liability and related ratios. There are two schedules detailing the Assessor's proportionate share of net pension liability and pension contributions.

## Other Supplementary Information

The schedule of compensation, benefits and other payments to agency head or chief executive officer is presented to fulfil the requirements of Louisiana Revised Statute 24:513(A)(3).

### FINANCIAL ANALYSIS OF THE ASSESSOR'S OFFICE AS A WHOLE

#### Net Position

Net position may serve over time as a useful indicator of the Assessor's financial position. The total net position changed from a year ago, increasing from \$14,767,673 in 2022 to \$16,996,133 in 2023.

The Assessor continues to maintain a high level of liquidity with \$17,554,521 (103%) of net position invested in demand deposits, LAMP securities, and certificates of deposit with various financial institutions as of December 31, 2023.

At December 31, 2023, \$53,302 (0.31%) of the Assessor's net position reflects the Assessor's net investment in capital assets which is comprised of capital assets with an historical cost of \$254,280, less accumulated depreciation and amortization of \$192,672 and less associated lease obligations of \$8,306.

Ad valorem taxes receivable increased by \$1,212,689 65.80% to \$3,055,656 at December 31, 2023.

The largest portion of the Assessor's net position \$16,942,831 (99.69%) as of December 31, 2023, and \$14,767,673 (99.84%) as of 2022, is unrestricted and may be used to meet the ongoing obligations to the citizens of DeSoto Parish.

The following table provides a summary of the Assessor's net position at December 31:

Assets	2023	2022	% Change
Cash and Investments	\$ 17,554,521	\$ 16,222,421	8.21%
Taxes Receivable	3,055,656	1,842,967	65.80%
Other current assets	57,938	14,112	310.56%
Capital Assets, Net	61,608	23,696	159.99%
Total Assets	<u>20,729,723</u>	<u>18,103,196</u>	<u>14.51%</u>
Deferred Outflows of Resources			
OPEB related	533,656	538,619	-0.92%
Pension related	390,944	728,928	-46.37%
Total Deferred Outflows of Resources	<u>924,600</u>	<u>1,267,547</u>	<u>-27.06%</u>
Liabilities			
Current Liabilities			
Accounts, salaries and benefits payable	29,462	34,224	-13.91%
Long-term Liabilities			
Accrued Compensated Absences	46,518	40,427	15.07%
Lease Obligations	8,306	13,123	-36.71%
OPEB Liability	3,406,366	2,977,802	14.39%
Net Pension Liability	468,329	645,560	-27.45%
Total Liabilities	<u>3,958,981</u>	<u>3,711,136</u>	<u>6.68%</u>
Deferred Inflows of Resources			
OPEB related	646,709	820,984	-21.23%
Pension related	52,500	70,950	-26.00%
Total Deferred Inflows of Resources	<u>699,209</u>	<u>891,934</u>	<u>-21.61%</u>
Net Position			
Unrestricted	16,942,831	14,757,100	14.81%
Net Investment in Capital Assets	53,302	10,573	404.13%
Total Net Position	<u>\$ 16,996,133</u>	<u>\$ 14,767,673</u>	<u>15.09%</u>



## Changes in Net Position

The following table presents the government-wide Statement of Activities for the year ended December 31:

Revenues	2023	2022	% Change
Program Revenue			
Charges for Services	\$ 2,064	\$ 3,748	-44.93%
General Revenue			
Property taxes	3,070,979	1,855,479	65.51%
State Revenue Sharing	16,860	15,268	10.43%
Investment Earnings	569,399	146,243	289.35%
Total Revenue	<u>3,659,302</u>	<u>2,020,738</u>	<u>81.09%</u>
Program Expenses			
General Government	<u>1,430,842</u>	<u>1,280,100</u>	<u>11.78%</u>
Change in Net Position	2,228,460	740,638	200.88%
Net Position Beginning	<u>14,767,673</u>	<u>14,027,035</u>	<u>5.28%</u>
Net Position Ending	<u>\$ 16,996,133</u>	<u>\$ 14,767,673</u>	<u>15.09%</u>

As indicated above, the Assessor has increased its reserves by \$2,228,460 or 15.09%.

The Assessor received \$3,070,979 (84%) and \$1,855,479 (92%) of its total revenues through property taxes during 2023 and 2022, respectively.

Approximately 0.06% (\$2,064) of the Fund's total revenue was derived through charges for services compared to 0.19% (\$3,748) in 2022.

The Assessor continues to have a substantial amount of net position. This financial trend is expected to continue in the near future.

## FINANCIAL ANALYSIS OF THE ASSESSOR'S FUND

For the year ended December 31, 2023, differences between the government-wide presentation and the fund financial statements were due to acquisition of capital outlays, depreciation charges associated with capital assets, amortization charges and principal payments on right-of-use assets, differences in unavailable property tax revenue and prepaid expenses, net pension liability, and other postretirement benefit liabilities.

## GENERAL BUDGET BUDGETARY HIGHLIGHTS

Formal budgetary integration is employed as a management control device during the fiscal year. The budget policy of the Assessor complies with state law, as amended, and as set forth in Louisiana Revised Statutes Title 39, Chapter 9, Louisiana Local Government Budget Act (LSA-RS 39:1301 et seq.). The Assessor's budget was not amended during 2023. The Assessor's budget is based on the Government Fund's Statement of Revenues, Expenditures, and Changes in Fund Balance. The actual revenues were \$445,897 (22.86%) more than the budgeted amounts. Actual expenditures were \$416,982 (28.07%) less than the budgeted amounts.

## CAPITAL ASSET ADMINISTRATION

The Assessor had two capital asset additions for the year ended December 31, 2023. The GIS mapping system was upgraded and one new truck was purchased.

## DEBT ADMINISTRATION

For the year ended December 31, 2023, the only debt outstanding was related to right-of-use asset leases and compensated absences.

	12/31/2022	Additions	Reductions	12/31/2023
Compensated absences	\$ 40,427	\$ 6,091	\$ -	\$ 46,518
Right-of-use lease obligations	13,123	-	(4,817)	8,306
	<u>\$ 53,550</u>	<u>\$ 6,091</u>	<u>\$ (4,817)</u>	<u>\$ 54,824</u>

### **ECONOMIC FACTORS EXPECTED TO EFFECT FUTURE OPERATIONS**

The following economic factors were considered when the budget for the fiscal year ended December 31, 2024, was prepared:

- Revenues are expected to remain consistent with the prior year.
- Expenditures are expected to remain consistent with the prior year.

### **REQUEST FOR INFORMATION**

This report is designed to provide a general overview of the DeSoto Assessor's finances and seeks to demonstrate the Assessor's accountability for the money she receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Anne Gannon, Assessor, 212 Adams Street, Mansfield, Louisiana, 71052.

## BASIC FINANCIAL STATEMENTS

## STATEMENT A

**DESOTO PARISH TAX ASSESSOR**  
Mansfield, Louisiana

**GOVERNMENTAL FUNDS BALANCE SHEET / STATEMENT OF NET POSITION**  
December 31, 2023

	Governmental Funds Financial Statements		Government-wide Statements
	<u>Balance Sheet</u> General Fund	Adjustments	<u>Statement of Net Position</u>
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 9,422,586	\$ -	\$ 9,422,586
Investments	8,131,935	-	8,131,935
Ad valorem tax receivable	3,055,656	-	3,055,656
Accrued interest	43,499	-	43,499
Prepaid expenses	-	14,439	14,439
Noncurrent assets:			
Capital assets, net (see note 4)	-	61,608	61,608
<b>TOTAL ASSETS</b>	<u>\$ 20,653,676</u>	<u>76,047</u>	<u>20,729,723</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
OPEB related		533,656	533,656
Pension related		390,944	390,944
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>		<u>924,600</u>	<u>924,600</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	\$ 8,626	-	8,626
Salaries and benefits payable	20,836	-	20,836
Noncurrent liabilities:			
Accrued compensated absences	-	46,518	46,518
Long-term lease obligations due within one year	-	2,992	2,992
Long-term lease obligations	-	5,314	5,314
Other postemployment benefit obligations	-	3,406,366	3,406,366
Net pension liability	-	468,329	468,329
<b>TOTAL LIABILITIES</b>	<u>29,462</u>	<u>3,929,519</u>	<u>3,958,981</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable ad valorem taxes	67,815	(67,815)	-
OPEB related	-	646,709	646,709
Pension related	-	52,500	52,500
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>67,815</u>	<u>631,394</u>	<u>699,209</u>
<b>FUND BALANCE/NET POSITION</b>			
Fund Balances:			
Unassigned	20,556,399	(20,556,399)	-
<b>TOTAL FUND BALANCES</b>	<u>20,556,399</u>	<u>(20,556,399)</u>	<u>-</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<u>\$ 20,653,676</u>	<u>(15,995,486)</u>	
Net Position:			
Net investment in capital assets		53,302	53,302
Unrestricted		16,942,831	16,942,831
<b>TOTAL NET POSITION</b>		<u>\$ -</u>	<u>\$ 16,996,133</u>

The notes to the financial statements are an integral part of this statement.  
See the accompanying independent auditor's report.

## STATEMENT B

**DESOTO PARISH TAX ASSESSOR**  
Mansfield, Louisiana

**RECONCILIATION OF FUND BALANCE ON THE BALANCE SHEET  
FOR GOVERNMENTAL FUNDS TO THE NET POSITION OF GOVERNMENTAL  
ACTIVITIES ON THE STATEMENT OF NET POSITION**  
December 31, 2023

<b>Fund Balance - Governmental Fund</b>	<b>\$</b>	<b>20,556,399</b>
Amounts reported for governmental activities in the statement of net position are different because:		
Prepaid expenses involve payment with current financial resources that are attributable to fiscal periods beyond the end of the the current year.		14,439
Capital assets and right-of-use assets for equipment used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		61,608
Certain deferred outflows are reported in the governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Deferred outflows-OPEB		533,656
Deferred outflows-pension related		390,944
Unavailable ad valorem taxes are reported as deferred inflows of resources in the governmental funds, but are reflected as income in the Government-wide statement.		67,815
Long-term liabilities are not due and payable in the current period, and therefore, are not reported in the governmental fund:		
Lease obligations		(8,306)
Other postemployment obligations liability		(3,406,366)
Accrued compensated absences		(46,518)
Deferred inflows-OPEB		(646,709)
Deferred inflows-pension related		(52,500)
Net pension liability		<u>(468,329)</u>
<b>Total Net Position of Government Activities</b>	<b>\$</b>	<b><u>16,996,133</u></b>

The notes to the financial statements are an integral part of this statement.  
See the accompanying independent auditor's report.

## STATEMENT C

**DESOTO PARISH TAX ASSESSOR**  
Mansfield, Louisiana

**STATEMENT OF GOVERNMENTAL FUND REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE / STATEMENT OF ACTIVITIES**

For the year ended December 31, 2023

	Governmental Funds Financial Statements		Government-wide Statements
	Statement of Revenues Expenditures and Changes in Fund Balance	Adjustments	Statement of Activities
	General Fund		
<b>EXPENDITURES/EXPENSES</b>			
General Government-Taxation:			
Personnel services & related benefits	\$ 774,739	\$ 407,646	\$ 1,182,385
Operating expenses	161,505	(3,669)	157,836
Material & supplies	33,798	-	33,798
Travel & other charges	40,857	-	40,857
Capital outlays	52,030	(52,030)	-
Debt service - leases	4,817	(4,817)	-
Interest (see note 7)	1,848	-	1,848
Depreciation and amortization	-	14,118	14,118
<b>TOTAL EXPENDITURES/EXPENSES</b>	<b>1,069,594</b>	<b>361,248</b>	<b>1,430,842</b>
<b>PROGRAM REVENUES</b>			
Charges for services	2,064	-	2,064
<b>TOTAL PROGRAM REVENUES</b>	<b>2,064</b>	<b>-</b>	<b>2,064</b>
<b>NET PROGRAM EXPENSE</b>	<b>(1,067,530)</b>	<b>(361,248)</b>	<b>(1,428,778)</b>
<b>GENERAL REVENUES</b>			
Property taxes	3,060,625	10,354	3,070,979
State revenue sharing	16,860	-	16,860
Investment earnings	569,399	-	569,399
<b>TOTAL GENERAL REVENUES</b>	<b>3,646,884</b>	<b>10,354</b>	<b>3,657,238</b>
<b>NET CHANGE IN FUND BALANCE/ CHANGE IN NET POSITION</b>	<b>2,579,354</b>	<b>(350,894)</b>	<b>2,228,460</b>
<b>FUND BALANCE / NET POSITION</b>			
Beginning of the year	17,977,045		14,767,673
End of the year	\$ 20,556,399		\$ 16,996,133

The notes to the financial statements are an integral part of this statement.  
See the accompanying independent auditor's report.

## STATEMENT D

**DESOTO PARISH TAX ASSESSOR**  
Mansfield, Louisiana

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE OF THE GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES**

For the year ended December 31, 2023

<b>Net change in Fund Balance - Governmental Fund</b>	<b>\$ 2,579,354</b>
<p>Governmental funds report expenses that involve payments with current financial resources, such as insurance and maintenance contracts, in the year in which it is paid. In the Statement of Activities, payments that are attributable in current periods are recognized.</p>	
Increase in prepaid expenses	3,669
<p>Governmental funds report capital outlays as expenditures. However in the Statement of Activities, the cost of the assets are capitalized and allocated over their estimated useful lives and reported as depreciation and amortization expense. Therefore, capital expenditures are not recorded in the statement of activities.</p>	
Capital outlays	52,030
Depreciation and amortization	(14,118)
<p>Revenue in the Statement of Activities that does not provide current financial resources are not reported as revenues in the governmental fund statements.</p>	
Changes in unavailable ad valorem taxes	10,354
Non-employer contributions to cost-sharing pension plan	153,902
<p>The issuance of long-term debt provides current financial resources of governmental funds, while principal payments made on long-term debt consume current financial resources, neither effect net position.</p>	
Principal payments on capital leases	4,817
<p>In the Statement of Activities certain expenses do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental fund statements.</p>	
Pension (expense) benefit	(296,205)
Other postemployment benefits	(259,252)
Changes in compensated absences payable	(6,091)
<b>Net change in Net Position</b>	<b>\$ <u>2,228,460</u></b>

The notes to the financial statements are an integral part of this statement.  
See the accompanying independent auditor's report.

## NOTES TO FINANCIAL STATEMENTS



**DESOTO PARISH TAX ASSESSOR**  
**Mansfield, Louisiana**  
Notes to Financial Statements  
December 31, 2023

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## INTRODUCTION

As provided by LSA-RS 47:1901, the Assessor is elected by the voters of the parish and serves a four-year term. The Assessor enumerates, lists, and assesses all real and movable property in the parish, subject to ad valorem taxation. The Assessor is authorized to appoint as many deputies as may be necessary for the efficient operation of the office and to provide assistance to the taxpayers of the parish. The deputies are authorized to perform all functions of the office, but the Assessor is officially and pecuniary responsible for the actions of the deputies.

The Assessor's office is located in the DeSoto Parish Courthouse annex in Mansfield, Louisiana. The Assessor employs eleven employees, including six deputies. In accordance with Louisiana law, the Assessor bases real and movable property assessments on conditions existing on January 1 of the tax year. The Assessor completes an assessment listing by May 1 of the tax year and submits the list to the parish governing authority and the Louisiana Tax Commission as prescribed by law. Once the assessment listing is approved, the Assessor submits the assessment roll to the parish tax collector who is responsible for collecting and distributing taxes to the various taxing bodies.

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying basic financial statements of the DeSoto Parish Tax Assessor have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, *Basic Financial Statements and Management's Discussion and Analysis—For State and Local Governments*, issued in June 1999; Statement 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*; and Statement 65, *Items Previously Reported as Assets and Liabilities*. Such accounting and reporting policies also conform to the requirements of Louisiana Revised Statutes 24:517 and to the guides set forth in the *Louisiana Government Audit Guide*. The more significant accounting policies established by GAAP and used by the Assessor are discussed below.

#### A. REPORTING ENTITY

Governmental Accounting Standards Board Statement No. 14 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. The basic criterion for including a potential component unit within the reporting entity is financial accountability. Although the DeSoto Parish Police Jury is required to provide office space, janitorial services and utilities for the Assessor, the Assessor is not financially accountable to the Police Jury since 1) the Assessor is a separately elected official; 2) the Assessor is a legally separate organization and holds its own corporate powers; and 3) the Assessor does not require approval from the Police Jury for its budget, to levy taxes, or to issue debt.

For financial reporting purposes, in conformance with GASB Statement No. 14, the Assessor includes all funds that are within the oversight responsibility of the Assessor. Oversight responsibility is determined on the basis of appointment of governing body, ability to significantly influence operations, accountability for fiscal matters, and the nature and significance of an organization's relationship. Based on this criterion, the Assessor has no component units.

#### B. MEASUREMENT FOCUS / BASIS OF ACCOUNTING

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" revenues, expenditures, expenses, and transfers—and assets, deferred outflows of resources, liabilities, and deferred inflows of resources—are recognized in the accounts and reported in the financial statements.

On the government-wide Statement of Net Position and the Statement of Activities, governmental activities are presented using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery) and financial position. All assets and liabilities (whether current or non-current) associated with its activities are reported. Government-wide fund equity is classified as net position.

**DESOTO PARISH TAX ASSESSOR**  
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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**B. MEASUREMENT FOCUS / BASIS OF PRESENTATION (continued)**

In the fund financial statements, the "current financial resources" measurement focus is used. Only current financial assets and liabilities are generally included on its balance sheet. The statement of revenues, expenditures, and changes in fund balance reports sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of available spendable financial resources during a given period. This approach is then reconciled, through adjustment, to a government-wide view of the operations.

The Assessor's basic financial statements consist of government-wide financial statements, including a statement of net position and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

**Government-Wide Financial Statements**

The Statement of Net Position and Statement of Activities display information about the reporting government as a whole. They include the fund of the reporting entity, which is considered to be a governmental activity. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the Assessor's governmental activities. Direct expenses are those that are specifically associated with a program or function. Program revenues include (a) fees and charges paid by the recipients for 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.

In the government-wide Statement of Net Position and Statement of Activities, the governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

**Fund Financial Statements**

The accounts of the Assessor are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. These funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the fund from which they will be paid. The difference between a governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources which may be used to finance future period programs or operations. The major governmental fund of the Assessor is described below:

**General Fund.** The General Fund, as provided by Louisiana Revised Statute 47:1906 is the primary operating fund of the Assessor and is used to account for the operations of the Assessor. The General Fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according to the Assessor's policy.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Revenues are classified by source and expenditures are classified by function and character. Expenditures (including capital outlays) generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

**DESOTO PARISH TAX ASSESSOR**  
**Mansfield, Louisiana**  
Notes to Financial Statements  
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## **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

### **C. BASIS OF ACCOUNTING**

The governmental funds use the following practices in recording revenues and expenditures:

#### Revenues

Ad valorem taxes are recorded in the year the taxes are assessed. Ad valorem taxes are assessed on a calendar year basis, attach as an enforceable lien, and become due and payable on the date the tax rolls are filed with the clerk of court. Louisiana Revised Statute 47:1993 requires that the tax roll be filed on or before November 15 of each year. Ad valorem taxes become delinquent if not paid by December 31, 2023. The taxes are normally collected in December of the current year and January and February of the ensuing year.

State revenue sharing is recorded in the year the Assessor is entitled to the funds. Fees for preparing tax rolls are recognized in the period in which they are paid. Interest income on demand deposits is recorded monthly when the interest is earned and credited to the Assessor's account. Interest income on time deposits is accrued at year-end.

#### Expenditures

Salaries and related benefits are recorded when employee services are provided. Purchases of various operating supplies are recorded as expenditures in the accounting period in which they are purchased. Substantially all other expenditures are recognized when the related fund liability is incurred.

### **D. CASH AND INVESTMENTS**

Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts or nonnegotiable certificates of deposit. Under state law, the Assessor may deposit funds with a fiscal agent organized under the laws of Louisiana, the laws of any other state in the union, or the laws of the United States. The Assessor may invest in United States bonds, treasury notes and bills, government-backed agency securities, or certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. In addition, local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool, Inc. (LAMP), a non-profit corporation formed by the State Treasurer and organized under the laws of the State of Louisiana, which operates a local government investment pool.

### **E. PREPAID EXPENSES**

Payments made to vendors for services that will benefit periods beyond December 31, 2023, are recorded as prepaid expenses.

### **F. ACCOUNTS RECEIVABLE**

Substantially all receivables are considered to be fully collectible, and no allowance for uncollectibles is used.

### **G. CAPITAL ASSETS**

Capital assets which include property, plant, equipment, and right-of-use leased assets, are reported in the governmental activities column in the government-wide financial statements. Under GASB 87, the Assessor recognizes all leases over one year in term, with a present value of future lease payments exceeding \$7,500 as right-of-use assets. For recognized right-of-use asset leases, the present value of the future lease payments are amortized over the term of the leases. All other Capital assets are capitalized at historical cost. The Assessor maintains a threshold level of \$2,500 or more for capitalizing capital assets other than right-of-use assets. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Capital assets are recorded in the Statement of Net Position and Statement of Activities. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes.

All capital assets, other than land and right-of-use assets, are depreciated using the straight-line method generally over five years. Depreciation and amortization is reported as an expense in the statement of activities, with accumulated depreciation and amortization reflected in the statement of net position. Assets reported in the fund financial statements for governmental funds exclude capital assets. The governmental funds financial statements report the acquisition of capital assets as expenditures.

**DESOTO PARISH TAX ASSESSOR**  
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## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### H. COMPENSATED ABSENCES

The Assessor has the following policy relating to vacation and sick leave:

Employees of the Assessor's office receive 5 to 10 days of noncumulative vacation leave each year. Full-time employees earn five days of sick leave each year. Upon termination, employees may be paid for sick leave up to thirty days. At December 31, 2023, there are no accumulated or vested benefits relating to vacation.

The cost of leave privileges, computed in accordance with GASB Codification Section C60, is recognized as current-year expenditures in the General Fund when leave is actually taken.

### I. EQUITY CLASSIFICATIONS

#### Net Position

In the government-wide financial statements, equity is classified as net position and is displayed in three components:

- a. Net investment in capital assets – consists of net capital assets reduced by outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increase by balances of deferred outflows of resources related to those assets.
- b. Restricted net position – net position is considered restricted if its use is constrained to a particular purpose. Restrictions are imposed by external organizations such as federal or state laws or buyers of the Assessor's bonds. Restricted net position is reduced by liabilities and deferred inflows of resources related to the restricted assets.
- c. Unrestricted net position – consists of all other net position that does not meet the definition of the above two components and is available for general use by the Assessor.

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the Assessor applies unrestricted net position first, unless a determination is made to use restricted net position.

#### Fund Balances

In accordance with GASB 54, the Assessor classifies fund balances in governmental funds as follows:

- Nonspendable--Amounts that are not in spendable form (such as prepaid expenses) or because they are legally or contractually required to be maintained intact.
- Restricted--Amounts constrained to specific purposes by their providers (such as grantors or higher levels of government), through constitutional provisions, or by enabling legislation.
- Committed--Amounts constrained by the Assessor. To be reported as committed, amounts cannot be used for any other purpose unless the Assessor takes the action to remove or change the constraint.
- Assigned--Amounts the Assessor intends to use for a specific purpose.
- Unassigned--All amounts not included in other spendable classifications.

The Assessor would typically apply an expenditure toward restricted fund balance and then to the other, less restrictive classifications – committed and then assigned fund balances before using unassigned fund balances.

### J. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

The Assessor reports decreases in net assets that relate to future periods as deferred outflows of resources in a separate section of its government-wide statements of net position. Deferred outflows of resources reported in this year's financial statements include deferred outflow of resources for contributions made to the Assessor's defined benefit pension and OPEB plans between the measurement date of the net pension liabilities from those plans and the end of the Assessor's fiscal year. No deferred outflows of resources affect the governmental funds financial statement in the current year.

**DESOTO PARISH TAX ASSESSOR**  
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Notes to Financial Statements  
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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**J. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES (continued)**

The Assessor's statements of net position and its governmental fund balance sheet report a separate section for deferred inflows of resources. This separate financial statement element reflects an increase in net assets that applies to a future period(s). Deferred inflows of resources are reported in the Assessor's various statements of net position for actual pension investment earnings in excess of the expected amounts included in determining pension expense. The deferred inflows of resources is attributed to pension expense over a total of 6 years, including the current year. In its governmental funds, the only deferred inflow of resources is for revenues that are not considered available. The Assessor will not recognize the related revenues until they are available (collected not later than 60 days after the end of the Assessor's fiscal year) under the modified accrual basis of accounting. Accordingly, unavailable revenues from property taxes and grants are reported in the governmental funds balance sheet.

**K. UNAVAILABLE AD VALOREM TAXES**

Under the modified accrual basis of accounting, the Assessor's governmental funds will not recognize revenue until they are available (collected not later than 60 days after the Assessor's year-end).

**L. PENSION PLANS**

The Assessor is a participating employer in a cost-sharing, multiple-employer qualified governmental defined benefit pension plan as described in Note 5. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of each of the plans, and additions to deductions for the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments have been reported at fair value within the plan.

**M. OTHER POSTEMPLOYMENT BENEFITS (OPEB)**

The Assessor follows GASB Statement 75 "Accounting and Financial Reporting for Postemployment Benefits Other Than Pension," which requires the accrual of other postemployment benefits for retired employees. The Assessor has recorded a liability for other postemployment benefits (see Note 6). In the government-wide financial statements, the other postemployment benefits liability is recorded as an expense and non-current liability and allocated on a functional basis. In the fund financial statements, other postemployment expenditures are recognized in the amount contributed to the plan or expected to be liquidated with expendable available financial resources. Expendable available financial resources generally refer to other postemployment benefit payments due and payable as of the end of the year.

**N. USE OF 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 and liabilities 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.

**2. AD VALOREM TAXES**

The Assessor levies taxes on real and business personal property located within the boundaries of DeSoto Parish. Property taxes are levied by the Assessor on property values assessed by the Assessor and approved by the State of Louisiana Tax Commission. For the year ended December 31, 2023, the Assessor authorized ad valorem tax millages of 4.07 mills and levied taxes of 3.35 mills.

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**2. AD VALOREM TAXES (continued)**

The DeSoto Parish Sheriff's office bills and collects property taxes for the Assessor. Collections are remitted to the Assessor monthly. The Assessor recognizes property tax revenues when levied. The property tax calendar:

Assessment date	January 1, 2023
Levy date	June 30, 2023
Tax bills mailed	October 15, 2023
Total taxes are due	December 31, 2023
Penalties & interest added	January 31, 2024
Tax sale	May 16, 2024

A revaluation of all property is required to be completed not less than every four years. The last revaluation was completed for the roll of January 1, 2020. Total assessed value was \$963,526,333 in 2023. Louisiana state law exempts the first \$75,000 of assessed value of a taxpayer's primary residence from parish property taxes. This homestead exemption was a total of \$46,816,572 of the assessed value in 2023.

The Louisiana Industrial Ad Valorem Tax Exemption program (Louisiana Administrative Code, Title 13, Chapter 5) is a state incentive program which abates, up to ten years, local ad valorem taxes on a manufacturer's new investment and annual capitalized additions related to the manufacturing site. Applications to exempt qualified property for five years are approved by the Louisiana Economic Development's Board of Commerce and Industry. The exemption may be renewed for an additional five years. Under agreements entered into by the State of Louisiana, through the Louisiana Industrial Ad Valorem Tax Exemption program, Assessor's ad valorem tax revenues were reduced by \$55,231 for the fiscal year ending December 31, 2023.

The following are the principal taxpayers for the Parish (2023 amounts):

TAXPAYER	TYPE OF BUSINESS	ASSESSED VALUATION	% OF TOTAL ASSESSED VALUATION	Ad Valorem Tax Revenue for Assessor
SWN PRODUCTION (LOUISIANA), LLC	Oil & Gas	\$ 109,418,903	11.36%	\$ 348,863
COMSTOCK OIL & GAS	Oil & Gas	107,673,374	11.17%	343,028
CHESAPEAKE OPERATING, INC	Oil & Gas	85,374,911	8.86%	272,089
INTERNATIONAL PAPER CO	Manufacturing	94,991,106	9.86%	302,798
EXCO OPERATING COMPANY	Oil & Gas	40,131,566	4.17%	128,060
ENTERPRISE GATHERING L.L.C.	Oil & Gas	34,324,147	3.56%	109,327
DTM LOUISIANA GAS GATHERING, LLC	Oil & Gas	31,175,902	3.24%	99,500
LOUISIANA MIDSTREAM GAS SVCS, LLC	Oil & Gas	25,899,279	2.69%	82,609
ACADIAN GAS PIPELINE SYSTEM	Oil & Gas	21,571,230	2.24%	68,790
GEP HAYNESVILLE II	Oil & Gas	19,109,712	1.98%	60,805
Total		\$ 569,670,130	59.13%	\$ 1,815,869

**3. CASH AND INVESTMENTS***Cash:*

At December 31, 2023, the Assessor has cash (book balances) totaling \$113,014 and LAMP deposits of \$9,309,573 for a total of \$9,422,586. The LAMP deposits are stated at fair value based upon quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool shares.

*Investments:*

At December 31, 2023, the Assessor has the following investments and maturities:

Type of Investment	Fair Value
One-year Certificates of Deposit	\$ 8,131,935

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### **3. CASH AND INVESTMENTS (continued)**

The certificates of deposit are stated at cost, which approximates fair market value.

The cash and investments of the DeSoto Parish Tax Assessor are subject to the following risks:

*Custodial Credit Risk:* Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the government will not be able to recover its deposits. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

Louisiana Revised Statute 39:1229 imposes a statutory requirement of the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Assessor that the fiscal agent has failed to pay deposited funds upon demand. Further, Louisiana Revised Statute 39:1224 states that securities held by a third party shall be deemed to be held in the Assessor's name.

At December 31, 2023, the Assessor had \$8,255,171 in deposits (collected bank balances). These deposits are secured from risk by \$3,881,004 of federal deposit insurance; \$4,374,167 is pledged by marketable securities held by the custodial bank with a market value of \$6,044,147.

*Interest Rate Risk:* This 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 fair value is to changes in market interest rates. The Assessor 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. However, as a means of offsetting exposure to interest rate risk the Assessor's certificates of deposit have maturities of one year or less which limits exposure to fair value losses arising from rising interest rates.

*Credit risk:* Generally, credit risk is the risk that an issuer of a debt type investment will not fulfill its obligation to the holder of the investment. The Assessor's investments comply with Louisiana Statutes (LSA R.S. 33:2955). Under state law, the Assessor may deposit funds with a fiscal agent organized under the laws of Louisiana, the laws of any other state in the union, or the laws of the United States. The Assessor may invest in United States bonds, treasury notes and bills, government backed agency securities, or certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

Cash equivalent investments held at December 31, 2023 include \$9,309,573 with the Louisiana Asset Management Pool (LAMP), a local government investment pool. LAMP is administered by LAMP Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds, in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LSA-R.S. 33:2955.

The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. LAMP, Inc. is subject to the regulatory oversight of the state treasurer and a board of directors. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP is not registered with the SEC as an investment company.

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#### 4. CAPITAL ASSETS

Capital assets, depreciation and amortization activity as of and for the year ended December 31, 2023, is as follows:

<u>Governmental Activities</u>	Balance			Balance		
	December 31, 2022	Additions	Deletions	December 31, 2023		
Auto	\$ 16,453	\$ 48,430	\$ -	\$ 64,883		
Computers and Peripherals	134,002	3,600	-	137,602		
Furniture and Fixtures	24,570	-	-	24,570		
Office Equipment	13,687	-	-	13,687		
Right-of-Use Assets	30,174	-	16,636	13,538		
Total	<u>218,886</u>	<u>52,030</u>	<u>16,636</u>	<u>254,280</u>		
Less Accumulated Depreciation and Amortization						
Auto	16,453	5,650	-	22,103		
Computers and Peripherals	125,884	3,447	-	129,331		
Furniture and Fixtures	24,570	-	-	24,570		
Office Equipment	9,359	520	-	9,879		
Right-of-Use Assets	18,924	4,501	16,636	6,789		
Total	<u>195,190</u>	<u>14,118</u>	<u>16,636</u>	<u>192,672</u>		
Capital Assets, Net	<u>\$ 23,696</u>	<u>\$ 37,912</u>	<u>\$ -</u>	<u>\$ 61,608</u>		

Depreciation and amortization expense of \$14,118 was charged to the general government taxation function.

Under GASB 87 the Assessor recognizes all leases over one year as right-of-use assets at the present value of future lease payments, amortized over the term of the leases. The Assessor has right-of-use asset leases of the following nature:

On September 15, 2021, the Assessor entered into a lease agreement with Konica Minolta for the right-of-use of a copier for a 63-month term, with monthly payments of \$277.00, an implicit rate of interest of 22.55% per the Konica Minolta GSA schedule.

Effective March 1, 2022, the Assessor entered into a lease agreement with Pitney Bowes for the right-of-use of a postage meter for a 36-month term, with quarterly billed amounts of \$270.42, based on the treasury yield rate of 1.63% at the date of execution November 15, 2021.

The total portion of payments on right-of-use leases recognized as interest expense for the year ended December 31, 2023 was \$4,817.

The future minimum lease payments and interest required under the leases are as follows:

Year Ending December 31,	Principal	Interest	Total
2024	\$ 2,992	\$ 1,413	\$ 4,405
2025	2,584	920	3,504
2026	2,730	318	3,048
Total	<u>\$ 8,306</u>	<u>\$ 2,651</u>	<u>\$ 10,957</u>

#### 5. PENSION PLAN

Plan Description - Substantially all employees of the DeSoto Parish Tax Assessor's office are members of the Louisiana Assessors Retirement Fund (Fund), a cost-sharing multiple-employer qualified governmental defined benefit pension plan administered by a separate board of trustees. The Fund issues an annual publicly available financial report that includes financial statements and required supplementary information for the Fund. That report may be obtained by writing to the Louisiana Assessors' Retirement Fund, Post Office Box 14699, Baton Rouge, LA 70898-4699, or by calling (225) 928-8886.



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## 5. PENSION PLAN (continued)

Eligibility Requirements – Members who were hired before October 1, 2013, will be eligible for pension benefits once they have either reached the age of fifty-five and have at least twelve years of service or have at least thirty years of service, regardless of age. Members who were hired on or after October 1, 2013, will be eligible for pension benefits once they have either reached the age of sixty and have at least twelve years of service or have reached the age of fifty-five and have at least thirty years of service.

Retirement Benefits - Members whose first employment making them eligible for membership began prior to October 1, 2006, are entitled to annual pension benefits equal to three and one-third percent of their highest monthly average final compensation received during any 36 consecutive months, multiplied by their total years of service, not to exceed 100% of monthly average final compensation. Members whose first employment making them eligible for membership began on or after October 1, 2006 but before October 1, 2013, are entitled to annual pension benefits equal to three and one-third percent of their highest monthly average final compensation received during any 60 consecutive months, multiplied by their total years of service, not to exceed 100% of monthly average final compensation. Members whose first employment making them eligible for membership began on or after October 1, 2013 but who have less than thirty years of service, are entitled to annual pension benefits equal to three percent of their highest monthly average final compensation received during any 60 consecutive months, multiplied by their total years of service, not to exceed 100% of monthly average final compensation. Members whose first employment making them eligible for membership began on or after October 1, 2013 and have thirty or more years of service, are entitled to annual pension benefits equal to three and one-third percent of their highest monthly average final compensation received during any 60 consecutive months, multiplied by their total years of service, not to exceed 100% of monthly average final compensation. Members may elect to receive their pension benefits in the form of a joint and survivor annuity.

If members terminate before rendering 12 years of service, they forfeit the right to receive the portion of their accumulated plan benefits attributable to the employer's contributions. Benefits are payable over the employees' lives in the form of a monthly annuity. Members may elect to receive the actuarial equivalent of their retirement allowance in a reduced retirement payable throughout life with the following options: 1) If the member dies before he has received in retirement payments purchased by his contributions the amount he had contributed to the fund before his retirement, the balance shall be paid to his legal representatives or to such person as he shall nominate by written designation. 2) Upon the member's death, his reduced retirement allowance shall be continued throughout the life of and paid to his surviving spouse. 3) Upon the member's death, one-half of his reduced retirement allowance shall be continued throughout the life of and paid to his surviving spouse. 4) The member may elect to receive some other board-approved benefit or benefits that together with the reduced retirement allowance shall be of equivalent actuarial value to his retirement allowance.

Survivor Benefits – The Fund provides benefits for surviving spouses and minor children under certain conditions which are outlined in the Louisiana Revised Statutes.

Disability Benefits – The Board of Trustees shall award disability benefits to eligible members who have been officially certified as disabled by the State Medical Disability Board. The disability benefit shall be the lesser of the following: 1) A sum equal to the greater of 45% of final average compensation, or the members accrued retirement benefit at the time of termination of employment due to disability; or 2) The retirement benefit which would be payable assuming accrued creditable service plus additional accrued service, if any, to the earliest normal retirement age based on final average compensation at the time of termination of employment due to disability.

Upon approval for disability benefits, the member shall exercise an optional retirement allowance as provided in R. S. 11:1423 and no change in the option selected shall be permitted after it has been filed with the board. The retirement option factors shall be the same as those utilized for regular retirement based on the age of the retiree and that of the spouse, had the retiree continued in active service until the earliest normal retirement date.

Back-Deferred Retirement Option Plan (Back-DROP) – In lieu of receiving a normal retirement benefit pursuant to R.S. 11:1421 through 1423, an eligible member of the Fund may elect to retire and have their benefits structured, calculated, and paid as provided in R.S. 11:1456.1.

**DESOTO PARISH TAX ASSESSOR**  
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## **5. PENSION PLAN (continued)**

An active, contributing member of the Fund shall be eligible for Back-DROP if all the following apply: 1) the member has accrued more service credit than the minimum required for eligibility for a normal retirement benefit. 2) the member has attained an age that is greater than the minimum required for eligibility for a normal retirement benefit, if applicable, and 3) The member has revoked their participation, if any, in the Deferred Retirement Option Plan pursuant to R.S 11:1456.2.

At the time of retirement, a member who elects to receive a Back-DROP benefit shall select a Back-DROP period to be specified in whole months. The duration of the Back-DROP period shall not exceed the lesser of thirty-six months or the number of months of creditable service accrued after the member first attained eligibility for normal retirement. The Back-DROP period shall be comprised of the most recent calendar days corresponding to the member's employment for which service credit in the Fund accrued. The Back-DROP benefit shall have two portions: a lump-sum portion and a monthly benefit portion. The Back-DROP monthly benefit shall be calculated pursuant to the provisions applicable for service retirement set forth in R.S. 11:1421 through 1423 and subject to the following conditions: 1) Creditable service shall not include service credit reciprocally recognized pursuant to R.S. 11:142, 2) Accrued service at retirement shall be reduced by the Back-DROP period. 3) Final average compensation shall be calculated by excluding all earnings during the Back-DROP period, 4) Contributions received by the Fund during the Back-DROP period and any interest that has accrued on employer and employee contributions received during the period shall remain with the Fund and shall not be refunded to the member or to the employer, 5) The member's Back-DROP monthly benefit shall be calculated based upon the member's age and service and the Fund provisions in effect on the last day of creditable service before the Back-DROP period, 6) At retirement, the member's maximum monthly retirement benefit payable as a life annuity shall be equal to the Back-DROP monthly benefit, 7) The member may elect to receive a reduced monthly benefit in accordance with the options provided in R.S. 11:1423 based upon the member's age and the age of the member's beneficiary as of the actual effective date of retirement. No change in the option selected or beneficiary shall be permitted after the option is filed with the Board of Trustees.

Excess Benefit Plan – Under the provisions of this excess benefit plan, a member may receive a benefit equal to the amount by which the member's monthly benefit from the Fund has been reduced because of the limitations of Section 415 of the Internal Revenue Code.

Contributions – Contributions for all members are established by statute at 8.00% of earned compensation. The contributions are deducted from the member's salary and remitted by the participating agency.

Administrative costs of the Fund are financed through employer contributions. According to state statute, contributions for all employers are actuarially determined each year. The actuarially-determined employer contribution rate was 2.99% for the year ended September 30, 2023. The actual employer contribution rate was 3.50% of members earnings for the year ended September 30, 2023.

The Fund also received one-fourth of one percent of the property taxes assessed in each parish, except Orleans Parish, plus revenue sharing funds appropriated by the legislature. According to state statute, in the event that contributions for ad valorem taxes and revenue sharing funds are insufficient to provide for the gross employer actuarially required contribution, the employer is required to make direct contributions as determined by the Public Retirement System's Actuarial Committee.

Beginning January 1, 2013, the DeSoto Parish Tax Assessor pays both the employee and employer portion of contributions to the Fund. The DeSoto Parish Tax Assessor's employer contributions to the System for the years ending December 31, 2023, 2022, and 2021, were \$18,367, \$20,746, & \$33,372, respectively, equal to the required contributions for each year.

Per R.S. 11:1481.2(a), each assessor in the State of Louisiana shall deduct eight percent from the salaries of the assessor and the assessor's employees who are eligible for membership in the Louisiana Assessors Retirement System. Per R.S. 11:1472.2(b), the assessor may elect to pay all or a portion of the contributions per R.S. 11:1481.2(a). The DeSoto Parish Tax Assessor has elected to pay all contributions required for the assessor and the assessor's employees. The total employees' portion paid for the years ended December 31, 2023, 2022, and 2021 were \$38,194, \$35,670, & \$37,050, respectively.

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**5. PENSION PLAN (continued)**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2023, the DeSoto Parish Tax Assessor reported a liability of \$468,329 for its proportionate share of the net pension liability of the Plan. The net pension liability was measured as of September 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Assessor's proportion of the net pension liability was based on a projection of the Assessor's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At September 30, 2023 (Plan's measurement date), the Assessor's proportion was 0.955851% which was a decrease of 0.018678% from the proportion measured as of September 30, 2022.

For the year ended December 31, 2023, the Assessor recognized pension expense of \$296,205, representing its proportionate share of the Plan's net expense, including amortization of deferred amounts.

At December 31, 2023, the Assessor reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 15,081	\$ 51,493
Changes in assumptions	123,217	-
Net difference between projected and actual earnings on pension plan investments	244,678	-
Changes in employer's proportion of beg NPL	111	-
Differences between employer and proportionate share of contributions	2,335	1,007
Subsequent measurement contributions	5,522	-
Total	<u>\$ 390,944</u>	<u>\$ 52,500</u>

The Assessor reported a total of \$5,522 as deferred outflow of resources related to pension contributions made subsequent to the measurement period of September 30, 2023, which will be recognized as a reduction in net pension liability in the year ended December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

December 31,			
2023	\$ 80,045	\$ (124)	\$ 79,921
2024	103,973	(106)	103,867
2025	193,042	(62)	192,980
2026	(40,950)	(26)	(40,976)
2027	<u>(2,861)</u>	<u>(9)</u>	<u>(2,870)</u>
Total	<u>\$ 333,249</u>	<u>\$ (327)</u>	<u>\$ 332,922</u>

*Actuarial Assumptions.* A summary of the actuarial methods and assumptions used in determining the total pension liability as of December 31, 2023 is as follows:

Valuation Date	September 30, 2023
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Investment Rate of Return	5.50%, net of investment expense, including inflation
Projected Salary Increases	5.25%
Inflation Rate	2.10%

**DESOTO PARISH TAX ASSESSOR**  
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**5. PENSION PLAN (continued)**

Annuitant and Beneficiary Mortality	Pub-2010 Public Retirement Plans Mortality Table for General Healthy Retirees multiplied by 120% with full generational projection using the appropriate MP-2019 improvement scale.
Active Member Mortality	Pub-2010 Public Retirement Plans Mortality Table for General Employees multiplied by 120% with full generational projection using the appropriate MP-2019 improvement scale.
Disabled Annuitant Mortality	Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 120% with full generational projection using the appropriate MP-2019 improvement scale.

Discount Rate – 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 expenses 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, of 2.5%, and an adjustment for the effect of rebalancing/diversification. The resulting long-term expected arithmetic nominal return was 7.85% as of September 30, 2023.

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2023, are summarized in the following table:

<u>Asset Class</u>	<u>Long-term expected real rate of return</u>
Domestic equity	7.50%
International equity	8.50%
Domestic bonds	2.50%
International bonds	3.50%
Real estate	4.50%

The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and contributions from the participating employers and non-employer contributing entities will be made at actuarially determined contributions rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement System's Actuarial Committee. Based on these assumptions and the other assumptions and methods as specified in this report, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity to Changes in Discount Rate – The following presents the net pension liability of the fund as of September 30, 2023, calculated using the discount rate of 5.50%, as well as what the Fund's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (4.50%) or one percentage point higher (6.50%) than the current discount rate (assuming all other assumptions remain unchanged):

1% Decrease	Current Discount Rate	1% Increase
4.50%	5.50%	6.50%
\$ 1,052,032	\$ 468,329	\$ (27,955)

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## 5. PENSION PLAN (continued)

Change in Net Pension Liability – The effects of certain other changes in the net pension liability are required to be included in pension expense over the current and future periods. The effects on the total pension liability of 1) changes of economic and demographic assumptions or of other inputs and 2) differences between expected and actual experience are required to be included in pension expense in a systematic and rational manner over a closed period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active employees and inactive employees), determined as of the beginning of the measurement period. The effect on net pension liability of differences between the projected earnings on pension plan investments and actual experience with regard to those earnings is required to be included in pension expense in a systematic and rational manner over a closed period of five years, beginning with the current period. The Expected Remaining Service Lives for as of September 30, 2023 is six years.

The changes in the net pension liability for the year ended December 31, 2023 were recognized in the current reporting period as pension expense except as follows:

*Differences between Expected and Actual Experience:*

Differences between expected and actual experience with regard to economic or demographic factors in the measurement of total pension liability were recognized in pension expense 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 pensions through the pension plan. The difference between expected and actual experience resulted in a deferred outflow of resources of \$15,081 and a deferred inflow of resources in the amount of \$51,493 for the year ended December 31, 2023.

*Differences between Projected and Actual Investment Earnings*

Differences between projected and actual investment earnings on pension plan investments were recognized in pension expense using the straight-line amortization method over a closed five-year period. The difference between projected and actual investment earning resulted in a deferred outflow of resources in the amount of \$244,678 for the year ended December 31, 2023.

*Changes in Assumptions or Other Inputs*

Changes of assumptions about future economic or demographic factors or of other inputs were recognized in pension expense 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 pensions through the pension plan. Changes of assumptions or other inputs resulted in a deferred outflow of resources in the amount of \$123,217 for the year ended December 31, 2023.

*Changes in Proportion*

Changes in the employer's proportionate shares of the collective net pension liability and collective deferred outflows of resources and deferred inflows of resources since the prior measurement date were recognized in employer's 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 pensions through the pension plan. Changes in the employer's portion of the beginning net pension liability resulted in a deferred outflow of resources of \$111 for the year ended December 31, 2023.

*Contributions - Proportionate Share*

Differences between contributions remitted to the Fund and the employer's proportionate share are recognized in pension expense 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 pension amounts by employer due to differences that could arise between contributions reported by the Fund and contributions reported by the participating employer.

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## 6. POST RETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

### General Information about the OPEB Plan

*Plan description* – The DeSoto Parish Tax Assessor (The Assessor) provides certain continuing health care and life insurance benefits for its retired employees. The Assessor's OPEB Plan is a single-employer defined benefit OPEB plan administered by the Assessor. The authority to establish and/or amend the obligation of the employer, employees and retirees rests with the Assessor. No assets are accumulated in a trust that meets the criteria in Governmental Accounting Standards Board (GASB) Codification Section P52 Postemployment Benefits Other Than Pension—Reporting for Benefits Not Provided Through Trusts That Meet Specified Criteria—Defined Benefit.

*Benefits Provided.* The DeSoto Parish Tax Assessor provides the full cost of coverage for continuing medical and dental care and life insurance benefits for its retired employees. An employee is eligible to elect medical coverage upon retiring or disability. Eligibility is based on the following table:

<u>Age</u>	<u>Service (in years)</u>
55	12
Any	30

Spouses' coverage is also provided to those who are currently receiving benefits. If the retiree predeceases the spouse, coverage for the surviving spouse continues.

The Assessor pays 100% of the premium for retirees and covered spouses.

*Employees covered by benefit terms* – At December 31, 2023, the following employees were covered by the benefit terms:

Retirees	4
Spouses of Retirees	1
Active Employees	7
Total Participants	12

### Total OPEB Liability

The Assessor's total OPEB liability of \$3,406,366 was measured as of December 31, 2023 and was determined by an actuarial valuation as of January 1, 2022.

*Actuarial Assumptions and other inputs* – The total OPEB liability in the December 31, 2023, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.30%
Salary increases	3.00%
Discount rate	3.26% per annum, compounded annually
Healthcare cost trend rates	Based on Society of Actuaries report on long-term medical trends which proposed the use of the "Getzen Model" for projecting long-term medical trends.
Healthy retirement mortality rate	Sex-distinct Pub 2010 General Mortality with separate employee and healthy annuitant rates, projected generationally using IRS 2024 adjusted scale MP-2021.
Beneficiary mortality rate	Sex-distinct Pub 2010 General Contingent Survivors Mortality, projected generationally using IRS 2024 adjusted scale MP-2021
Disability retirement mortality rate	Sex-distinct Pub 2010 General Disabled Retirees Mortality, projected generationally using IRS 2024 adjusted scale MP-2021.

The discount rate was based on the average of the Bond Buyer General Obligation 20-Bond Municipal Index.

**DESOTO PARISH TAX ASSESSOR**  
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**6. POST RETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS (continued)**

Mortality rates were based on the following:

Changes in the Total OPEB Liability

Balance as of December 31, 2022	\$	2,977,802
Changes for the year:		
Service cost		111,041
Interest on total OPEB liability		113,906
Effect of plan changes		-
Effect of economic/demographic gains or losses		-
Effect of assumptions changes or inputs		
Change due to Mortality update		3,274
Change due to Discount Rate update		254,549
Total assumptions changes		<u>257,823</u>
Benefit payments		(54,206)
Balance as of December 31, 2023	\$	<u><u>3,406,366</u></u>

*Sensitivity of the total OPEB liability to changes in the discount rate*—The following presents the total OPEB liability of the Assessor, calculated using the discount rate of 3.26%, as well as what the Assessor's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.26%) or 1 percentage point higher (4.26%) than the current rate.

	<u>1% Decrease</u>	<u>Discount Rate</u>	<u>1% Increase</u>
	2.26%	3.26%	4.26%
Total OPEB liability	\$ 4,072,199	\$ 3,406,366	\$ 2,887,067

The following presents the total OPEB liability of the Assessor, calculated using the current healthcare cost trend rates as well as what the Assessor's total OPEB liability would be if it were calculated using trend rates that are 1 percentage point lower or 1 percentage point higher than the current trend rates.

	<u>1% Decrease</u>	<u>Current</u>	<u>1% Increase</u>
		Trend Rate	
Total OPEB liability	\$ 2,881,245	\$ 3,406,366	\$ 4,106,236

For the year ended December 31, 2023, the Assessor recognized OPEB expense of \$259,252. At December 31, 2023, the Assessor reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 83,535	\$ (240,512)
Changes of assumptions	450,121	(406,197)
Total	<u>\$ 533,656</u>	<u>\$ (646,709)</u>

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

Year ended December 31,	
2024	\$ 27,056
2025	(70,838)
2026	(57,543)
2027	(23,455)
2028	(21,900)
Thereafter	33,627

**DESOTO PARISH TAX ASSESSOR**  
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## 7. EXPENDITURES OF THE ASSESSOR NOT INCLUDED IN THE FINANCIAL STATEMENTS

Certain operating expenditures of the Assessor's office are paid by the parish police jury as required by Louisiana Revised Statute 33:4714. These expenditures are summarized as follows and are not included in the accompanying financial statements:

Janitorial services, utilities, and capital—building expenditures

## 8. COMMITMENTS AND CONTINGENCIES

During 2023 the DeSoto Parish Tax Assessor was not involved in any litigation or aware of any unasserted claims.

## 9. RISK MANAGEMENT

The Assessor is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions, and injuries to employees. To handle some risk of loss, the Assessor has workers' compensation insurance for any employee injured on the job and surety bond coverage. No settled claims from these risks have exceeded insurance coverage for the past three years. There are no significant reductions in insurance coverage from the prior year.

## 10. DEFERRED COMPENSATION PLAN

Certain employees of the DeSoto Parish Tax Assessor participate in the Louisiana Public Employees Deferred Compensation Plan adopted under the provisions of the Internal Revenue Code Section 457. Complete disclosures relating to the Plan are included in the separately issued audit report for the Plan, available from the Louisiana Legislative Auditor, Post Office Box 94397, Baton Rouge, Louisiana 70804-9397.

## 11. RELATED PARTY TRANSACTIONS

There were no material related party transactions identified for the year ended December 31, 2023.

## 12. LONG-TERM DEBT

The following is a summary of changes in long-term debt for the year ended December 31, 2023:

	12/31/2022	Additions	Reductions	12/31/2023	Due within one year
Compensated absences	\$ 40,427	\$ 6,091	\$ -	\$ 46,518	\$ -
Right-of-use lease obligations	13,123	-	(4,817)	8,306	2,992
	<u>\$ 53,550</u>	<u>\$ 6,091</u>	<u>\$ (4,817)</u>	<u>\$ 54,824</u>	<u>\$ 2,992</u>

## 13. SUBSEQUENT EVENTS

Management has performed an evaluation of the Assessor's activities through June 26, 2024 and has concluded that there are no significant events requiring recognition or disclosure through the date and time these financial statements were available to be issued.



OTHER REQUIRED SUPPLEMENTARY INFORMATION

**DESOTO PARISH TAX ASSESSOR**  
Mansfield, Louisiana

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**

For the year ended December 31, 2023

	Budgeted Amounts		Actual	Budgetary basis adjustment	Actual amounts budgetary basis	Variance with final budget positive (negative)
	Original	Final				
<b>REVENUES</b>						
Property taxes	\$ 1,855,479	\$ 1,855,479	\$ 3,060,625	(1,212,689)	\$ 1,847,936	\$ (7,543)
State revenue sharing	15,050	15,050	16,860	-	16,860	1,810
Charges for services	4,600	4,600	2,064	-	2,064	(2,536)
Miscellaneous income	75	75	-	-	-	(75)
Investment earnings	75,000	75,000	569,399	(40,158)	529,241	454,241
<b>TOTAL REVENUES</b>	<u>1,950,204</u>	<u>1,950,204</u>	<u>3,648,948</u>	<u>(1,252,847)</u>	<u>2,396,101</u>	<u>445,897</u>
<b>EXPENDITURES</b>						
Personnel services	1,005,000	1,005,000	774,739	(12,675)	762,064	242,936
Operating expenses	244,000	244,000	161,505	11,346	172,851	71,149
Material & supplies	32,000	32,000	33,798	-	33,798	(1,798)
Travel & other charges	54,247	54,247	40,857	-	40,857	13,390
Capital outlays	150,000	150,000	52,030	-	52,030	97,970
Debt service - leases	-	-	4,817	-	4,817	(4,817)
Interest expense	-	-	1,848	-	1,848	(1,848)
<b>TOTAL EXPENDITURES</b>	<u>1,485,247</u>	<u>1,485,247</u>	<u>1,069,594</u>	<u>(1,329)</u>	<u>1,068,265</u>	<u>416,982</u>
<b>NET CHANGE IN FUND BALANCE</b>	464,957	464,957	2,579,354	(1,251,518)	1,327,836	862,879
<b>FUND BALANCE</b>						
Beginning of the year	<u>17,977,045</u>	<u>17,977,045</u>	<u>17,977,045</u>		<u>17,977,045</u>	-
End of the year	<u>\$ 18,442,002</u>	<u>\$ 18,442,002</u>	<u>\$ 20,556,399</u>		<u>\$ 19,304,881</u>	<u>\$ 862,879</u>

The notes to the financial statements are an integral part of this statement.  
See the accompanying independent auditor's report.

## SCHEDULE 2

**DESOTO PARISH TAX ASSESSOR**  
**Mansfield, Louisiana**

**SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY**

For the year ended December 31, 2023

**Louisiana Assessors' Retirement Fund and Subsidiary:**

Fiscal Year*	Employer's proportion of the net pension liability (asset)	Employer's proportionate share of the net pension liability (asset)	Employer's covered payroll	Employer's proportionate share of the net pension liability (asset) as a % of its covered payroll	Plan fiduciary net position as a % of the total pension liability
2014	1.046235%	\$ 365,760	\$ 424,574	86%	89.98%
2015	1.037358%	\$ 542,873	\$ 435,887	125%	85.57%
2016	0.982060%	\$ 346,539	\$ 427,563	81%	90.68%
2017	0.932347%	\$ 163,600	\$ 409,322	40%	95.61%
2018	0.917853%	\$ 178,434	\$ 406,122	44%	95.46%
2019	0.917929%	\$ 242,133	\$ 409,115	59%	94.12%
2020	0.971626%	\$ 148,441	\$ 445,254	33%	96.79%
2021	0.965258%	\$ (317,339)	\$ 446,842	-71%	106.48%
2022	0.974529%	\$ 645,560	\$ 465,294	139%	87.25%
2023	0.955851%	\$ 468,329	\$ 470,131	100%	90.91%

\*Amounts presented were determined as of the measurement date (September 30).

The notes to the financial statements are an integral part of this statement.  
See the accompanying independent auditor's report.

## SCHEDULE 3

**DESOTO PARISH TAX ASSESSOR**  
**Mansfield, Louisiana**

**SCHEDULE OF EMPLOYER PENSION CONTRIBUTIONS**

For the year ended December 31, 2023

**Louisiana Assessors' Retirement Fund and Subsidiary:**

Fiscal year ending December 31,	Contractually required contribution	Contributions in relation to contractually required contribution	Contribution deficiency (excess)	Employer's covered payroll	Contributions as a % of covered payroll
2014	\$ 57,647	\$ 57,647	\$ -	\$ 427,019	13.50%
2015	\$ 59,206	\$ 59,206	\$ -	\$ 438,560	13.50%
2016	\$ 53,440	\$ 53,440	\$ -	\$ 420,261	12.72%
2017	\$ 39,108	\$ 39,108	\$ -	\$ 410,056	9.54%
2018	\$ 32,274	\$ 32,274	\$ -	\$ 403,426	8.00%
2019	\$ 33,269	\$ 33,269	\$ -	\$ 415,867	8.00%
2020	\$ 36,260	\$ 36,260	\$ -	\$ 453,254	8.00%
2021	\$ 33,372	\$ 33,372	\$ -	\$ 463,122	7.21%
2022	\$ 20,746	\$ 20,746	\$ -	\$ 445,876	4.65%
2023	\$ 18,367	\$ 18,367	\$ -	\$ 477,425	3.85%

The notes to the financial statements are an integral part of this statement.  
See the accompanying independent auditor's report.

## SCHEDULE 4

**DESOTO PARISH TAX ASSESSOR**  
Mansfield, Louisiana

**SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS**

For the year ended December 31, 2023

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
<b>Total OPEB liability</b>					
Service cost	\$ 111,041	\$ 166,299	\$ 133,648	\$ 110,258	\$ 78,863
Interest	113,906	69,826	67,078	91,114	103,639
Changes of benefit terms	-	-	-	-	-
Effect of economic/demographic (gains) losses	-	117,631	-	(592,912)	-
Changes of assumptions	257,823	(571,991)	46,338	261,527	641,734
Benefit payments	(54,206)	(54,206)	(54,206)	(54,965)	(60,994)
<b>Net change in total OPEB liability</b>	<u>428,564</u>	<u>(272,441)</u>	<u>192,858</u>	<u>(184,978)</u>	<u>763,242</u>
<b>Total OPEB Liability - beginning</b>	<u>2,977,802</u>	<u>3,250,243</u>	<u>3,057,385</u>	<u>3,242,363</u>	<u>2,479,121</u>
<b>Total OPEB Liability - ending</b>	<u>\$ 3,406,366</u>	<u>\$ 2,977,802</u>	<u>\$ 3,250,243</u>	<u>\$ 3,057,385</u>	<u>\$ 3,242,363</u>
Covered-employee payroll	\$ 477,425	\$ 456,997	\$ 463,406	\$ 437,695	\$ 414,330
Net OPEB liability as a % of covered-employee payroll	713.49%	651.60%	701.38%	698.52%	782.56%

-continued-

	<u>2018</u>
<b>Total OPEB Liability</b>	
Service cost	\$ 70,412
Interest	72,421
Changes of benefit terms	-
Effect of economic/demographic (gains) losses	(21,503)
Changes of assumptions	353,089
Benefit payments	(59,842)
<b>Net change in total OPEB liability</b>	<u>414,577</u>
<b>Total OPEB Liability - beginning</b>	<u>2,064,544</u>
<b>Total OPEB Liability - ending</b>	<u>\$ 2,479,121</u>
Covered-employee payroll	\$ 408,653
Net OPEB liability as a % of covered-employee payroll	606.66%

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

The notes to the financial statements are an integral part of this statement.  
See the accompanying independent auditor's report.

**DESOTO PARISH TAX ASSESSOR**  
**Mansfield, Louisiana**

Notes to Required Supplementary Information  
As of and for the Year ended December 31, 2023

**BUDGETARY INFORMATION**

The Assessor uses the following budget practices:

The proposed budget for the General Fund, prepared on the modified accrual basis of accounting, is made available for public inspection at least fifteen days prior to the beginning of each fiscal year. The budget is then legally adopted by the Assessor and amended during the year, as necessary. The budget is established and controlled by the Assessor at the object level of expenditure. Appropriations lapse at year-end and must be reappropriated for the following year to be expended. All changes or amendments to the budget must be approved by the Assessor.

Formal budgetary integration is employed as a management control device during the year, and encumbrance accounting is not used by the Assessor. Budgeted amounts included in the accompanying financial statements include the original adopted budget amounts. The budget was not amended during the year.

The Assessor's budget is prepared in accordance with accounting principles accepted in the United States of America. The Assessor's budget is adopted annually on the modified accrual basis of accounting.

The Louisiana Local Government Budget Act provides that "the total proposed expenditures shall not exceed the total of estimated funds available for the ensuing year." The "total estimated funds available" is the sum of the respective estimated fund balances at the beginning of the year and the anticipated revenues for the current year. Amendments to the adopted budget are required if total revenues fail to meet budgeted revenues by 5% or more, and/or total actual expenditures exceed total budgeted expenditures by 5% or more. Total actual revenues were more than final budgeted amounts by \$445,897 or 22.86%. Total actual expenditures were less than final budgeted amounts by \$416,982 (28.07%). The DeSoto Tax Assessor is in compliance with the Local Government Budget Act.

**Pension Information**

The schedule of the Assessor's proportionate share of the net pension liability and the schedule of the Assessor's pension contributions are intended to show information for 10 years. Additional years will be displayed as they become available. There were no changes of benefit terms for the year ended December 31, 2023.

Changes of Assumptions:

<u>Year ended December 30,</u>	<u>Discount rate</u>	<u>Investment rate of return</u>	<u>Inflation Rate</u>	<u>Expected remaining Lives</u>	<u>Projected salary increase</u>
2015	7.00%	7.00%	2.50%	6	5.75%
2016	7.00%	7.00%	2.50%	6	5.75%
2017	6.75%	6.75%	2.50%	6	5.75%
2018	6.25%	6.25%	2.20%	6	5.75%
2019	6.00%	8.38%	2.20%	6	5.75%
2020	5.75%	8.37%	2.10%	6	5.25%
2021	5.50%	8.37%	2.10%	6	5.25%
2022	5.50%	8.37%	2.10%	6	5.25%
2023	5.50%	7.85%	2.10%	6	5.25%

**DESOTO PARISH TAX ASSESSOR**  
**Mansfield, Louisiana**

Notes to Required Supplementary Information  
As of and for the Year ended December 31, 2023

**Schedule of Changes in Net OPEB Liability and Related Ratios**

*Changes of Benefit Terms*

There were no changes of benefit terms for the year ended December 31, 2023.

*Changes of Assumptions*

<u>Year ended December 30,</u>	<u>Discount rate</u>	<u>Inflation Rate</u>	<u>Projected salary increase</u>
2017	3.44%	2.30%	3.00%
2018	4.10%	2.30%	3.00%
2019	2.74%	2.30%	3.00%
2020	2.12%	2.20%	3.00%
2021	2.06%	2.20%	3.00%
2022	3.72%	2.30%	3.00%
2023	3.26%	2.30%	3.00%

## SCHEDULE 5

**DESOTO PARISH TAX ASSESSOR**  
Mansfield, Louisiana

**SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS  
TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER**

For the year ended December 31, 2023

**Anne Gannon, Assessor**

Purpose:

Salary	\$	152,225
Benefits- insurance		13,199
Benefits- retirement		12,178
Benefits- deferred compensation		13,048
Benefits- other		2,929
Auto allowance		21,746
Per diem		322
Reimbursements		-
Travel		495
Registration fees		-
Conferences and seminars		400
Continuing professional education fees		-
Cell phone		-
Unvouchered expenses		-
Special meals		-

Supplemental information.

See the accompanying independent auditor's report.



## OTHER REPORTS/SCHEDULES

**T | C | B | T**  
**THOMAS, CUNNINGHAM, BROADWAY & TODTENBIER**  
*Certified Public Accountants*

Eddie G. Johnson, CPA – A Professional Corporation (1927-1996)

Mark D. Thomas, CPA – A Professional Corporation  
Roger M. Cunningham, CPA – LLC  
Jessica H. Broadway, CPA – A Professional Corporation  
Ryan E. Todtenbier, CPA – A Professional Corporation

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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*

DeSoto Parish Tax Assessor  
212 Adams Street  
Mansfield, Louisiana 71052

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 and the *Louisiana Governmental Audit Guide*, the financial statements of the governmental activities and major fund as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the DeSoto Parish Tax Assessor’s (Assessor) basic financial statements and have issued our report thereon dated June 26, 2024.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Assessor’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 Assessor’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Assessor’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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

## Report on Compliance and Other Matters

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

### Purpose of this Report

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

*Thomas, Cunningham, Broadway & Todtenbier, CPA's*

Thomas, Cunningham, Broadway & Todtenbier, CPA's

Natchitoches, Louisiana

June 26, 2024

DeSoto Parish Tax Assessor  
Schedule of Audit Results  
Year Ended December 31, 2023

I. Summary of Audit Results

1. An unmodified opinion was issued on the financial statements of the DeSoto Parish Tax Assessor as of and for the year ended December 31, 2023.
2. The audit did not disclose any material weaknesses in the internal control.
3. The audit disclosed no instances of noncompliance that are required to be reported under *Governmental Auditing Standards*.

II. FINDINGS IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

None identified.

III. PRIOR YEAR AUDIT FINDINGS

None identified.

**T | C | B | T**  
**THOMAS, CUNNINGHAM, BROADWAY & TODTENBIER**  
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**INDEPENDENT ACCOUNTANT’S REPORT ON APPLYING  
STATEWIDE AGREED-UPON PROCEDURES**

To the DeSoto Parish Tax Assessor 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 January 1, 2023 through December 31, 2023. The DeSoto Parish Tax Assessor’s (Assessor) management is responsible for those C/C areas identified in the SAUPs.

The Assessor 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 January 1, 2023 through December 31, 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 for 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. We obtained and inspected the entity’s written policies and procedures and observed that they address each of the following categories and subcategories if applicable to public funds and the operations:
  - ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
  - ***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.
  - ***Disbursements***, including processing, reviewing, and approving.
  - ***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 custodial fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, custodial fund forfeiture monies confirmation.)

- **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.
- **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- **Credit Cards (and debit cards, fuel cards, purchase cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 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.
- **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- **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.
- **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.

***Procedure Results: No exceptions were noted as a result of these procedures.***

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

---

2. We obtained and inspected the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent documents in effect during the fiscal period, and:
  - Observed 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.
  - Observed that the minutes referenced or included monthly budget-to-actual comparisons on the General Fund, quarterly budget-to-actual comparisons on all proprietary funds, and semi-annual budget-to-actual comparisons on all special revenue funds.
  - Obtained the prior year audit report and observed the unassigned fund balance in the General Fund. If the General Fund had a negative ending unrestricted net position in the prior year audit report, observed 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.

- Observed whether the board finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

*Procedure Results: No exceptions were noted as a result of these procedures.*

### ***Bank Reconciliations***

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- 3 We obtained a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Management identified the entity's main operating account. We selected the entity's main operating account and randomly selected 4 additional accounts (or all if less than 5). We randomly selected one month from the fiscal period, obtained and inspected the corresponding bank statement and reconciliation for the selected accounts, and observed that:
  - Bank reconciliations include evidence that they were prepared within two months of the related statement closing date (e.g. initialed and dated, electronically logged),
  - Bank reconciliations included written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation within one month of the date the reconciliation was prepared (e.g. initialed and dated, electronically logged); and
  - Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

*Procedure Results: No exceptions were noted as a result of these procedures.*

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

---

4. We obtained a listing of deposit sites for the fiscal period where deposits for cash/check money orders (cash) are prepared and management's representation that the listing is complete. We randomly selected 5 deposit sites (or all deposit sites if less than 5).
5. We obtained a listing of collection locations and management's representation that the listing is complete. We randomly selected one collection location for each deposit site selected. We obtained and inspected written policies and procedures relating to employee job duties (if no written policies or procedures, then inquired of employees about their job duties) at each collection location, and observed that job duties were properly segregated at each collection location such that:
  - Employees that are responsible for cash collections do not share cash drawers/registers.
  - 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.
  - Each employee responsible for collecting cash is not also responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
  - The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or custodial fund additions, are not responsible for collecting cash, unless another employee official verifies the reconciliation.

6. We obtained from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. We observed that the bond or insurance policy for theft was in force during the fiscal period.
7. We randomly selected two deposit dates for each of the bank accounts selected for procedure #3 under "Bank Reconciliations" above (selected the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly selected a deposit if multiple deposits were made on the same day). We obtained supporting documentation for each of the deposits selected and:
  - We observed that receipts are sequentially pre-numbered.
  - We traced sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
  - We traced the deposit slip total to the actual deposit per the bank statement.
  - We observed 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).
  - We traced the actual deposit per the bank statement to the general ledger.

*Procedure Results: No exceptions were noted as a result of these procedures.*

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

---

8. We obtained a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. We randomly selected the required amount of disbursement locations (or all locations if less than 5).
9. For each location selected under #8 above, obtained a listing of those employees involved with non-payroll purchasing and payment functions. We obtained written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquired of employees about their job duties), and we observed that job duties are properly segregated such that:
  - At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase.
  - At least two employees are involved in processing and approving payments to vendors.
  - 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.
  - 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.
  - Only employees/officials authorized to sign checks approved the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some electronic means.



10. For each location selected under #8 above, we obtained the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtained management's representation that the population is complete. We randomly selected 5 disbursements for each location, and obtained supporting documentation for each transaction and:
- We observed that the disbursement, whether paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity.
  - We observed 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 procedure #3 under Bank Reconciliations, we randomly selected 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observed 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. If no electronic payments were made from the main operating account during the month selected, we selected an alternative month and/or account for testing that does include electronic disbursements.

*Procedure Results: No exceptions were noted as a result of these procedures.*

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

12. We obtained 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. We obtained management's representation that the listing is complete.
13. Using the listing prepared by management, we randomly selected the required amount of cards (up to five) that were used during the fiscal period. We randomly selected one monthly statement or combined statement for each card (for a debit card, randomly selected one monthly bank statement), and obtained supporting documentation, and:
- We observed that 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) was reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder.
  - We observed that finance charges and late fees were not assessed on the selected statements.
14. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, we randomly selected the required amount transactions (up to ten) from each statement, and obtained supporting documentation for the transactions. For each transaction, we observed that it is supported by (a) an original itemized receipt that identified precisely what was purchased, (b) written documentation of the business/public purpose, and (c) documentation of the individuals participating in meals (for meal charges only). For missing receipts, we described the nature of the transaction and noted whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny

*Procedure Results: No exceptions were noted as a result of these procedures.*

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

---

15. We obtained 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. We randomly selected 5 reimbursements, and obtained 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:
- If reimbursed using a per diem, we observed that the approved reimbursement rate is no more than those rates established by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)).
  - If reimbursed using actual costs, we observed that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
  - We observed that each reimbursement was supported by documentation of the business/public purpose (for meal charges, we observed that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1, 8<sup>th</sup> bullet).
  - We observed that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

*Procedure Results: No exceptions were noted as a result of these procedures.*

### *Contracts*

---

16. We obtained from management a listing of all agreements/contracts (or active vendor list) for professional services, materials, and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. We obtained management's representation that the listing is complete. We randomly selected the required amount of contracts (up to 5) from the listing, excluding our contract, and:
- We observed that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
  - We observed whether the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).
  - If the contract was amended (e.g. change order), we observed 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 document approval).
  - We randomly selected one payment from the fiscal period for each of the selected contracts, obtained the supporting invoice, agreed the invoice to the contract terms, and observed that the invoice and related payment agreed to the terms and conditions of the contract.

*Procedure Results: No exceptions were noted as a result of these procedures.*

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

---

17. We obtained a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. We randomly selected 5 employees or officials, obtained related paid salaries and personnel files, and agreed paid salaries to authorized salaries/pay rates in the personnel files.
18. We randomly selected one pay period during the fiscal period. For the 5 employees or officials selected under #17 above, we obtained attendance records and leave documentation for the pay period, and
  - We observed that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).
  - We observed that supervisors approved the attendance and leave of the selected employees or officials.
  - We observed that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
  - We observed that the rate paid to the employees or officials agree to the authorized salary/pay rate found with the personnel file.
19. We obtained a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. If applicable, we selected two employees or officials, and obtained related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. If applicable, we agreed the hours to the employee's or official's cumulative leave records, and the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and the termination payment to entity policy.
20. We obtained 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.

***Procedure Results: No exceptions were noted as a result of these procedures.***

### ***Ethics***

---

21. Using the 5 randomly selected employees/officials from procedure #17 under "Payroll and Personnel" above, we obtained ethics documentation from management, and
  - We observed 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
  - We observed that the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

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

*Procedure Results: No exceptions were noted as a result of these procedures.*

#### ***Debt Service***

---

23. We obtained a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. We selected all debt instruments on the listing, obtained supporting documentation, and observed that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.
24. We obtained a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. We randomly selected one bond/note, inspected debt covenants, obtained supporting documentation for the reserve balance and payments, and agreed 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).

*Procedure Results: No exceptions were noted as a result of these procedures.*

#### ***Fraud Notice***

---

25. We obtained a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. We selected all misappropriations on the listing, obtained supporting documentation, and observed 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. We observed whether the entity has posted, on its premises and website, the notice required by R.S. 24:523 I concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

*Procedure Results: No exceptions were noted as a result of these procedures.*

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

---

27. We performed the following procedures:
- We obtained and inspected the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquired of personnel responsible for backing up critical data) and observed that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.
  - We obtained and inspected the entity's most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquired of personnel responsible for testing/verifying backup restoration) and observed evidence that the test verification was successfully performed within the past 3 months.
  - We obtained a listing of the entity's computers currently in use, and their related locations, and management's representation that the listing is complete. We randomly selected the required number of computers (at least 5) and observed 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. We randomly selected 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #19, and observed evidence that the selected terminated employees have been removed or disabled from the network.
29. Using the 5 randomly selected employees officials from procedure #17 under "Payroll and Personnel" above, we obtained cybersecurity training documentation from management, and observed that the documentation demonstrates that the selected employees-officials with access to the agency's information technology assets have completed cybersecurity training as required by R.S. 42:1267. The requirements are as follows:
- Hired before June 9, 2020, completed the training.
  - Hired on or after June 9, 2020, completed the training within 30 days of initial service or employment.

*Procedure Results: We performed the procedures and discussed the results with management.*

### Prevention of Sexual Harassment

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30. We randomly selected the employees/officials from procedure #17 under "Payroll and Personnel" above, obtained sexual harassment training documentation from management, and observed 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.
31. We observed that the entity has posted its sexual harassment policy and complaint procedures on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).
32. We obtained the entity's annual sexual harassment report for the current fiscal period, observed that the report was dated on or before February 1, and observed that it includes the applicable requirements of R.S. 42:344:
- Number and percentage of public servants in the agency who have completed the training requirements;
  - Number of sexual harassment complaints received by the agency;
  - Number of complaints which resulted in a finding that sexual harassment occurred;
  - Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
  - Amount of time it took to resolve each complaint.

*Procedure Results: No exceptions were noted as a result of these procedures.*

We were engaged by the Assessor 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 Assessor 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.

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Natchitoches, Louisiana

June 26, 2024