

**DESOTO PARISH SHERIFF
Mansfield, Louisiana**

**Financial Statements
For Year Ended June 30, 2022**

DESOTO PARISH SHERIFF
Mansfield, Louisiana
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Independent Auditor's Report

Honorable Jayson Richardson
DeSoto Parish Sheriff
Mansfield, Louisiana

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the general fund and aggregate nonmajor governmental funds and the aggregate remaining fund information of the DeSoto Parish Sheriff (the "Sheriff"), Mansfield, Louisiana, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Sheriff's basic financial statements as listed in the table of contents.

In our opinion, based on our audit, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the general fund and aggregate nonmajor governmental funds and each fiduciary fund type of the DeSoto Parish Sheriff as of June 30, 2022, and the respective changes in financial position and the budgetary comparison for the General Fund thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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 GAAS and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of changes in the net OPEB liability and related ratios, the schedule of proportionate share of the net pension liability and the schedule of pension contributions 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 DeSoto Parish Sheriff's basic financial statements. The governmental fund type-nonmajor special revenue funds combining balance sheet, governmental fund type-nonmajor special revenue funds combining statement of revenues, expenditures, and changes in fund balances, are presented for the purpose of additional analysis and are not a required part of the basic financial statements. The schedule of compensation, benefits, and other payments to agency head is presented to fulfill the requirements of Louisiana Revised Statute 24:513(A)(3), the annual reporting requirement of sheriff as ex officio tax collector is required by the Louisiana Legislative Auditor, and the justice system funding schedule-receiving entity and justice system funding schedule-collecting/dispersing entity are presented for purposes of additional analysis as required by Louisiana revised statute 24:515.2 and are also not required parts of the basis financial statements.

The governmental fund type-nonmajor special revenue funds combining balance sheet, governmental fund type-nonmajor special revenue funds combining statement of revenues, expenditures, and changes in fund balances, schedule of compensation, benefits, and other payments to agency head, annual reporting requirement of sheriff as ex officio tax collector, the justice system funding schedule-receiving entity and justice system funding schedule-collecting/dispersing entity are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 governmental fund type-nonmajor special revenue funds combining balance sheet, governmental fund type-nonmajor special revenue funds combining statement of revenues, expenditures, and changes in fund balances, schedule of compensation, benefits, and other payments to agency head, annual reporting requirement of sheriff as ex officio tax collector, the justice system funding schedule-receiving entity and justice system funding schedule-collecting/dispersing entity are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 25, 2023, on our consideration of the DeSoto Parish Sheriff's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering DeSoto Parish Sheriff's internal control over financial reporting and compliance.

Dees Gardner, Certified Public Accountants, LLC

Mansfield, Louisiana
February 25, 2023

REQUIRED SUPPLEMENTAL INFORMATION (PART I)
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Unaudited)

**DeSoto Parish Sheriff
Mansfield, Louisiana
FYE June 30, 2022**

Management's Discussion and Analysis (Unaudited)

Within this section of the DeSoto Parish Sheriff's (the Sheriff) annual financial report, the Sheriff's management is pleased to provide this narrative overview and analysis of the financial activities of the Sheriff as of and for the fiscal year ended June 30, 2022. The Sheriff'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 Sheriff'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 Sheriff's total net position increased \$2,668,066 during the fiscal year reported compared to a decrease of \$289,809 (restated) (0.64%) at June 30, 2021, and a decrease of \$149,194 (0.33%) at June 30, 2020. At June 30, 2022, the assets of the Sheriff exceeded its liabilities by \$47,406,477 compared to the prior year's ending net position of \$44,738,411(restated).
- The net pension liability reported as a long-term liability decreased \$9,040,483 (99.88%) to \$11,229 for year end June 30, 2022 in the Statement of Net Position.
- The other postemployment benefit obligations (OPEB) reported as a long-term liability decreased \$3,581,900 (22.56%) to \$12,292,637 for year end June 30, 2022 in the Statement of Net Position.
- Property tax revenue increased \$596,472 (6.55%) to \$9,104,623 during this fiscal year compared to an increase of 2.03% for the year ended June 30, 2021.
- Sales tax revenue increased \$1,608,586 (35.78%) to \$6,104,028 during the fiscal year reported compared to a decrease of \$674,266 (13.04%) to \$4,495,442 at June 30, 2021, and a decrease of \$341,705 (6.20%) to \$5,169,708 at June 30, 2020.
- The Sheriff's total general and program revenues were \$20,602,189 during the year ended June 30, 2022, compared to \$19,337,956 and \$19,361,987 during years ended June 30, 2021, and June 30, 2020, respectively.
- During the year ended June 30, 2022, the Sheriff's total expenses, excluding depreciation and amortization, was \$16,635,928, compared to \$18,539,592 and \$18,589,161 during years ended June 30, 2021 and June 30, 2020, respectively. Depreciation expense was \$1,298,195 in 2022; \$1,088,173 (restated) in 2021; and \$922,021 in 2020.
- The Sheriff's governmental funds report ending fund balance this year is \$56,136,871. This compares to the prior year ending fund balance of \$55,470,853.
- The Sheriff's capital assets had a net increase of \$922,153 for the year ended June 30, 2022, net increase of \$1,024,442 (restated) for year ended June 30, 2021, and net increase of \$2,565,808 for the year ended June 30, 2020.

The financial highlights are explained in more detail in the “financial analysis” section of this document.

OVERVIEW OF THE FINANCIAL STATEMENTS

This Management Discussion and Analysis document introduces the Sheriff’s basic financial statements. The basic financial statements include three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. The basic financial statements include two kinds of financial statements that present different views of the Sheriff -- Fund Financial Statements and Government-Wide Financial Statements. The Notes to the Financial Statements explain some of the information in the financial statements and provide additional detail. This report also contains additional required supplementary information (budgetary schedule) and other supplementary information in addition to the basic financial statements. These components are described below:

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The Sheriff uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the Sheriff’s most significant funds rather than the Sheriff as a whole.

Governmental funds are reported in the governmental fund financial statements and encompass the same function reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the Sheriff’s governmental funds, including object classifications. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund operating statement provide a reconciliation to assist in understanding the differences between these two perspectives. The basic governmental fund financial statements are presented in the first three columns of the basic financial statements in this report.

The Sheriff maintains five governmental funds: the General Fund and four special revenue funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances for the General Fund which is classified as a major fund. Data from the other non-major governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The DeSoto Parish Sheriff adopts an annual appropriated budget for its general fund. A budgetary comparison statement for the major fund has been provided herein to demonstrate compliance with the budget.

Fiduciary Funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the DeSoto Parish Sheriff. These Custodial funds report taxes collected for other taxing bodies, deposits held pending court action and the individual prison inmate accounts.

Government-Wide Financial Statements

The Sheriff's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the Sheriff's overall financial status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in accrual accounting and elimination or reclassification of activities between funds. These statements report all revenues and expenses connected with the year--even if cash has not been received or paid--and includes all assets of the Sheriff as well as liabilities (long-term debt). Additionally, certain eliminations have occurred as prescribed by GASB 34 in regard to interfund activity, payables, and receivables. The government-wide financial statements include two statements. The following two statements report the Sheriff's *net position* and changes in them. The Sheriff's net position--the difference between assets and liabilities--can be thought of as one way to measure the Sheriff's financial health, or *financial position*.

- **Statement of Net Position.** This is the government-wide statement of position presenting information that includes all of the Sheriff's assets and liabilities, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Sheriff as a whole is improving or deteriorating. Evaluation of the overall health of the Sheriff would also extend to other non-financial factors such as diversification of the taxpayer base, in addition to the financial information provided in this report.
- **Statement of Activities.** This reports how the Sheriff's net position changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the statement of activities is to show the financial reliance of the Sheriff's distinct activities or functions on revenues provided by the Sheriff's taxpayers.

The government-wide financial statements present governmental activities of the Sheriff that are principally supported by property and sales taxes. The sole purpose of these governmental activities is public safety. The government-wide financial statements are presented in the last column of these reports.

Notes to the Basic Financial Statements

The accompanying notes to the financial statements provide additional information essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found immediately following the basic financial statements.

Required Supplemental Information

The basic financial statements and accompanying notes are followed by a section of required supplementary information concerning the Sheriff's retiree health benefits and pension plan contributions.

Other Supplemental Information

Following the required supplementary information is supplementary information including a combining balance sheet for other governmental funds, and a combining statement of revenues, expenditures and changes in fund balances for other governmental funds. A report for the Sheriff as ex officio tax collector is presented as required by the Louisiana Legislative Auditor. 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). The justice system funding schedule – collecting/disbursing entity and the justice system funding schedule – receiving entity are presented to fulfil the requirements of Louisiana Revised Statute 24:515.2. The annual reporting requirement of sheriff as ex officio tax collector is required by the Louisiana Legislative Auditor.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position

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

	SUMMARY OF STATEMENTS OF NET POSITION					
	June 30, 2022		restated June 30, 2021		June 30, 2020	
	Governmental Activities	% of Total	Governmental Activities	% of Total	Governmental Activities	% of Total
ASSETS						
Cash and interest-bearing deposits	\$ 50,392,474	72.50%	\$ 50,060,598	74.49%	\$ 49,997,479	75.27%
Investments	4,981,018	7.17%	4,960,114	7.38%	4,927,467	7.42%
Receivables	1,238,884	1.78%	936,764	1.39%	1,043,092	1.57%
Prepaid items	85,691	0.12%	47,084	0.07%	279,277	0.42%
Capital assets, net	12,121,276	17.44%	11,199,123	16.66%	10,174,681	15.32%
Net pension benefit	686,571	0.99%	-	0.00%	-	0.00%
TOTAL ASSETS	69,505,914	100.00%	67,203,683	100.00%	66,421,996	100.00%
DEFERRED OUTFLOWS OF RESOURCES						
OPEB related	5,782,058	59.31%	6,011,506	49.72%	5,404,888	61.64%
Pension related	3,967,002	40.69%	6,078,884	50.28%	3,364,136	38.36%
TOTAL DEFERRED OUTFLOWS OF RESOURCES	9,749,060	100.00%	12,090,390	100.00%	8,769,024	100.00%
LIABILITIES						
Current liabilities:						
Accounts and other accrued payables	479,571	3.64%	456,160	1.77%	542,967	2.61%
Long-term liabilities:						
Compensated absences	397,690	3.02%	347,928	1.35%	311,154	1.49%
Claims payable	-	0.00%	44,000	0.17%	-	0.00%
Other postemployment benefit obligations	12,292,637	93.26%	15,874,537	61.59%	14,095,721	67.66%
Net pension liabilities	11,229	0.09%	9,051,712	35.12%	5,882,186	28.24%
TOTAL LIABILITIES	13,181,127	100.00%	25,774,337	100.00%	20,832,028	100.00%
DEFERRED INFLOWS OF RESOURCES						
OPEB related	11,506,340	61.64%	7,719,526	87.91%	8,199,993	87.88%
Pension related	7,161,030	38.36%	1,061,799	12.09%	1,130,779	12.12%
TOTAL DEFERRED INFLOWS OF RESOURCES	18,667,370	100.00%	8,781,325	100.00%	9,330,772	100.00%
NET POSITION						
Net investment in capital assets	12,103,554	25.53%	11,199,123	25.03%	10,174,681	22.60%
Restricted for other uses	7,637	0.02%	6,462	0.01%	6,802	0.02%
Unrestricted	35,295,286	74.45%	33,532,826	74.95%	34,846,737	77.39%
TOTAL NET POSITION	\$ 47,406,477	100.00%	\$ 44,738,411	100.00%	\$ 45,028,220	100.00%

As noted earlier, net position may serve over time as a useful indicator of the Sheriff's financial position. The Sheriff's net position total is \$47,406,477 at June 30, 2022.

As noted earlier, net position may serve over time as a useful indicator of the Sheriff's financial position. The Sheriff's net position total is \$47,406,477 at June 30, 2022.

A portion of the Sheriff's net position \$12,103,554 (25.53%) reflects its investment in capital assets such as buildings, safety equipment, vehicles, and computer hardware and software. The Sheriff uses these capital assets to provide services to the citizens of the parish; consequently, these assets are not available for future spending. There is no outstanding debt related to these assets. At June 30, 2022, \$35,295,286 is unrestricted and may be used to meet the Sheriff's ongoing obligations to citizens and creditors at the discretion of the Sheriff. The unrestricted net position consists primarily of cash, demand and time deposits, and investments in the Louisiana Asset Management Plan (LAMP).

Changes in Net Position

Comparative data for government-wide information is presented as it accumulates and is presented to assist analysis in future years. The following table provides a summary of the Sheriff's changes in net position:

	SUMMARY OF STATEMENTS OF ACTIVITIES					
	June 30, 2022		Restated June 30, 2021		June 30, 2020	
	Governmental Activities	% of Total	Governmental Activities	% of Total	Governmental Activities	% of Total
REVENUES:						
Program:						
Charges for services/fines	\$ 2,667,568	12.95%	\$ 3,176,923	16.43%	\$ 2,693,570	13.91%
Operating and capital grants	1,724,136	8.37%	1,448,437	7.49%	1,543,460	7.97%
General:						
Property taxes	9,701,095	47.09%	9,104,623	47.08%	8,923,691	46.09%
Sales tax	6,104,028	29.63%	4,495,442	23.25%	5,169,708	26.70%
Video poker	212,660	1.03%	219,228	1.13%	150,009	0.77%
Unrestricted state grants	52,890	0.26%	51,808	0.27%	51,857	0.27%
Interest	108,620	0.53%	114,978	0.59%	299,164	1.55%
Gain on sale/disposal of assets	2,000	0.01%	119,686	0.62%	(16,092)	-0.08%
Miscellaneous	29,192	0.14%	606,831	3.14%	546,620	2.82%
TOTAL REVENUES	20,602,189	100%	19,337,956	100%	19,361,987	100%
PROGRAM EXPENSES:						
Public safety	(17,934,123)		(19,627,765)		(19,511,182)	
TOTAL EXPENSES	(17,934,123)		(19,627,765)		(19,511,182)	
CHANGE IN NET POSITION	2,668,066		(289,809)		(149,195)	
BEGINNING NET POSITION	44,738,411		45,028,220		45,177,415	
ENDING NET POSITION	\$ 47,406,477		\$ 44,738,411		\$ 45,028,220	

Revenues

The Sheriff is heavily reliant on sales and property taxes to support operations. Sales tax revenue dedicated to personnel salaries provided \$6,104,028 (29.63%) of revenue during the current fiscal year. This was an increase of \$1,608,586 (35.78%) over the year ended June 30, 2021, and a increase of \$934,320 (18.07%) over the year ended June 30, 2020. Property taxes provided 47.09% of the Sheriff's total revenues. \$16,210,485 (78.68%) of total revenue was derived from general revenues including property and sales tax, video poker, state revenue sharing, interest, and miscellaneous. This compares to general revenues of \$14,712,596 (76.08%) in June 30, 2021, and \$15,124,957 (78.12%) in June 30, 2020.

Note that program revenues covered 24.49% of the government's operating expenses for year end June 30, 2022, compared to 23.57% and 21.72% for the years ended June 30, 2021 and June 30, 2020, respectively. This means that the government's taxpayers and the Sheriff's

other general revenues funded 75.51% of its operations during the year ended June 30, 2022; 76.43% for year ended June 30, 2021 and; 78.28% for year ended June 30, 2020.

Interest earnings of \$108,620 were generated to support governmental activities for year end June 30, 2022, down \$6,358 (5.5%) over last year.

Functional Expenses

The total function of the Sheriff's office is public safety-law enforcement activities. Of the total costs, depreciation on the buildings, office equipment and vehicles was \$1,298,195 or 7.24% of total expenses.

FINANCIAL ANALYSIS OF THE INDIVIDUAL FUNDS

General Fund--Major Governmental Fund

The General Fund is the Sheriff's primary operating fund and the largest source of day-to-day service delivery. The General Fund's 2022 fund balance increased by \$666,018. Overall, revenues from all sources increased \$1,801,280 (9.62%) for the year. Expenditures reflect an increase of \$983,337 over last year, or about 5.23%.

Non-major Governmental Funds

The other non-major funds that the Sheriff's office maintains are those related to DARE, Task Force activities, and Criminal Interdiction. The Tri-Parish Task Force is set up for narcotics investigations and is funded by grants from the three parishes involved. DARE's primary activities are for the salary and expenses related to a deputy for drug intervention/education for children. The revenue and expenses for this fund have remained fairly constant. The Criminal Interdiction Fund is comprised of monies released that were held from drug seizures.

The non-major Special Revenue Funds' revenues (detailed in Schedule 5 as supplemental information) increased by \$32,861 over 2021 and expenditures increased by \$68,185. Along with operating transfers the net effect was a fund balance decrease of \$13,323 for 2022 versus the 2021 net decrease of \$22,999.

GENERAL FUND BUDGETARY HIGHLIGHTS

Budgetary integration is employed as a management control device during the fiscal year. The budget policy of the Sheriff complies with state law, as amended, and as set forth in the Louisiana Revised Statutes Title 39, Chapter 9, Louisiana Local Government Budget Act (LSA--R.S. 39:1301 seq.). The Sheriff did amend the original budget during the year.

Actual revenues and other financing sources available for expenditure were \$739,794 (3.79%) more than originally budgeted. Actual expenditures and other financing uses were \$661,624 (3.22%) less than the final budgeted amounts.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The Sheriff's investment in capital assets, as of June 30, 2022, was \$20,597,547, net of accumulated depreciation and amortization of \$8,476,271, leaving a book value of \$12,121,276. This investment in capital assets consists of safety equipment, vehicles, office furniture and

equipment, farm, training and communications equipment, buildings and improvements, and computer hardware, and software. For the current year, the Sheriff implemented Government Accounting Standards Board Statement No. 87, *Leases*. This increased net capital assets \$15,683 due to the net book value for the intangible right-of-use equipment added due to this change. The total net increase in the Sheriff's investment in capital assets for the current year was \$922,153 (8.23%).

Additions to capital assets during year end June 30, 2022, included 31 vehicles for \$1,304,514; communication, safety, farm, and office equipment for \$710,868; \$150,853 in building improvements; and \$56,114 to complete the 3 communication tower projects. Depreciation and amortization charges for the year totaled \$1,298,195 compared to \$1,081,900 and \$922,021 for 2021 and 2020, respectively.

At June 30, 2022, the depreciable capital assets for governmental activities were 42% depreciated versus 39% and 38% in the prior two years. This comparison indicates that the Sheriff is replacing his assets at a steady rate. This percentage is a positive indicator.

Debt

At year end, the Sheriff's long-term debt is due to employees for uncompensated earned absences and for accrued health care and life insurance benefits and pension benefits for retirees.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The annual budget is developed to provide efficient, effective, and economic uses of the Sheriff's resources, as well as a means to accomplish the highest priority objectives. Through the budget, the Sheriff sets the direction of the department, allocates its resources, and establishes its priorities. Due to the COVID-19 pandemic, the United States has experienced volatile economic conditions and disruption of general business activities. The Sheriff has experienced impacts from the pandemic resulting in increased costs for vehicles and equipment. The following economic factors were considered when the budget for the fiscal year end June 30, 2023, was prepared.

- Sales tax and property revenues are conservatively expected to remain constant over the prior year.
- The Sheriff plans to continue to update the vehicles in the department as well as update equipment but at an increased cost.
- The Sheriff will begin the process of planning and constructing a new jail.
- Other revenues and expenditures are expected to be consistent with the prior year.

CONTACTING THE SHERIFF'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the Sheriff's finances, compliance with governmental financial reporting laws and regulations, and demonstrate the Sheriff's commitment to public accountability. If you have questions about this report or would like to request additional information, contact Jayson Richardson, Sheriff, 205 Franklin, Mansfield, LA 71052.

BASIC FINANCIAL STATEMENTS

DESOTO PARISH SHERIFF
Mansfield, Louisiana

STATEMENT A

GOVERNMENTAL FUNDS BALANCE SHEET / STATEMENT OF NET POSITION
 June 30, 2022

	Governmental Funds Financial Statements				Government-wide
	Balance Sheet			Adjustments	Statements
	General Fund	Nonmajor Funds	Total		Statement of Net Position
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 50,318,891	\$ 73,583	\$ 50,392,474	\$ -	\$ 50,392,474
Investments	4,981,018	-	4,981,018	-	4,981,018
Accounts receivables, net	1,232,579	6,305	1,238,884	-	1,238,884
Prepaid expenses	85,691	-	85,691	-	85,691
Noncurrent assets:					
Capital assets, net	-	-	-	12,105,593	12,105,593
Right-of-use assets, net	-	-	-	15,683	15,683
Net pension benefit	-	-	-	686,571	686,571
TOTAL ASSETS	<u>\$ 56,618,179</u>	<u>\$ 79,888</u>	<u>\$ 56,698,067</u>	<u>12,807,847</u>	<u>69,505,914</u>
DEFERRED OUTFLOWS OF RESOURCES					
OPEB related				5,782,058	5,782,058
Pension related				3,967,002	3,967,002
TOTAL DEFERRED OUTFLOWS OF RESOURCES				<u>9,749,060</u>	<u>9,749,060</u>
LIABILITIES					
Current liabilities:					
Accounts payable	\$ 103,878	\$ -	\$ 103,878	-	103,878
Payroll related liabilities	369,200	-	369,200	-	369,200
Current portion of lease obligations	-	-	-	6,493	6,493
Noncurrent liabilities:					
Compensated absences	-	-	-	397,690	397,690
Other postemployment benefit obligations	-	-	-	12,292,637	12,292,637
Lease obligations	-	-	-	11,229	11,229
TOTAL LIABILITIES	<u>473,078</u>	<u>-</u>	<u>473,078</u>	<u>12,708,049</u>	<u>13,181,127</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable ad valorem taxes	8,230	-	8,230	(8,230)	-
OPEB related	-	-	-	11,506,340	11,506,340
Pension related	-	-	-	7,161,030	7,161,030
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>8,230</u>	<u>-</u>	<u>8,230</u>	<u>18,659,140</u>	<u>18,667,370</u>
FUND BALANCE/NET POSITION					
Fund Balances:					
Nonspendable:					
Prepaid expenses	85,691	-	85,691	(85,691)	-
Restricted:					
DARE program	-	7,637	7,637	(7,637)	-
Assigned:					
Drug task force	-	10,792	10,792	(10,792)	-
Criminal Interdiction	-	61,459	61,459	(61,459)	-
Unassigned	56,051,180	-	56,051,180	(56,051,180)	-
TOTAL FUND BALANCES	<u>56,136,871</u>	<u>79,888</u>	<u>56,216,759</u>	<u>(56,216,759)</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 56,618,179</u>	<u>\$ 79,888</u>	<u>\$ 56,698,067</u>	<u>-</u>	
Net Position:					
Net investment in capital and right-of-use assets				12,103,554	12,103,554
Restricted				7,637	7,637
Unrestricted				35,295,286	35,295,286
TOTAL NET POSITION				<u>\$ -</u>	<u>\$ 47,406,477</u>

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

DESOTO PARISH SHERIFF
Mansfield, Louisiana

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO
GOVERNMENT-WIDE STATEMENT OF NET POSITION**

June 30, 2022

Total Fund Balance, Governmental Funds	\$	56,216,759
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Certain deferred outflows are reported in the Statement of Net Position but not in the governmental funds.

Deferred outflows-pension related		3,967,002
Deferred outflows - OPEB		5,782,058

Capital assets and right-of use assets used in governmental activities are not current financial resources and, therefore, are not reported in fund financial statements, but are reported in the governmental activities of the Statement of Net Position.

Cost of capital assets	\$ 20,566,181	
Less accumulated depreciation	(8,460,588)	
Right-of-use assets	31,366	
Less accumulated amortization	<u>(15,683)</u>	12,121,276

Certain unearned revenues are reported in the governmental fund but not in the Statement of Net Assets.

8,230

Long-term liabilities are not due and payable in the current period and are not included in the fund financial statements but are included in the governmental activities of the Statement of Net Position.

Compensated absences		(397,690)
Other post employment benefit obligation		(12,292,637)
Net pension benefit (liability)		686,571
Long-term lease obligations		(17,722)
Deferred inflows-pension related		(7,161,030)
Deferred inflows-OPEB related		(11,506,340)

Net Position of Governmental Activities in the Statement of Net Position	\$	<u><u>47,406,477</u></u>
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The notes to the financial statements are an integral part of this statement.
See the accompanying independent auditor's report.

DESOTO PARISH SHERIFF
Mansfield, Louisiana

STATEMENT OF GOVERNMENTAL FUNDS REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES /
STATEMENT OF ACTIVITIES
For the year ending June 30, 2022

	Governmental Funds Financial Statements				Government-wide Statements Statement of Activities
	Statement of Revenue, Expenditures and Changes in Fund Balance				
	General Fund	Nonmajor Funds	Total	Adjustments	
EXPENDITURES/EXPENSES					
Public Safety:					
Personal services & related benefits	\$ 13,913,487	\$ 21,938	\$ 13,935,425	\$ (1,043,045)	\$ 12,892,380
Operating expenses	1,307,501	136,173	1,443,674	(49,797)	1,393,877
Material & supplies	2,196,040	8,372	2,204,412	-	2,204,412
Travel & other charges	140,149	5,110	145,259	-	145,259
Capital outlays	2,212,849	9,500	2,222,349	(2,222,349)	-
Depreciation	-	-	-	1,291,922	1,291,922
Amortization	-	-	-	6,273	6,273
TOTAL EXPENDITURES/EXPENSES	<u>19,770,026</u>	<u>181,093</u>	<u>19,951,119</u>	<u>(2,016,996)</u>	<u>17,934,123</u>
PROGRAM REVENUES					
Prisoner reimbursement fees	515,441	-	515,441	-	515,441
Contractual fees	663,395	-	663,395	-	663,395
Fines, forfeitures, and other commissions	1,471,519	17,213	1,488,732	-	1,488,732
Operating grants and contributions	1,668,579	55,557	1,724,136	-	1,724,136
TOTAL PROGRAM REVENUES	<u>4,318,934</u>	<u>72,770</u>	<u>4,391,704</u>	<u>-</u>	<u>4,391,704</u>
NET PROGRAM EXPENSE	(15,451,092)	(108,323)	(15,559,415)	2,016,996	(13,542,419)
GENERAL REVENUES					
Property taxes	9,700,720	-	9,700,720	375	9,701,095
Sales taxes	6,104,028	-	6,104,028	-	6,104,028
State revenue sharing	52,890	-	52,890	-	52,890
Video poker	212,660	-	212,660	-	212,660
Miscellaneous income	29,192	-	29,192	-	29,192
Investment earnings	108,620	-	108,620	-	108,620
TOTAL GENERAL REVENUES	<u>16,208,110</u>	<u>-</u>	<u>16,208,110</u>	<u>375</u>	<u>16,208,485</u>
EXCESS(DEFICIENCY) OF REVENUES OVER EXPENDITURES/ CHANGES IN NET POSITION	757,018	(108,323)	648,695	2,017,371	2,666,066
Other financing sources(uses):					
Operating transfers in(out)	(95,000)	95,000	-	-	-
Sale of assets/ Gain (loss) on sale of assets	4,000	-	4,000	(2,000)	2,000
TOTAL OTHER FINANCING SOURCES(USES)	<u>(91,000)</u>	<u>95,000</u>	<u>4,000</u>	<u>(2,000)</u>	<u>2,000</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES(USES)/ CHANGE IN NET POSITION	666,018	(13,323)	652,695	2,015,371	2,668,066
FUND BALANCE / NET POSITION					
Beginning of the year	55,470,853	93,211	55,564,064		44,739,974
Net position, adjustment					(1,563)
End of the year	<u>\$ 56,136,871</u>	<u>\$ 79,888</u>	<u>\$ 56,216,759</u>		<u>\$ 47,406,477</u>

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

DESOTO PARISH SHERIFF
Mansfield, Louisiana

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

For the year ending June 30, 2022

Fund Financial statements excess of revenues over expenditures	\$	652,695
<p>Governmental funds report capital outlays as expenditures because such outlays use current financial resources. However, for governmental activities those capital outlays are reported in the Statement of Net Position and are allocated over their useful lives in the Statement of Activities.</p>		
Capital outlays	\$ 2,222,349	
Depreciation expense	<u>(1,291,922)</u>	930,427
<p>Amortization expense of right-of-use assets is reported in the government-wide financial statements, but does not require the use of current financial resources and is not reported in the fund financial statement:</p>		
		(6,273)
<p>In the Statement of Activities, the gain on the disposal of fixed assets is reported; whereas, in the governmental funds, the proceeds from the disposal increase financial resources.</p>		
Proceeds from disposal of fixed assets	\$ (4,000)	
Gain (loss) of disposal of fixed assets	<u>2,000</u>	(2,000)
<p>Payments made on long-term liabilities and leases are shown as expenditures in the governmental funds, but the payments reduce long-term liabilities in the Statement of Net Position.</p>		
		49,797
<p>In the Statement of Activities, certain operating expenses, are measured by the amounts accrued during the year. In the governmental funds, however, expenditures for these items are measured by the amounts actually paid.</p>		
Pension (expense) benefit	\$ 887,197	
Non-employer contributions to cost-sharing pension plan	639,973	
Accrued compensated absences	(49,763)	
Accrued other post employment benefit obligations	<u>(434,362)</u>	1,043,045
<p>Because of the timing of actual receipt, some revenues are not considered "available" to pay current obligations and are not reported in the governmental funds. They are, however, reported in the Statement of Activities.</p>		
Increase (decrease) in deferred revenues-ad valorem taxes		375
Government-wide change in net position	\$	<u><u>2,668,066</u></u>

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

DESOTO PARISH SHERIFF
Mansfield, Louisiana

BUDGETARY COMPARISON SCHEDULE -- GENERAL FUND

For the year ending June 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
EXPENDITURES/EXPENSES				
Public Safety:				
Personal services & related benefits	\$ 14,222,100	\$ 14,432,100	\$ 13,913,487	\$ 518,613
Operating expenses	1,516,450	1,644,350	1,307,501	336,849
Material & supplies	1,678,000	2,335,700	2,196,040	139,660
Travel & other charges	99,000	150,500	140,149	10,351
Capital outlays	575,000	1,879,000	2,212,849	(333,849)
TOTAL EXPENDITURES/EXPENSES	18,090,550	20,441,650	19,770,026	671,624
PROGRAM REVENUES				
Prisoner reimbursement fees	390,000	438,000	515,441	77,441
Contractual fees	565,000	640,000	663,395	23,395
Fines, forfeitures, and other commissions	1,487,750	1,212,850	1,471,519	258,669
Operating grants and contributions	1,595,000	1,616,400	1,668,579	52,179
TOTAL PROGRAM REVENUES	4,037,750	3,907,250	4,318,934	411,684
NET PROGRAM EXPENSE	(14,052,800)	(16,534,400)	(15,451,092)	1,083,308
GENERAL REVENUES				
Property taxes	9,056,000	9,694,500	9,700,720	6,220
Sales taxes	4,800,000	5,828,000	6,104,028	276,028
State revenue sharing	55,000	55,000	52,890	(2,110)
Video poker	150,000	165,000	212,660	47,660
Miscellaneous income	18,000	25,500	29,192	3,692
Investment earnings	120,000	101,000	108,620	7,620
TOTAL GENERAL REVENUES	14,199,000	15,869,000	16,208,110	339,110
EXCESS(Deficiency) of REVENUES OVER EXPENDITURES	146,200	(665,400)	757,018	1,422,418
Other financing sources(uses):				
Operating transfers in (out)	(85,000)	(85,000)	(95,000)	(10,000)
Sale of assets/ Gain (loss) on sale of assets	2,000	4,000	4,000	-
Compensation for damaged assets	1,000	1,000	-	(1,000)
TOTAL Other financing sources(uses)	(82,000)	(80,000)	(91,000)	(11,000)
EXCESS (Deficiency) of REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES(USES)	64,200	(745,400)	666,018	1,411,418
FUND BALANCE				
Beginning of the year	55,470,853	55,470,853	55,470,853	-
End of the year	\$ 55,535,053	\$ 54,725,453	\$ 56,136,871	\$ 1,411,418

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

DESOTO PARISH SHERIFF
Mansfield, Louisiana

STATEMENT OF FIDUCIARY NET POSITION
Custodial Funds
June 30, 2022

	Tax Collector Fund	Civil Fund	Criminal Fund	Drug Seizures Escrow Fund	Inmate Fund	Total
ASSETS						
Cash	\$ 18,592	\$ 113,570	\$ 225,192	\$ 3,984	\$ 15,115	\$ 376,453
Total Assets	<u>\$ 18,592</u>	<u>\$ 113,570</u>	<u>\$ 225,192</u>	<u>\$ 3,984</u>	<u>\$ 15,115</u>	<u>\$ 376,453</u>
NET POSITION						
Fiduciary net position - held for others	<u>\$ 18,592</u>	<u>\$ 113,570</u>	<u>\$ 225,192</u>	<u>\$ 3,984</u>	<u>\$ 15,115</u>	<u>\$ 376,453</u>

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

DESOTO PARISH SHERIFF
Mansfield, Louisiana
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
Custodial Funds

For the year ending June 30, 2022

	Tax Collector Fund	Civil Fund	Criminal Fund	Drug Seizures Escrow Fund	Inmate Fund	Total
Additions:						
Taxes, fees, etc., received:						
Sheriff's sales	\$ -	\$ 572,128	\$ -	\$ -	\$ -	\$ 572,128
Fines, forfeitures, and costs	-	-	737,231	-	-	737,231
Garnishments	-	187,270	-	-	-	187,270
Seizures, bonds, etc	-	-	129,433	8,266	-	137,699
Ad Valorem						
Current year	85,488,840	-	-	-	-	85,488,840
Prior year	53,812	-	-	-	-	53,812
Protested	3	-	-	-	-	3
State revenue sharing	566,186	-	-	-	-	566,186
Interest on:						
Operating account	13,095	-	-	2	-	13,097
Delinquent taxes	19,840	-	-	-	-	19,840
Prior year taxes	4,719	-	-	-	-	4,719
Cost of tax notices, etc.	44,181	-	-	-	-	44,181
Redemptions	51,090	-	-	-	-	51,090
Other additions	8,925	71,637	-	-	333,838	414,400
Total additions	<u>86,250,691</u>	<u>831,035</u>	<u>866,664</u>	<u>8,268</u>	<u>333,838</u>	<u>88,290,496</u>
Deductions:						
Settlement payments to:						
Louisiana Dept of Forestry	26,227	-	-	-	-	26,227
Red River Levee District	4,603	-	-	-	-	4,603
Louisiana Tax Commission	56,670	-	-	-	-	56,670
Northwest Crime Lab	-	-	69,514	-	-	69,514
Northwest Juvenile Detention	-	-	13,884	-	-	13,884
Louisiana Rehabilitation	-	-	7,040	-	-	7,040
DeSoto Parish:						
Sheriff's General Fund	9,859,939	165,891	93,668	-	-	10,119,498
Clerk of Court	-	13,060	37,032	-	-	50,092
Police Jury	11,607,921	-	271,425	-	-	11,879,346
School Board	43,791,484	-	-	-	-	43,791,484
Assessor	1,957,452	-	-	-	-	1,957,452
Municipalities	-	-	-	-	-	-
District Attorney	-	-	105,280	-	-	105,280
Communications District	798,359	-	-	-	-	798,359
Judicial Expense Fund	-	-	76,195	-	-	76,195
Indigent Defender Fund	-	-	82,745	-	-	82,745
Fire Protection District No. 1	1,602,396	-	-	-	-	1,602,396
Fire Protection District No. 2	899,889	-	-	-	-	899,889
Fire Protection District No. 3	628,085	-	-	-	-	628,085
Fire Protection District No. 5	391,353	-	-	-	-	391,353
Fire Protection District No. 8	3,886,146	-	-	-	-	3,886,146
Fire Protection District No. 9	2,175,385	-	-	-	-	2,175,385
Water District No. 1	733,093	-	-	-	-	733,093
Ambulance Service District	5,331,357	-	-	-	-	5,331,357
Litigants, attorneys	-	161,106	-	-	-	161,106
State Pension Funds	2,375,091	-	-	-	-	2,375,091
Other Settlements	-	-	28,345	-	-	28,345
Refunds	132,419	17,027	93,225	-	-	242,671
Other reductions	-	1,076,867	-	18,546	338,289	1,433,702
Total reductions	<u>86,257,869</u>	<u>1,433,951</u>	<u>878,353</u>	<u>18,546</u>	<u>338,289</u>	<u>88,927,008</u>
Net increase (decrease) in fiduciary net position	<u>(7,178)</u>	<u>(602,916)</u>	<u>(11,689)</u>	<u>(10,278)</u>	<u>(4,451)</u>	<u>(636,512)</u>
Net position - beginning	<u>25,770</u>	<u>716,486</u>	<u>236,881</u>	<u>14,262</u>	<u>19,566</u>	<u>1,012,965</u>
Net position - ending	<u>\$ 18,592</u>	<u>\$ 113,570</u>	<u>\$ 225,192</u>	<u>\$ 3,984</u>	<u>\$ 15,115</u>	<u>\$ 376,453</u>

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

NOTES TO FINANCIAL STATEMENTS

DESOTO PARISH SHERIFF
Mansfield, Louisiana

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

INTRODUCTION

As provided by Article V. Section 27 of the Louisiana Constitution of 1974, the Sheriff serves a four-year term, as the chief executive officer of the law enforcement district and ex-officio tax collector of the parish. The Sheriff also administers the parish jail system and exercises duties required by the parish court system, such as providing bailiffs, executing orders of the court, and serving subpoenas. As the ex-officio tax collector of the parish, the Sheriff is responsible for the collection and distribution of ad valorem property taxes, state revenue sharing funds, along with fines, court costs, and bond forfeitures imposed by the district court.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

The accompanying basic financial statements of the DeSoto Parish Sheriff have been prepared in conformity with generally accepted accounting principles (GAAP) in the United States of America. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). 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. The 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 more detailed level of financial information.

The significant accounting and reporting policies and practices used by the DeSoto Parish Sheriff are described below.

B. 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. 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 with the primary government. Considering the foregoing criteria, the DeSoto Sheriff is deemed to be a separate reporting entity. The accompanying financial statements present information only on the funds maintained by the DeSoto Parish Sheriff. There are no component units to be included in the Sheriff's reporting entity.

For financial reporting purposes, the Sheriff's basic financial statements include all funds and activities that are controlled by the Sheriff as an independently elected parish official. The Sheriff is solely responsible for the operations of his office, which include the hiring and retention of employees, authority over budgeting, responsibility for deficits, and the receipt and disbursement of funds. Although the DeSoto Parish Police Jury maintains and operates the building in which the Sheriff's office is located and pays the costs associated with the jail as required by Louisiana law, the Sheriff is financially dependent. Accordingly, the Sheriff is a primary government for reporting purposes.

DESOTO PARISH SHERIFF
Mansfield, Louisiana

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Fund Accounting

The Sheriff uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain Sheriff functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts.

Governmental funds are used to account for a government's general activities, where the focus of attention is on the providing of services to the public as opposed to proprietary funds where the focus of attention is on recovering the cost of providing services to the public or other agencies through service charges or user fees. The emphasis of fund financial statements is on major funds, each displayed in a separate column.

D. Basis of Accounting/Measurement Focus

Governmental Fund Financial Statements

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

The amounts reflected in the General Fund and Nonmajor Funds of Statements A and B use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual (generally received within 60 days after year-end) are recognized when due. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

A fund is considered major if it is the primary operating fund of the Sheriff or its total assets, liabilities, revenues, or expenditures of the individual governmental fund is at least 10 percent of the corresponding total for all governmental funds. Nonmajor funds are aggregated and presented in a single column.

The Sheriff reports the following governmental funds:

General Fund. The general fund, as provided by Louisiana Revised Statute 33:1422 is the principal fund and is used to account for the operations of the Sheriff's office. The Sheriff's primary source of revenue is an ad valorem tax and sales tax levied by the law enforcement district. Other sources of revenue include commissions on state revenue sharing, state supplemental pay for deputies, civil and criminal fees, fees for court attendance and maintenance of prisoners, and various other reimbursements, fees, grants, and commissions. General operating expenditures are paid from this fund.

Special Revenue Funds. Special revenue funds are used to account for the proceeds of specific revenue sources such as federal, state, and local grants. Those revenues are legally restricted, either by tax proposition or grant agreement, to expenditures for specified purposes. Per criteria for Fund Financial Statements below, these funds are presented as nonmajor funds in the governmental fund financial statements.

DESOTO PARISH SHERIFF
Mansfield, Louisiana

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Basis of Accounting/Measurement Focus (continued)

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

Revenues

Ad valorem taxes and the related state revenue sharing are recorded in the year the taxes are assessed. Ad valorem taxes are assessed on a calendar year basis and attach as an enforceable lien and become due and payable on the date the tax rolls are filed with the recorder of mortgages. 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. The taxes are generally collected in December of the current year and January and February of the ensuing year.

Sales tax revenues are recorded in the period in which the underlying exchange has occurred. Gaming tax revenues are recorded in the period in which the exchange transactions on which the tax is imposed occur. Fines, forfeitures, fees and court costs are recognized in the period they are released for distribution by the Courts.

Federal and state entitlements are recorded as unrestricted grants-in-aid when available and measurable. Revenue from federal and state grants is recognized when all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when resources are required to be used or the year when use is first permitted; matching requirements in which the Sheriff must provide local resources to be used for a specified purpose; and expenditure requirements in which the resources are provided to the Sheriff on a reimbursement basis.

Interest earnings on deposits are recorded when earned.

Those revenues susceptible to accrual are sales taxes, property taxes, grants, contracts, interest revenue and charges for services. Substantially all other revenues, including fines, forfeitures, and commissions, are not susceptible to accrual because generally they are not measurable until received in cash.

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 as expenditures when the related fund liability has been incurred.

Transfers between funds that are not expected to be repaid, sales of assets and compensation for loss of assets are accounted for as other financing sources (uses). These other sources (uses) are recognized at the time the underlying events occur.

Government-Wide Financial Statements

The column labeled Statement of Net Position (Statement A) and the column labeled Statement of Activities (Statement B) display information about the Sheriff as a whole. These statements include all the financial activities of the Sheriff. Information contained in these columns reflect the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed).

DESOTO PARISH SHERIFF
Mansfield, Louisiana

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Basis of Accounting/Measurement Focus (continued)

Program revenues include fees and charges paid by the recipients of services offered by the Sheriff, and grants and contributions that are restricted to meeting the operational or capital requirement of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fiduciary Fund Financial Statements

Fiduciary fund financial statements include a Statement of Fiduciary Assets and Liabilities – Custodial Funds and a Statement of Changes in Fiduciary Net Position – Custodial Funds. The only funds accounted for in this category by the Sheriff are custodial funds. The custodial funds account for assets held by the Sheriff as an agent for various taxing bodies (tax collections), individuals, and for deposits held pending court action. These funds do not involve measurement of results of operations. Consequently, the custodial funds have no measurement focus, but use the accrual basis of accounting. Data from the fiduciary funds is not incorporated in the government-wide financial statements.

E. Cash, Interest-Bearing Deposits and Investments

Cash includes cash on hand, amounts in demand deposits, interest-bearing demand deposits, money market accounts, time deposits (certificates of deposit), and short-term, highly liquid investment with original maturities of ninety (90) days or less when purchased. Under state law, the Sheriff 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 Sheriff 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 Louisiana governments are authorized to invest in the Louisiana Asset Management Pool, Inc. (LAMP), a non-profit corporation formed by an initiative of the State Treasurer and organized under the laws of the State of Louisiana, which operates a local government investment pool.

F. Accounts Receivable

In the government-wide financial statements, receivables consist of all revenues earned at year-end and not yet received. Major receivables for the governmental activities include ad valorem taxes, sales tax, fees for services, and other intergovernmental revenues. All receivables are current and therefore due within one year. Allowances are reported when accounts are proven to be uncollectible.

G. Capital Assets

Capital assets which include property, plant, and equipment are reported in the government-wide financial statements. All capital assets, other than land are depreciated using the straight-line method over their estimated useful lives, ranging from three to forty years depending upon the expected durability of the particular asset. Depreciation of all exhaustible capital assets is recorded as an expense in the statement of activities. Capital assets are recorded in the statement of net position.

All purchased and constructed capital assets are valued at historical cost or estimated cost if historical cost is not available. Donated capital assets are valued at their estimated fair market value at the date of donation. The Sheriff maintains a threshold level of \$5,000 or more for capitalizing capital assets for reporting purposes. Salvage value is taken into consideration for depreciation purposes for vehicles.

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 SHERIFF
Mansfield, Louisiana

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

H. Prepaid expenses

Payments made to vendors for services or supplies that will benefit periods beyond June 30, 2022, are recorded as prepaid expenses.

I. Compensated Absences

The Sheriff has the following policy relating to vacation, sick leave, and compensatory time:

After one year of service, all regular, full-time employees are granted 10 days of vacation leave each year. With 12 years plus continuous service with the DeSoto Parish Sheriff, employees are granted 15 days vacation each year. Vacation leave may be accumulated and carried forward to succeeding years. Upon termination of employment, employees are paid for up to 160 hours of accumulated vacation leave. Non-administrative employees are eligible for compensatory time in lieu of overtime at a rate of one and one-half hours for each hour worked in excess of 86 hours in a 14 day work period. Employees may accrue up to 60 hours of compensatory time as approved by an immediate supervisor. Additional compensatory time, up to 480 hours, must be approved by the Sheriff prior to being worked. Employees shall be compensated for any unused compensatory time at the time of termination of employment. Sick leave is granted on a case-by-case basis, at the discretion of the Sheriff. The Sheriff's recognition and measurement criterion for compensated absences is as follows: Earned vacation leave and compensatory time is accrued as a liability as the benefits are earned by the employees. Sick leave is not accrued.

J. Unavailable Ad Valorem Taxes

Under the modified accrual basis of accounting, the DeSoto Parish Sheriff's governmental funds will not recognize revenue until they are available (collected not later than 60 days after the Sheriff's yearend). Accordingly, ad valorem taxes assessed yet paid under protest are reported as unavailable revenues in the governmental funds balance sheet only.

K. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element, Deferred Outflows of Resources, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. In addition to liabilities, the statement of financial position reports a separate section for Deferred Inflows of Resources. This separate financial statement element represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Sheriff recognizes differences between expected and actual factors in total pension liability measurements, changes in assumptions about future factors in the total pension liability measurements, and the differences between projected and actual earnings on pension plan investments within these financial statement sections.

DESOTO PARISH SHERIFF
Mansfield, Louisiana

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

L. Pension Plan

The DeSoto Parish Sheriff is a participating employer in a cost-sharing, multiple-employer defined benefit pension plan as described in Note 8. 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. The financial statements were prepared using the accrual basis of accounting, member and employer contributions are recognized when due, pursuant to formal commitments and statutory requirements. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance statutes governing the plan. Expenses are recognized when the liability is incurred, regardless of when payment is made. Investments have been reported at fair value within the plan.

M. Other Postemployment Benefits

The DeSoto Parish Sheriff follows GASB Statement 75 "*Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*," which requires the accrual of other postemployment benefits for retired employees. The sheriff has recorded a liability for other postemployment benefits (see Note 9). 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 benefit 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. Interfund Transactions

Resources belonging to particular funds are commonly shared with other funds that need access to additional resources. When resources are provided without expectation of repayment, the transaction is reported as a transfer and is treated as a source of income by the recipient and as an expenditure by the provider. If repayment is expected, these receivables and payables are classified as "Advance to (from) other funds." In preparing the government-wide financial statements, transfers are eliminated to present net transfers for governmental activities. In addition, interfund receivables and payables are eliminated to present a net balance for each type of activity.

O. 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 amounts.

DESOTO PARISH SHERIFF
Mansfield, Louisiana

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

P. Equity

Net Position

In the government-wide financial statements equity (the difference between assets and liabilities) is classified as net position and is reported in three components:

- a. Net Investment in capital assets--Consists of capital assets including restricted capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position--Consists of net position with constraints placed on the use by (1) external groups, such as creditors, grantors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position--Consists of all other net position that does not meet the definition of "restricted" or "net investment in capital assets."

The DeSoto Parish Sheriff's policy is to consider restricted net position to have been depleted before unrestricted net position is applied.

Fund Balances

As required by GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions," this Statement provides clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

- *Nonspendable*--Amounts that are not in spendable form (such as prepaid expenses) 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).
- *Committed*--Amounts constrained by the Sheriff himself. To be reported as committed, amounts cannot be used for any other purpose unless the Sheriff takes the action to remove or change the constraint.
- *Assigned*--Amounts the Sheriff intends to use for a specific purpose.
- *Unassigned*--All amounts not included in other spendable.

At June 30, 2022, \$85,691 was non-spendable prepaid expenses; \$7,637 was restricted by the grantor; \$72,251 was assigned; and \$56,051,180 was unassigned.

The Sheriff would typically use restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to defer the use of these other classified funds.

Q. Risk Management

The Sheriff 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 such risk of loss, the Sheriff maintains commercial insurance policies covering: automobile liability, medical payments, uninsured motorist, and collision; health insurance providing 100 percent coverage for any employee injured while on the job; and surety bond coverage. The Sheriff also maintains a Louisiana Sheriffs' Risk Management Program liability insurance policy. No claim has been paid on the policy during the past three years nor is the Sheriff aware of any unfiled claims.

DESOTO PARISH SHERIFF
Mansfield, Louisiana

NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2022

2. LEVIED TAXES

Ad valorem taxes:

The Sheriff was authorized 12.73 ad valorem tax millage and levied mills of 12.73 mills for 2021. Ad valorem taxes are recorded in the year the taxes are assessed. Total assessed value in the parish was \$805,869,498 in 2021. The amount of ad valorem tax collections recognized for the year ending June 30, 2022 was \$9,701,095. The following are the principal taxpayers for the parish and the Sheriff's 2021 assessed valuations:

Taxpayer	Type of Business	2021 Assessed Valuation	2021 Assessed Tax	Percentage of Total Assessed Valuation
International Paper Co.	Manufacturing	\$ 84,120,985	1,070,860	10.44%
Indigo Minerals LLC	Oil & Gas	64,594,036	822,282	8.02%
Comstock Oil & Gas, LP	Oil & Gas	57,200,599	728,164	7.10%
Exco Operating Co.	Oil & Gas	44,451,595	565,869	5.52%
Southwestern Electric Power	Utility	48,401,693	616,154	6.01%
Chesapeake Operating	Oil & Gas	43,283,862	551,004	5.37%
DTE Louisiana Gas Gathering LLC	Oil & Gas	24,430,350	310,998	3.03%
Louisiana Midstream Gas	Oil & Gas	23,403,692	297,929	2.90%
Enterprise Gathering LLC	Oil & Gas	21,642,977	275,515	2.69%
Acadian Gas Pipeline System	Oil & Gas	21,610,830	275,106	2.68%
Total		\$ 433,140,619	\$ 5,513,881	53.76%

Ad Valorem Taxes Paid Under Protest

Louisiana Revised Statute 47:1576 provides that taxpayers, at the time of payment of all taxes due, may give notice to the tax collector of their intention to file suit for recovery of all or a portion of the total taxes paid. Upon receipt of a notice, the amount paid shall be segregated and held by the tax collector for a period of thirty (30) days if a suit is filed with thirty (30) days, the segregated funds shall be held pending outcome of the suit. If the taxpayer prevails, the tax collector shall refund the amount due with interest from the date the funds were received by the tax collector. For the year ended June 30, 2022, there was no taxes paid under protest and escrowed.

Ad Valorem Tax Abatement and Homestead Exemption

The Louisiana Industrial Ad Valorem Tax Exemption program (Louisiana Administrative Code, Title 13, Chapter5) 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 state law, the first \$75,000 of assessed value of your primary residence is exempt from ad valorem taxation. For the fiscal year ending June 30, 2022, approximately \$562,119 in DeSoto Parish Sheriff ad valorem tax revenues were exempted from tax through the homestead exemption and abated by the state of Louisiana through the Louisiana Industrial Ad Valorem Tax Exemption program.

Sales Taxes:

DeSoto Parish passed a one-half of one percent (1/2%) sales and use tax on July 17, 2004. Collection of the tax began October 1, 2004. These funds are dedicated to paying salaries and benefits for the law enforcement personnel of the Sheriff. The amount of sales tax collected for year ended June 30, 2022, was \$6,104,028.

DESOTO PARISH SHERIFF
Mansfield, Louisiana

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

3. CASH, INTEREST-BEARING DEPOSITS AND INVESTMENTS

Cash and Cash Equivalents:

At June 30, 2022, the Sheriff has cash in interest bearing and non-interest bearing accounts (book balance) totaling \$50,768,927 as follows:

	Government Funds	Fidiciary Funds	Total
Demand deposits	\$ 285,364	\$ 353,878	\$ 639,242
Interest-bearing demand deposits	50,107,010	22,575	50,129,585
Petty Cash	100	-	100
Categorized bank deposits	\$ 50,392,474	\$ 376,453	\$ 50,768,927

Investments:

At June 30, 2022, the Sheriff has investments (book balances) totaling \$4,981,018 as follows:

Louisiana Asset Management Pool	\$ 679,778
Time deposits	4,301,240
Total investments	\$ 4,981,018

Investment valuation. The certificate of deposit is stated at cost, which approximates market value. The investments in LAMP 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.

The cash and investments of the DeSoto Parish Sheriff 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 always equal or exceed 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 on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Sheriff that the fiscal agent bank 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 Sheriff's name.

At year end, the Sheriff had collected bank balances of \$56,252,987 which were fully protected by \$1,000,157 of federal depository insurance and pledged securities with a market value of \$65,902,856 held by the custodial banks in the name of the DeSoto Parish Sheriff.

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 its fair value is to changes in market interest rates. The Sheriff does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

DESOTO PARISH SHERIFF
Mansfield, Louisiana

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

3. CASH, INTEREST-BEARING DEPOSITS AND INVESTMENTS (continued)

However, as a means of offsetting exposure to interest rate risk, the Sheriff diversifies its investments by security type and institution. 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 is designed to be highly liquid to give its participants immediate access to their account balances.

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 DeSoto Parish Sheriff's investments comply with Louisiana Statutes (LSA R.S. 33:2955). Under state law, the DeSoto Sheriff 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 Sheriff 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.

Investments held at June 30, 2022, include \$679,778 invested with the Louisiana Asset Management Pool (LAMP), a local government investment pool rated AAAM by Standard and Poor's. The Louisiana Asset Management Pool 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.

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP, Inc. is not registered with the SEC as an investment company.

4. RECEIVABLES

The following is a summary of receivables at June 30, 2022:

	General Fund	Nonmajor Funds	Total
Intergovernmental revenues:			
Federal overtime	\$ 3,860	-	3,860
Parish revenue	79,775	-	79,775
State grants	-	6,305	6,305
Probation & Juvenile officers	40,181	-	40,181
Juvenile detail	2,100	-	2,100
Dispatch salary reimbursements	333,750	-	333,750
Sales tax	655,718	-	655,718
Ad valorem tax	10,530	-	10,530
Fees, charges, and commissions for services:			
Witness fees	150	-	150
Background check fees	28,053	-	28,053
Cost on taxes	2,199	-	2,199
Court attendance	612	-	612
Feeding and keeping parish prisoners	8,953	-	8,953
Feeding and keeping state prisoners	66,087	-	66,087
Prisoner transportation	611	-	611
	1,232,579	6,305	1,238,884
Less allowance for uncollectible	-	-	-
Totals	\$ 1,232,579	\$ 6,305	\$ 1,238,884

DESOTO PARISH SHERIFF
Mansfield, Louisiana

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

5. CAPITAL ASSETS

A summary of changes in office furnishings, equipment and vehicles follows:

<u>Governmental Activities</u>	Restated Balance 7/1/2021	Additions	Reclassification/ Deletions	Balance 6/30/2022
Non-depreciable capital assets				
Land	\$ 519,445	\$ -	\$ -	\$ 519,445
Construction in Progress	1,029,390	-	(1,029,390)	-
Total Non-depreciable capital assets	<u>1,548,835</u>	<u>-</u>	<u>(1,029,390)</u>	<u>519,445</u>
Depreciable capital assets:				
Office equipment & furniture	280,385	75,883	-	356,268
Safety equipment	870,963	629,485	(27,800)	1,472,648
Communications equipment	1,456,775	1,085,504	-	2,542,279
Farm equipment	206,706	5,500	-	212,206
Training equipment/apparatus	119,548	-	-	119,548
Computers & Software	447,563	-	-	447,563
Vehicles	5,484,253	1,304,513	(27,900)	6,760,866
Buildings & improvements	7,984,506	150,853	-	8,135,359
Total depreciable capital assets	<u>16,850,699</u>	<u>3,251,738</u>	<u>(55,700)</u>	<u>20,046,737</u>
Less accumulated depreciation	<u>(7,222,367)</u>	<u>(1,291,922)</u>	<u>53,700</u>	<u>(8,460,589)</u>
Total depreciable capital assets, net	<u>11,177,167</u>	<u>1,959,816</u>	<u>(1,138,790)</u>	<u>12,105,593</u>
Intangible right-of-use assets:				
Leased equipment	31,366	-	-	31,366
Less accumulated amortization	<u>(9,410)</u>	<u>(6,273)</u>	<u>-</u>	<u>(15,683)</u>
Net intangible right-of-use assets	<u>21,956</u>	<u>(6,273)</u>	<u>-</u>	<u>15,683</u>
Government Activities capital assets, net	<u>\$ 11,199,123</u>	<u>\$ 1,953,543</u>	<u>\$ (1,138,790)</u>	<u>\$ 12,121,276</u>

Depreciation expense in the amount of \$1,291,922 and amortization of \$6,273 were charged to public safety.

6. COMPENSATED ABSENCES

Compensated absences represent accumulated and vested employee leave benefits computed in accordance with accounting principles generally accepted in the United States of America. The liability for compensated absences is computed only at the end of the fiscal year. As of June 30, 2022, the Sheriff's compensated absences payable in accordance with GASB Statement No. 16 amounted to 14,110 hours with a resulting liability as following:

Compensated absences at July 1, 2021	\$ 347,928
Additions	397,690
Deductions	<u>(347,928)</u>
Compensated absences at June 30, 2022	<u>\$ 397,690</u>

7. DEFERRED COMPENSATION

Certain employees of DeSoto Parish Sheriff 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, P. O. Box 94397, Baton Rouge, Louisiana 70804-9397.

DESOTO PARISH SHERIFF
Mansfield, Louisiana

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

8. PENSION PLAN

Plan Description. Substantially all employees of the DeSoto Parish Sheriff's office are members of the Louisiana Sheriffs' Pension and Relief Fund (Fund), a cost-sharing, multiple-employer defined benefit pension plan established in accordance with the provisions of Louisiana Revised Statute 11:2171 to provide retirement, disability and survivor benefits to employees of sheriffs' offices throughout the state, employees of the Louisiana Sheriffs' Association and the Sheriff's Pension and Relief Fund's office. The Sheriffs' Pension and Relief Fund, State of Louisiana, is the administrator of the Fund and is governed by a separate board of trustees.

Funding Policy. Contribution requirements for all employers are actuarially determined each year in accordance with state statute. For the year ended June 30, 2022, the actual employer contribution rate was 12.25% with no additional percentage allocated from the Funding Deposit Account. Employee contributions are based on the employee's annual covered salary and are established by the board of trustees. For the year ended June 30, 2022, the employee contribution rate was 10.25%.

The DeSoto Parish Sheriff's contributions to the System which also include the employee's portion are as follows:

	2022	2021	2020
Employee portion	\$ 1,047,255	\$ 1,034,617	\$ 989,942
Employer contributions	1,251,564	1,236,494	1,183,102
Total pension contributions	\$ 2,298,819	\$ 2,271,111	\$ 2,173,044

In accordance with state statute, the Fund receives ad valorem taxes, insurance premium taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities but are not considered special funding situations. Non-employer contributions are recognized as revenue and excluded from pension expenses. Non-employer contributions of \$639,973 were recorded for the year ended June 30, 2022, in the government-wide statements.

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

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

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

DESOTO PARISH SHERIFF
Mansfield, Louisiana

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

8. PENSION PLAN (continued)

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

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

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

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

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

Deferred Retirement Option Plan (DROP)/Back Deferred Retirement Option Plan (Back-DROP). For members retiring before July 1, 2001 in lieu of terminating employment and accepting a service retirement, members could elect to participate in the Deferred Retirement Option Plan (DROP). Upon entering the DROP employee and employer contributions cease. The monthly retirement contribution that would have been paid if the member retired is deposited into the DROP account for up to three years. Funds held in the DROP account earn interest and can be disbursed to the member upon request. Effective July 1, 2001, the Back-DROP program replaced the DROP program. In lieu of receiving a service retirement allowance, any member of the Fund who has more than sufficient service for a regular service retirement may elect to receive a "Back-DROP" benefit. A member elects to "take" Back-DROP at the time of separation from employment to retire. The Back-DROP benefit is based upon the Back-DROP period selected and the final average compensation prior to the period selected. The Back-DROP period is the lesser of three years or the service accrued between the time a member first becomes eligible for retirement and his actual date of retirement. For those individuals with thirty or more years, the Back-DROP period is the lesser of four years or service accrued between the time a member first becomes eligible for retirement and his actual date of retirement. A member's Back-DROP benefit is the maximum monthly retirement benefit multiplied by the number of months in the Back-DROP period. In addition, the member's Back-DROP account will be credited with employee contributions received by the Fund

DESOTO PARISH SHERIFF
Mansfield, Louisiana

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

8. PENSION PLAN (continued)

during the Back-DROP period. The member's DROP and Back-DROP balances left on deposit are managed by a third party, fixed income investment manager. Participants have the option to opt out of this program and take a distribution, if eligible, or to rollover the assets to another qualified plan.

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

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

At June 30, 2022, the Sheriff reported a liability of \$686,571 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Sheriff's proportion of the net pension liability was based on a projection of the Sheriff's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2021, the Sheriff's proportion was 1.307833%, which was an increase of 0.06430% from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the Sheriff recognized total pension expense of \$887,197.

At June 30, 2022, the Sheriff reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 955,993
Changes of assumptions	2,112,756	-
Net difference between projected and actual earnings on pension plan investments	-	6,200,030
Changes in employer's proportion of beginning NPL	271,042	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	331,640	5,007
Employer contributions subsequent to the measurement date	1,251,564	-
Total	\$ 3,967,002	\$ 7,161,030

Sheriff contributions subsequent to the measurement date in the amount of \$1,251,564 reported as deferred outflows of resources related to pensions will be recognized as a reduction of the net pension liability in the year ending June 30, 2023.

DESOTO PARISH SHERIFF
Mansfield, Louisiana

NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2022

8. PENSION PLAN (continued)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year		
2022	\$	(846,900)
2023		(768,288)
2024		(1,041,287)
2025		(1,789,117)
Total	\$	(4,445,592)

Actuarial Methods Assumptions

The total pension liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation Date	June 30, 2021
Actuarial Cost Method	Individual Entry Age Normal Method
Actuarial Assumptions:	
Expected Remaining Service Lives	2021 - 5 years; 2020-2018 - 6 years; 2017-2016 - 7 years
Investment Rate of Return	6.90% net of pension plan investment expense, including inflation
Discount Rate	6.90%
Projected salary increases	5.00% (2.5% inflation, 2.5% merit)
Mortality Rates	Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Employees multiplied by 120% for males and 115% for females for active members, each with full generational projection using the appropriate MP2019 scale. Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Healthy Retirees multiplied by 120% for males and 115% for females for annuitants and beneficiaries, each with full generational projection using the appropriate MP2019 scale. Pub-2010 Public Retirement Plans Mortality Table for Safety Disabled Retirees multiplied by 120% for males and 115% for females for disabled retirees, each with full generational projection using the appropriate MP2019 scale.

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

DESOTO PARISH SHERIFF
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NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2022

8. PENSION PLAN (continued)

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

Estimates of arithmetic real rates of return for each major asset class based on the Fund's target asset allocation as of June 30, 2021 are as follows:

Asset Class	Long-Term Expected Rate of Return		
	Target Asset Allocation	Real Return Arithmetic Basis	Long-Term Expected Portfolio Real Rate of Return
Equity securities	62%	7.10%	4.39%
Fixed Income	23%	1.44%	0.36%
Alternative Investments	15%	4.38%	0.57%
Totals	100%		5.32%
Inflation			2.55%
Expected Arithmetic Nominal Return			7.87%

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers and non-employer contributing entities will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the Fund's actuary. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the Sheriff calculated using the discount rate of 7.0%, as well as what the Sheriff's net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	Changes in Discount Rate		
	1% Decrease	Current Discount Rate	1% Increase
	5.90%	6.90%	7.90%
Net pension liability	7,538,483	(686,571)	(7,543,643)

DESOTO PARISH SHERIFF
Mansfield, Louisiana

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

8. PENSION PLAN (continued)

Change in Net Pension Liability

The changes in the net pension liability for the year ended June 30, 2021 were recognized in the current reporting period as pension expense except as follows:

Differences between Expected and Actual Experience. The differences between expected and actual experience with regard to economic or demographic factors in the measurement of the total pension liability were recognized as 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.

Differences between Projected and Actual Investment Earnings. The 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.

Changes in Assumptions. The changes in assumptions about future economic or demographic factors 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 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 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.

Contributions—Proportionate Share. Differences between contributions remitted to the Fund and the employer's proportionate share are recognized in pension expense (benefit) using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with a pension through the pension plan.

Retirement Fund Audit Report

The Sheriff's Pension and Relief Fund has issued a stand-alone financial report for the year ended June 30, 2021. Access to the report can be found on the Louisiana Legislative Auditor's website www.la.la.gov.

9. POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

General Information about the OPEB Plan

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

Benefits Provided – Medical, dental, vision and life insurance benefits are provided through comprehensive plans and are made available to employees upon actual retirement. Employees retirement eligibility (D.R.O.P. entry) provisions are as follows: attainment of 30 years of service at any age, or age 55 and 12 years of service if earlier; or, for employees hired after January 1st, 2012, the earliest of age 55 and 30 years of service, age 60 and 20 years of service, and age 62 with 12 years of service. Notwithstanding this there is a minimum service requirement of 15 years for benefits.

DESOTO PARISH SHERIFF
Mansfield, Louisiana

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

9. POST RETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS (continued)

Life insurance coverage is provided to retirees and 100% of the blended rate (active and retired) is paid by the employer for the amount \$10,000. The amount of insurance coverage while active is continued after retirement, but insurance coverage amounts are reduced to 75% of the original amount at age 65 and to 50% of the original amount at age 70.

Employees covered by benefit terms—At June 30, 2022, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	35
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	157
Annual required contribution (ARC)	192

Total OPEB Liability

The Sheriff's total OPEB liability of \$12,292,637 was measured as of June 30, 2022, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and other inputs – The total OPEB liability in the June 30, 2022, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	3.00%
Salary increases	3.0% including inflation
Prior discount rate	2.16%
Discount rate	3.54% annually
Healthcare cost trend rates	5.5% annually until year 2032, then 4.5%
Mortality	SOA RP-2014 Table

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

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

Changes in the Total OPEB Liability

Balance at June 30, 2021	\$ <u>15,874,537</u>
Changes for the year	
Service cost	711,683
Interest	350,576
Differences between expected and actual experience	154,460
Changes in assumptions	(4,551,767)
Benefit payments and net transfers	(246,852)
Net changes	(3,581,900)
Balance at June 30, 2022	\$ <u>12,292,637</u>

DESOTO PARISH SHERIFF
Mansfield, Louisiana

NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2022

9. POST RETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS (continued)

Sensitivity of the total OPEB liability to changes in the discount rate – The following presents the total OPEB liability of the Sheriff, as well as what the Sheriff's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.16%) or 1-percentage-point higher (3.16%) than the current discount rate:

		Changes in Discount Rate		
		1% Decrease	Current	1% Increase
		2.54%	3.54%	4.54%
	Total OPEB liability	\$ 14,792,330	\$ 12,292,637	\$ 10,342,040

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

		Changes in healthcare cost trend rates		
		1% Decrease	Current	1% Increase
		4.50%	5.50%	6.50%
	Total OPEB liability	\$ 10,302,674	\$ 12,292,637	\$ 14,894,851

For the year ended June 30, 2022, the Sheriff recognized total OPEB expense of \$909,257. At June 30, 2022, the Sheriff reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,003,958	\$ (7,239,059)
Changes in assumptions	4,778,100	(4,267,281)
Total	\$ 5,782,058	\$ (11,506,340)

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

Year ending June 30		
2023	\$	(381,045)
2024	\$	(381,045)
2025	\$	(381,045)
2026	\$	(381,045)
2027	\$	(381,045)
Thereafter	\$	(3,819,058)

DESOTO PARISH SHERIFF
Mansfield, Louisiana

NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2022

10. LEASES

Lease agreements are summarized as follows:

Describe	Date	Payment Terms	Payment Amount	Interest Rate	Total Lease Liability	Balance 6/30/2022
Xerox printer lease 1	1/30/2020	5 years	\$634	11.23%	\$38,059	\$16,524
Xerox printer lease 2	1/30/2020	5 years	47	13.63%	2,841	1,198
Total Lease Agreements						<u>\$17,722</u>

Minimum lease payments on long-term leases by year are as follows:

For year ended June 30,	<u>Principal</u>	<u>Interest</u>
2023	\$ 6,493	\$ 1,687
2024	7,272	908
2025	3,957	134
	<u>\$ 17,722</u>	<u>\$ 2,729</u>

11. RESTRICTED NET POSITION / FUND BALANCE

The following schedule summarizes restricted net position and the reserves at June 30, 2022:

	<u>Restricted Fund Balance</u>		
	<u>General</u>	<u>Nonmajor</u>	<u>Restricted</u>
	<u>Fund</u>	<u>Funds</u>	<u>Net Position</u>
DARE	\$ -	\$ 6,462	\$ 6,462
Total	<u>\$ -</u>	<u>\$ 6,462</u>	<u>\$ 6,462</u>

12. CHANGE IN ACCOUNTING PRINCIPLES AND RESTATEMENT

For year ended June 30, 2022, the Sheriff implemented Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. GASB Statement No. 87 enhances the relevance and consistency of information of the government's leasing activities. It establishes requirements for lease accounting based on the principle that leases are financings of the right to use an underlying asset. A lessee is required to recognize a lease liability and an intangible right-of-use lease asset. These changes were incorporated in the Sheriff's June 30, 2022 financial statements and had an effect on the beginning net position of the General Fund. The Sheriff recognized \$21,956 in net book value for the intangible right-of-use and a lease liability of \$23,519 for equipment leased in January, 2020. The implementation of GASB Statement No. 87 had the following effect on net position as reported June 30, 2021.

Total Net Position, June 30, 2021, as previously reported	\$ 44,739,974
Adjustments:	
Net book value leased asset	21,956
Lease Liability	<u>(23,519)</u>
Total Net Position, June 30, 2021, Restated	<u>\$ 44,738,411</u>

DESOTO PARISH SHERIFF
Mansfield, Louisiana

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

13. COMMITMENTS AND CONTINGENCIES

Lawsuits. At June 30, 2022, the Sheriff was a defendant in lawsuits principally arising from the normal course of operations. Although the outcome of these lawsuits is not presently determinable, in the opinion of the Sheriff and legal counsel, resolution of these matters would not create a liability in excess of insurance coverage that would have a material adverse effect on the financial condition of the Sheriff.

Grants. The Sheriff receives grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could result in a request for reimbursement for disallowed costs under the terms of the agreements. In the opinion of management, such disallowance, if any, would be insignificant.

Cooperative Endeavor Agreements:

On August 27, 2019, the DeSoto Parish Sheriff entered into a cooperative endeavor agreement with the DeSoto Parish Police Jury, as governing authority of the DeSoto Parish Communications District (E911) to provide all 911 communications and general operations personnel necessary to facilitate all 911 communications operations, excluding overhead functions paid by the Police Jury for \$785,000 per year paid quarterly.

On January 14, 2019 the DeSoto Parish Sheriff entered into a cooperative endeavor agreement with the DeSoto Parish EMS to provide adequate dispatching services (4 full-time employees) for an annual sum of \$275,000, paid quarterly.

During 2019, the DeSoto Parish Sheriff entered into a cooperative endeavor agreement with six Desoto Parish Fire Districts to provide adequate dispatching services (4 full-time employees) for their entities for an annual sum of \$275,000, paid quarterly. The amounts proportionate share for each district was based on their 2018 millage revenues. This agreement was updated on July 1, 2020 with the same terms.

On November 18, 2019, the DeSoto Parish Sheriff entered into a cooperative endeavor agreement with the DeSoto Parish Police Jury to provide 1,430 square feet of office space, suitable parking, and access to common areas in the Sheriff annex building in Stonewall (1746 Highway 171) for a term of 99 years. In return, the DeSoto Parish Police Jury paid \$100 per square foot (\$143,000), provides their necessary fixtures, furnishings, and equipment, pays for their own utility costs, and financially participates in maintenance and repairs.

On April 5, 2019, the DeSoto Parish Sheriff entered into a cooperative endeavor agreement with the Town of Stonewall, Louisiana, to provide 2,287 square feet of office space and access to a shared assembly room in the Sheriff annex building in Stonewall (1746 Highway 171) for a term of 99 years. In return, the Town of Stonewall paid \$100 per square foot (\$228,700), provides their necessary equipment, and pays for their own utility costs.

14. TAXES PAID UNDER PROTEST

The liability held for others pending court action, in the Tax Collector custodial fund at June 30, 2022, reflects taxes paid under protest, plus interest earned to date on these funds. These funds are held pending resolution of the protest.

15. RELATED PARTY TRANSACTIONS

Procedures, observations, and inquiries did not disclose any material related party transactions for the fiscal year ended June 30, 2022.

16. ON-BEHALF PAYMENTS FOR SALARIES

The Sheriff recognizes as general fund revenues and expenses, supplemental pay paid by the State of Louisiana to the Sheriff's employees. For year ended June 30, 2022, the state contributed \$594,659.

DESOTO PARISH SHERIFF
Mansfield, Louisiana

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

17. SUBSEQUENT EVENTS

Management has performed an evaluation of the Sheriff's activities through February 25, 2023 and has concluded that there is one significant event requiring recognition or disclosure through the date and time these financial statements were available to be issued.

REQUIRED SUPPLEMENTAL INFORMATION (PART II)

DESOTO PARISH SHERIFF
Mansfield, Louisiana

SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS

For the year ending June 30, 2022

	2018	2019	2020	2021	2022
Total OPEB Liability					
Service cost	\$ 1,096,287	\$ 1,105,291	\$ 1,518,171	\$ 696,261	\$ 711,683
Interest	490,500	496,649	552,502	319,209	350,576
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience	(673,168)	149,387	(8,071,403)	838,261	154,460
Changes of assumptions	-	319,539	5,275,964	142,610	(4,551,767)
Benefit payments	(200,124)	(211,131)	(206,185)	(217,525)	(246,852)
Net change in total OPEB liability	<u>713,495</u>	<u>1,859,735</u>	<u>(930,951)</u>	<u>1,778,816</u>	<u>(3,581,900)</u>
Total OPEB liability-beginning	<u>12,453,442</u>	<u>13,166,937</u>	<u>15,026,672</u>	<u>14,095,721</u>	<u>15,874,537</u>
Total OPEB liability-ending	<u>\$ 13,166,937</u>	<u>\$ 15,026,672</u>	<u>\$ 14,095,721</u>	<u>\$ 15,874,537</u>	<u>\$ 12,292,637</u>
Covered-employee payroll	\$ 6,430,024	\$ 6,622,925	\$ 7,616,184	\$ 7,844,670	\$ 8,604,976
Net OPEB liability as a percentage of covered-employee payroll	204.77%	226.89%	185.08%	202.36%	142.85%
Notes to Schedule					
Benefit Change:	None	None	None	None	None
Changes of Assumptions:					
Discount rate	3.62%	3.50%	2.21%	2.16%	3.54%
Mortality	RP-2000	RP-2000	RP-2014	RP-2014	RP-2014
Trend	5.50%	5.50%	Variable	Variable	Variable

*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 SHERIFF
Mansfield, Louisiana

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

For the year ending June 30, 2022

Louisiana: Sheriffs' Pension and Relief Fund

Fiscal Year*	Agency's proportion of the net pension liability (asset)	Agency's proportionate share of the net pension liability (asset)	Agency's covered-employee payroll	Agency's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of the total pension liability
2015	1.085090%	\$ 4,296,974	\$ 6,660,863	65%	87.3%
2016	1.151241%	\$ 5,131,677	\$ 7,632,667	67%	86.6%
2017	1.160830%	\$ 7,367,691	\$ 7,709,269	96%	82.1%
2018	1.165287%	\$ 5,046,012	\$ 8,068,182	63%	88.5%
2019	1.187423%	\$ 4,553,350	\$ 8,172,700	56%	90.4%
2020	1.243530%	\$ 5,882,186	\$ 8,689,600	68%	88.9%
2021	1.307830%	\$ 9,051,712	\$ 9,656,991	94%	84.7%
2022	1.385470%	\$ (686,571)	\$ 10,093,831	-6.8%	101.0%

*Amounts presented were determined as of the measurement date (previous fiscal year end)

*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 SHERIFF
Mansfield, Louisiana

SCHEDULE OF PENSION CONTRIBUTIONS
For the year ending June 30, 2022

Louisiana: Sheriffs' Pension and Relief Fund

Fiscal Year*	(a) Statutorily Required Contribution	(b) Contributions in relation to the statutorily required contribution	(a-b) Contribution Deficiency (Excess)	Agency's covered-employee payroll	Contributions as a percentage of covered-employee payroll
2015	\$ 1,087,655	\$ 1,087,655	\$ -	\$ 7,632,667	14.25%
2016	\$ 1,098,571	\$ 1,098,571	\$ -	\$ 7,709,269	14.25%
2017	\$ 1,069,454	\$ 1,069,454	\$ -	\$ 8,068,182	13.26%
2018	\$ 1,042,770	\$ 1,042,770	\$ -	\$ 8,172,700	12.76%
2019	\$ 1,064,744	\$ 1,064,744	\$ -	\$ 8,689,600	12.25%
2020	\$ 1,183,102	\$ 1,183,102	\$ -	\$ 9,656,991	12.25%
2021	\$ 1,236,494	\$ 1,236,494	\$ -	\$ 10,093,831	12.25%
2022	\$ 1,251,564	\$ 1,251,564	\$ -	\$ 10,216,846	12.25%

*Amounts presented were determined as of the end of the fiscal year.

*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 SHERIFF
Mansfield, Louisiana**

NOTES TO REQUIRED SUPPLEMENTAL INFORMATION

As of and for the Year Ended June 30, 2022

Budgetary Information

The Sheriff's budget is prepared in accordance with accounting principles generally accepted in the United States of America.

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.

The Sheriff exercises budgetary control at the functional level. Within functional levels, the accountant has the authority to make amendments as necessary. Expenditures may not legally exceed appropriations at the fund level. Appropriations that are not expended lapse at year-end. The budget was not amended during the year. The budget comparison schedules present the original adopted budget and the final budget.

The Sheriff's budget process is as follows:

Proposed budgets, prepared on the modified accrual basis of accounting, are published in the official journal at least 10 days prior to the public hearing. Public hearings are held at the Sheriff's office during the month of June for comments from taxpayers. The budgets are then legally adopted by the Sheriff and amended during the year, as necessary. Budgets are established and controlled by the Sheriff at the object level of expenditure.

Appropriations lapse at year-end and must be reappropriated for the following year to be expended. The Sheriff must approve all changes or amendments to the budget.

Formal budgetary integration is employed as a management control device during the year, and encumbrance accounting is not used by the Sheriff. Budgeted amounts included in the accompanying financial statements include the original adopted budget amounts and the final budget which includes all amendments.

Pension Information

The schedule of the Sheriff's proportionate share of the net pension liability and the schedule of the Sheriff'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 June 30, 2022.

Changes of assumptions:

Year ended June 30,	Discount rate	Investment rate of return	Inflation rate	Expected remaining lives	Projected salary increase
2015	6.00%	7.70%	3.00%	6	6.00%
2016	7.60%	7.70%	2.88%	6	5.50%
2017	7.50%	7.60%	2.88%	7	5.50%
2018	7.40%	7.50%	2.78%	7	5.50%
2019	7.25%	7.25%	2.60%	6	5.50%
2020	7.10%	7.10%	2.50%	6	5.50%
2021	7.00%	7.00%	2.50%	6	5.00%
2022	6.90%	6.90%	2.50%	5	5.00%

OTHER SUPPLEMENTAL INFORMATION

DeSoto Parish Sheriff
Mansfield, Louisiana

OTHER NONMAJOR SPECIAL REVENUE FUNDS
Year ended June 30, 2022

Drug Task Force Budget Fund

The Drug Task Force Budget Fund records grant revenue from Red River, Sabine, and DeSoto Parish as well as local seizure income. The purpose of the fund is to increase the apprehension, prosecution, adjudication, detention, rehabilitation, and treatment of persons who violate state and local laws relating to the production, possession, and transfer of controlled substances.

Task Force Program Fund

The Task Force Program Fund receives a proportionate share of seizure revenue from the federal OCDEFT program. These funds enable the local sheriff's office to assist in and pursue cases with the FBI and DEA.

DARE Fund

The DARE Fund consists of a state grant from the Louisiana Commission on Law Enforcement and public donations and certain court costs. The grant, donations, and costs are used to reduce illegal drug use among youth through educational programs.

Criminal Interdiction

The Criminal Interdiction Fund holds monies released from drug seizures. The monies can be used to supplement the drug task force.

DESOTO PARISH SHERIFF
Mansfield, Louisiana

GOVERNMENTAL FUND TYPE - NONMAJOR SPECIAL REVENUE FUNDS
Combining Balance Sheet
June 30, 2022

	<u>Task Force Budget Fund</u>	<u>Task Force Program Fund</u>	<u>DARE Fund</u>	<u>Criminal Interdiction</u>	<u>Total</u>
ASSETS					
Cash	\$ 1	\$ 10,791	\$ 1,332	\$ 61,459	\$ 73,583
Receivables	-	-	6,305	-	6,305
TOTAL ASSETS	<u>\$ 1</u>	<u>\$ 10,791</u>	<u>\$ 7,637</u>	<u>\$ 61,459</u>	<u>\$ 79,888</u>
LIABILITIES & FUND EQUITY					
Liabilities:					
Total liabilities	-	-	-	-	-
Fund equity:					
Fund balance:					
Restricted	-	-	7,637	-	7,637
Assigned	1	10,791	-	61,459	72,251
Total Fund Equity	1	10,791	7,637	61,459	79,888
TOTAL LIABILITIES & FUND EQUITY	<u>\$ 1</u>	<u>\$ 10,791</u>	<u>\$ 7,637</u>	<u>\$ 61,459</u>	<u>\$ 79,888</u>

Supplemental information.
See the accompanying independent auditor's report

DESOTO PARISH SHERIFF
Mansfield, Louisiana

GOVERNMENTAL FUND TYPE - NONMAJOR SPECIAL REVENUE FUNDS
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the year ending June 30, 2022

	Task Force Budget Fund	Task Force Program Fund	DARE Fund	Criminal Interdiction Fund	Total
REVENUES					
Fees, fines, seizures, and commissions	\$ 6,356	\$ -	\$ 2,500	\$ 8,357	\$ 17,213
Operating grants and contributions					
Local grants	30,000	-	-	-	30,000
State grants	-	-	25,557	-	25,557
TOTAL REVENUES	<u>36,356</u>	<u>-</u>	<u>28,057</u>	<u>8,357</u>	<u>72,770</u>
EXPENDITURES					
Public safety:					
Personal services and related benefits	-	-	21,938	-	21,938
Operating services	65,033	-	-	71,140	136,173
Materials and supplies	1,628	-	2,834	3,910	8,372
Travel and other charges	-	-	2,110	3,000	5,110
Capital outlay	-	-	-	9,500	9,500
TOTAL EXPENDITURES	<u>66,661</u>	<u>-</u>	<u>26,882</u>	<u>87,550</u>	<u>181,093</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(30,305)	-	1,175	(79,193)	(108,323)
Other financing sources (uses)					
Transfer in (out)	20,000	-	-	75,000	95,000
TOTAL OTHER FINANCING SOURCES(USES)	<u>20,000</u>	<u>-</u>	<u>-</u>	<u>75,000</u>	<u>95,000</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES(USES)	(10,305)	-	1,175	(4,193)	(13,323)
FUND BALANCES, BEGINNING OF YEAR	10,306	10,791	6,462	65,652	93,211
FUND BALANCES, END OF YEAR	<u>\$ 1</u>	<u>\$ 10,791</u>	<u>\$ 7,637</u>	<u>\$ 61,459</u>	<u>\$ 79,888</u>

Supplemental Information.
See the accompanying independent auditor's report

**DESOTO PARISH SHERIFF
Mansfield, Louisiana**

**SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS
TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER
For the year ending June 30, 2022**

Jayson Richardson, Sheriff

Purpose:

Salary	\$	177,724
Benefits - Insurance		11,038
Benefits - Retirement		45,917
Benefits - Other		7,800
Car Allowance		-
Per diem		1,541
Reimbursements		-
Travel		8,540
Registration fees		976
Conference travel		-
Continuing professional education fees		-
Unvouched expenses		-
Special meals		-

See the accompanying independent auditor's report.

ANNUAL REPORTING REQUIREMENT OF SHERIFF AS EX OFFICIO TAX COLLECTOR TO LEGISLATIVE AUDITOR

State of Louisiana, Parish of DeSoto
Jayson Richardson, Sheriff of DeSoto Parish

BEFORE ME, the undersigned authority, personally came and appeared, Jayson Richardson, the Sheriff of DeSoto Parish, State of Louisiana, who after being duly sworn, deposed and said:

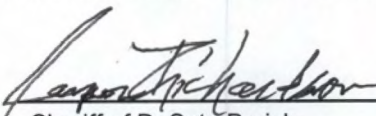
The following information is true and correct:

\$18,592 is the amount of cash on hand in the tax collector accounts on June 30, 2022.

He further deposed and said:

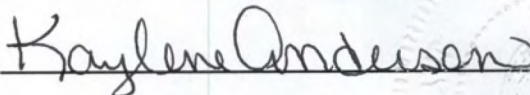
All itemized statements of the amounts of taxes collected for the tax year 2021, by the taxing authority, are true and correct.

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



Sheriff of DeSoto Parish

SWORN to and subscribed before me, Notary, this 25th day of February, 2023, in my office in Mansfield, LA.

 #157880



Supplemental Information.
See the accompanying independent auditor's report

Justice System Funding Schedule - Collecting/Disbursing Entity
As Required by Act 87 of the 2020 Regular Legislative Session

Schedule 8

Identifying Information		
Entity Name	DeSoto Parish Sheriff	
LLA Entity ID #	3080	
Date that reporting period ended	6/30/2022	

Cash Basis Presentation

	First Six Month Period Ended 12/31/2021	Second Six Month Period Ended 6/30/2022
1. Beginning Balance of Amounts Collected (i.e. cash on hand)	256,674	295,424
2. Add: Collections		
a Civil Fees (including refundable amounts such as garnishments or advance deposits)	123,446	135,461
b Bond Fees	82,717	46,716
c Asset Forfeiture/Sale	304,001	268,127
d Pre-Trial Diversion Program Fees	-	-
e Criminal Court Costs/Fees	424,766	312,465
f Criminal Fines - Contempt	-	-
g Criminal Fines - Other	-	-
h Restitution	-	-
i Probation/Parole/Supervision Fees	-	-
j Service/Collection Fees (e.g. credit card fees, report fees, 3rd party service fees)	-	-
k Interest Earnings on Collected Balances	-	-
l Other (do not include collections that fit into more specific categories above)	-	-
m Subtotal Collections	934,930	762,769
3. Less: Disbursements To Governments & Nonprofits: (Must include one agency name		
42nd Judicial Criminal Court Fund - Bond Fees	34,927	21,225
42nd Judicial Criminal Court Fund - Criminal Fees	650	985
42nd Judicial District Attorney - Bond Fees	19,374	12,348
42nd Judicial District Attorney - Criminal Fees	34,031	39,527
42nd Judicial Indigent Defender Fund - Bond Fees	546	496
42nd Judicial Indigent Defender Fund - Criminal Fees	38,754	43,991
DeSoto Parish Clerk of Court - Bond Fees	546	496
DeSoto Parish Clerk of Court - Criminal Fees	18,138	17,852
DeSoto Parish Clerk of Court - Civil Fees	6,085	6,975
Northwest Louisiana Crime Lab - Criminal	32,079	37,435
DeSoto Parish Crime Stoppers - Criminal	1,686	1,998
DeSoto Parish Police Jury - Criminal	122,743	148,633
42nd Judicial Expense Fund - Criminal	8,436	9,972
Louisiana Rehabilitation Services - Criminal	3,219	3,821
Louisiana State Treasurer - Criminal	2,515	2,965
Louisiana Commission on Law Enforcement - Criminal	6,409	8,631
Louisiana State Police - Criminal	930	1,211
Northwest Louisiana Juvenile Detention Center - Criminal	6,478	7,406
Louisiana Supreme Court - Criminal	440	518
Caddo Parish Sheriff - Civil	304	211
DeSoto Parish School Board - Civil	363	2,114
Louisiana Attorney General - Civil	13,638	4,755
Sabine Parish Sheriff - Civil	55	-
4. Less: Amounts Retained by Collecting Agency		
a Collection Fee for Collecting/Disbursing to Others Based on Percentage of Collection	45,526	33,433
b Collection Fee for Collecting/Disbursing to Others Based on Fixed Amount	-	-
c Amounts "Self-Disbursed" to Collecting Agency (must include a separate line for each collection type, as applicable)		

Civil Fees	51,904	71,553
Criminal Fees	9,481	10,580
Bond Fees	22,179	14,954

5. Less: Disbursements to Individuals/3rd Party Collection or Processing Agencies

a Civil Fee Refunds	4,374	12,653
b Bond Fee Refunds	82,681	10,544
c Restitution Payments to Individuals (additional detail is not required)	-	-
d Other Disbursements to Individuals (additional detail is not required)	327,689	192,149
e Payments to 3rd Party Collection/Processing Agencies	-	-

6. Subtotal Disbursements/Retainage

896,180	719,431
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7. Total: Ending Balance of Amounts Collected but not Disbursed/Retained

295,424	338,762
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Ending Balance of "Partial Payments" Collected but not Disbursed (*only applies if collecting agency does not disburse partial payments until fully collected*) - This balance is included in the Ending Balance of Amounts Collected but not Disbursed/Retained above.

-	-
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9. Other Information:

- a Ending Balance of Total Amounts Assessed but not yet Collected (*i.e. receivable balance*)
- Total Waivers During the Fiscal Period (*i.e. non-cash reduction of receivable balances, such as time served or community service*)

-	-
-	-

Supplemental information.
See the accompanying independent auditor's report.

**OTHER REPORTS REQUIRED BY
GOVERNMENT AUDITING STANDARDS**



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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*

Honorable Jayson Richardson
DeSoto Parish Sheriff
Mansfield, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, general fund and aggregate nonmajor governmental funds and the aggregate remaining fund information of the DeSoto Parish Sheriff as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the DeSoto Parish Sheriff's basic financial statements and have issued my report thereon dated February 25, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the DeSoto Parish Sheriff's internal control over financial reporting (internal control) to determine the 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 DeSoto Parish Sheriff's internal control. Accordingly, we do not express an opinion on the effectiveness of the DeSoto Parish Sheriff's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and responses as item 2022-01 that we consider to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the DeSoto Parish Sheriff's, financial statements are free of 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed two instances of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and responses as items 2022-02 and 2022-03.

DeSoto Parish Sheriff's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Desoto Parish Sheriff's response to the findings identified in our audit and described in the accompanying schedule of findings and responses. The DeSoto Parish Sheriff's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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 Sheriff'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.

This report is intended solely for the information and use of the DeSoto Parish Sheriff, management, and the Louisiana Legislative Auditor, and is not intended to be and should not be used by anyone other than these specified parties. However, this restriction is not intended to limit the distribution of this report which is a matter of public record in accordance with Louisiana Revised Statute 44.6 and is distributed by the Louisiana Legislative Auditor under Louisiana Revised Statute 24:513.

Dees Gardner, Certified Public Accountants, LLC

Mansfield, Louisiana
February 25, 2023

DeSoto Parish Sheriff
Mansfield, Louisiana

SCHEDULE OF FINDINGS AND RESPONSES
For the Year ended June 30, 2022

Part I. SUMMARY OF AUDITOR'S REPORTS

Independent Auditor's Report:

I have audited the basic financial statements of the DeSoto Parish Sheriff as of and for the year ended June 30, 2022, and have issued my report thereon dated February 25, 2023. I conducted my 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. My audit of the basic financial statements as of June 30, 2022, resulted in an unmodified opinion.

Report On Internal Control And Compliance And Other Matters Material To The Financial Statements:

Internal Control

Significant Deficiency	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Material Weakness	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Compliance

Compliance Material to Financial Statements	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Other Matters	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Federal Awards: Not applicable

Management Letter: None was issued.

Part II. Findings relating to the Financial Statements which are required to be reported under *Government Auditing Standards*.

INTERNAL CONTROL

2022-01 Capital Asset Management.

Criteria. Best Practices require that capital outlays be recorded as per the written policy of the entity.

Finding. Capital outlays for the Sheriff were not reconciled to the Capital Asset additions in the Fixed Asset subsidiary ledger. Some capital outlays were not recorded in the general ledger accounts according to the capitalization policy.

Cause. Capital outlays are recorded in various general ledger accounts and can not readily be identified as additions to the Fixed Asset inventory. Assets were omitted from the fixed asset subsidiary ledger.

Effect. Theft or misappropriation can occur if the assets are not recorded, tagged and safeguarded.

Recommendation. 1) An employee should be assigned responsibility for the capital purchases and sales and coordinate with accounting so that additions and disposals are recorded in the proper accounts. The capital asset subsidiary ledger should be updated monthly and additions reconciled to the capital outlay accounts and disposals reconciled to the sale of assets account. 2) An annual physical inventory should be conducted and discrepancies timely investigated and resolved.

COMPLIANCE AND OTHER MATTERS

2022-02. Public Funds – Loan, pledge, or grants.

Criteria. Article VII, Par. 14(A) of the Louisiana Constitution of 1974 prohibits the payment of a bonus, or any other gratuitous unearned payment to public employees.

Condition. In December 2022, the DeSoto Sheriff gave all employees of the entity an additional \$2,000.

Cause. Unknown

Effect. If this payment is found to be a gratuitous bonus, the Sheriff could be in violation of the above constitutional provision.

Recommendation. Legal counsel should be consulted in regards to this payment. In the future an Attorney General Opinion should be obtained to ascertain whether such payment would be in compliance with Article VII, Par. 14(A) of the Louisiana Constitution of 1974.

2022-03. Late Submission of Report

Criteria. Louisiana state law requires that the Sheriff have an annual audit performed and submitted to the Legislative auditor within six (6) months after the close of the fiscal year.

Condition. For the year ended June 30, 2022, the Sheriff did not submit the annual audit within six months after the close of their fiscal year.

Cause. A non-emergency extension was obtained for additional time necessary to assess a complaint received in December.

Effect. The Sheriff is not in compliance with state law.

Recommendation. Under this set of circumstances, the Sheriff had to extend the time for his report submittal in order to address the issues in the complaint.

Management's response. We concur.

DeSoto Parish Sheriff
Mansfield, Louisiana

SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
For the Year ended June 30, 2022

None.



DeSoto Parish Sheriff's Office

JAYSON RICHARDSON
SHERIFF



Response re: Capital Outlays:

DPSO is reviewing its internal procedures and will assign responsibility to personnel as recommended by the auditor.

Response re: Public Funds:

Beginning with the preparation of the operating budget for fiscal year 2022, DPSO contemplated a \$2,000 cost of living increase per calendar year for all employees as a result of rising inflation, but DPSO was concerned about the ability to maintain the salary increases due to the fluctuating income to the Sheriff's Office. At the end of 2022, DPSO confirmed it could maintain the annual salary increases and a \$2,000 payment was issued to all DPSO employees as a retroactive pay raise for 2022. Effective January 1, 2023, the \$2,000 pay raise is divided and paid to employees each pay period.

In La. Atty. Gen. Op. No. 06-0286, the Attorney General was asked to determine whether the employees of the Calcasieu Parish Ward Fire District 2 could be given retroactive pay raises. The Attorney General opined that the retroactive pay raises were valid under facts virtually similar to those faced by DPSO.

The \$2,000 payment to DPSO employees was not a one-time gratuitous payment; rather, the \$2,000 payment was a "payment deserved and made recompense for valuable service rendered" by the employees, "for which the employee[s] [were] not adequately paid" during the fiscal year. DPSO budgeted for the salary increases and understands the \$2,000 retroactive salary payment to be in compliance with La. Const. Art. VII, Sec. 14 and the recommendations of the Attorney General in Opinion No. 06-0286.

OTHER REPORT



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Independent Accountant's Report On Applying Agreed-Upon Procedures

To the Honorable Jayson Richardson,
DeSoto Parish Sheriff and the
Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by the DeSoto Parish Sheriff (the Sheriff) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2021 through June 30, 2022. The Sheriff's management is responsible for those C/C areas identified in the SAUPs.

The Sheriff's has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period July 1, 2021 through June 30, 2022. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and any associated findings are as follows:

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):
 - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget.
Policies and procedures were obtained and were not found to address this section.
 - b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
Written policies and procedures were obtained and it was noted that the policy for purchasing did not clearly outline controls for complying with public bid laws and did not describe the documentation retention policies for bids and quotes.
 - c) **Disbursements**, including processing, reviewing, and approving.
Written policies and procedures were obtained and it was noted that the above areas were not clearly covered.
 - d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions.
Written policies and procedures were obtained and it was noted that the policy did not provide any specific procedures for the receipts process, the personnel involved, and how completeness of collections is determined.

- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

No exceptions were noted as a result of this procedure.

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

Policies and procedures were obtained and were not found to address this section.

- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).

No exceptions were noted as a result of this procedure.

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

Policies and procedures were obtained and it was noted that the policies did not clearly address the sections noted above.

- i) **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) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.

Policies and procedures were obtained and were not found to address this section.

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

Policies and procedures were obtained and were not found to address this section. Entity has no debt.

- k) **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

Policies and procedures were obtained and were not found to address this section.

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

No exceptions were noted as a result of this procedure.

Board or Finance Committee

- 2. Section not applicable to entity.

Bank Reconciliations

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

A listing of client bank accounts from management and management's representation that the listing is complete were obtained. The main operating account and 4 other accounts selected for review.

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

No exceptions were noted as a result of this procedure.

- b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and

One account reconciliation did not include evidence of management review.

- c) 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.

The entity had several accounts with items outstanding for more than 12 months.

Collections (excluding EFTs)

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

A listing of deposit sites for the fiscal period and management's representation that the listing is complete were obtained. The only deposit site of the entity was selected.

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

A listing of collection locations and management's representation that the listing is complete was obtained.

- a) Employees that are responsible for cash collections do not share cash drawers/registers.

Employees responsible for cash collection can share cash registers but all registers are monitored by video surveillance.

- b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.

No exceptions were noted as a result of this procedure.

- c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.

No exceptions were noted as a result of this procedure.

- d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.

No exceptions were noted as a result of this procedure.

6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.

No exceptions were noted as a result of this procedure.

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

Only one bank account under procedure #3 had applicable deposits to test under this section. Two random deposits were selected for testing.

- a) Observe that receipts are sequentially pre-numbered.

Exceptions were noted as a result of this procedure.

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

There was no documentation other than system reports to review for two collections.

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

No exceptions were noted as a result of this procedure.

- d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).

Exceptions were noted as a result of this procedure.

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

No exceptions were noted as a result of this procedure.

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

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

A listing of locations that process payments for the fiscal period and management's representation that the listing is complete were obtained. Two locations of the entity were selected.

9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

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

No exceptions were noted as a result of this procedure.

- b) At least two employees are involved in processing and approving payments to vendors.

No exceptions were noted as a result of this procedure.

- c) The employee responsible for processing payments is prohibited from adding/modifying vendor files unless another employee is responsible for periodically reviewing changes to vendor files.

No exceptions were noted as a result of this procedure.

- d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

No exceptions were noted as a result of this procedure.

10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:

- a) Observe that the disbursement matched the related original invoice/billing statement.
- b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

Section 10(a-b). The only documentation for one transaction is an agreement executed in a prior fiscal year to pay a service provider a set fee bi-weekly. The provider does not issue statements to confirm services provided. No other exceptions were noted as a result of this procedure.

Credit Cards/Debit Cards/Fuel Cards/P-Cards

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

A listing of active cards for the fiscal period and management's representation that the listing is complete were obtained.

12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:

Five random monthly statements were selected.

- a) Observe 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.

It was noted during review that the same employee has responsibility for a credit card account, can make purchases with a credit card on the account, reviews the account statement, and pays the account balance online.

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

Finance charges were noted in one of the accounts reviewed.

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

No exceptions were noted as a result of this procedure.

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

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

- a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
- b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
- c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
- d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Section 14(a-d). All travel related disbursements reviewed were travel advances. Written policies and procedures reviewed do not cover travel advances. Documentation for all per diem reimbursements lacked travel time detail to confirm eligibility for first and last day per diem amounts. Per diem rates utilized exceeded the rates in effect for the State of Louisiana, as called for in policy. There was no documentation to confirm employees' travel costs after the date of travel. No receipts were provided for non per diem travel reimbursements.

Contracts

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

A listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period and management's representation that the listing is complete were obtained.

- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.

No exceptions noted were noted as a result of this procedure.

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

No exceptions were noted as a result of this procedure.

- c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.

No exceptions were noted as a result of this procedure.

- d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

No exceptions were noted as a result of this procedure.

Payroll and Personnel

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

A listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete were obtained. Five employees of the entity selected for review.

17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
- a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).
No exceptions noted were noted as a result of this procedure.
 - b) Observe that supervisors approved the attendance and leave of the selected employees/officials.
No exceptions noted were noted as a result of this procedure.
 - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
No exceptions noted were noted as a result of this procedure.
18. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulate leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.
No exceptions noted were noted as a result of this procedure.
19. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.
No exceptions were noted as a result of this procedure.

Ethics

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above obtain ethics documentation from management, and:
- a. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
No exceptions noted were noted as a result of this procedure.
 - b. Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.
No exceptions noted were noted as a result of this procedure.

Debt Service

21. Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.
Section not applicable to entity.
22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).
Section not applicable to entity.

Fraud Notice

23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

No misappropriations reported by entity.

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

No exceptions were noted as a result of this procedure.

Information Technology Disaster Recovery/Business Continuity

25. Perform the following procedures,

- a) Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.
- b) Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
- c) Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

We performed the above procedures and discussed the results with management.

Sexual Harassment

26. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.

No exception noted as a result of this procedure.

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

The entities sexual harassment policy and complaint procedure is not posted on its website or a conspicuous location on the premises.

28. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe it includes the applicable requirements of R.S. 42:344:

The entity did not report any sexual harassment complaints in the current year.

- a) Number and percentage of public servants in the agency who have completed the training requirements;
99%.

- b) Number of sexual harassment complaints received by the agency;
0.
- c) Number of complaints which resulted in a finding that sexual harassment occurred;
0.
- d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
0.
- e) Amount of time it took to resolve each complaint.
0.

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

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

The purpose of this report is 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.

Dees Gardner, Certified Public Accountants, LLC

Mansfield, LA
February 25, 2023



DeSoto Parish Sheriff's Office

JAYSON RICHARDSON
SHERIFF



Management responses to statewide agreed upon procedure exceptions:

Section 1 - Written Policies and Procedures

Management will review written policies and procedures and address the noted areas.

Section 3 – Bank Reconciliations

Management will make sure items outstanding for more than 12 months will be researched and turned over to state unclaimed property as needed. Management review will be documented on all bank reconciliations.

Section 4 – Collections

Management will make necessary revisions to the collections processes and procedures for the selected collection types.

Section 10(a-b) – Non-Payroll Disbursements

Management will ensure that all disbursements have sufficient documentation.

Section 12(b) and 13 – Credit Cards

Management will review credit card processes and procedures to ensure proper segregation of duties, that documentation is required for all credit card purchases, and all statements are paid timely moving forward.

Section 14 – Travel Expenses

Management will review current travel and travel expense reimbursement policies and either update current policies or change the current processes. The policy will be revised to include processes for travel expense advances. Non per diem reimbursements will require receipts moving forward.

Sections 27 – Sexual harassment

The Sheriff's policy will be posted to the website.