

**NATCHITOCHE PARISH SHERIFF
NATCHITOCHE, LOUISIANA**

**ANNUAL FINANCIAL REPORT
JUNE 30, 2022**

Natchitoches Parish Sheriff
Natchitoches, Louisiana
June 30, 2022

TABLE OF CONTENTS

	<u>Exhibit</u>	<u>Page</u>
Required Supplementary Information		
Management's Discussion and Analysis	-	1-3
Independent Auditors' Report		4-6
Basic Financial Statements		
Government-Wide Financial Statements		
Statement of Net Position	A	9
Statement of Activities	B	10
Fund Financial Statements		
Balance Sheet-Governmental Funds	C	12
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	D	13
Statement of Revenues, Expenditures and Changes in Fund Balances	E	14
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of the Governmental Funds to the Statement of Activities	F	15
Statement of Fiduciary Net Position-Fiduciary Funds	G	16
Statement of Changes in Fiduciary Net Position-Fiduciary Funds	H	17-18
Notes to Financial Statements	-	20-39
Other Required Supplementary Information		
Budgetary Comparison Schedule-General Fund	I	41
Schedule of Employer's Share of Net Pension Liability	J	42
Schedule of Employer Contributions	K	43
Schedule of Changes in Net OPEB Liability and Related Ratios	L	44

Natchitoches Parish Sheriff
Natchitoches, Louisiana
June 30, 2022

TABLE OF CONTENTS
(continued)

	<u>Exhibit</u>	<u>Page</u>
Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer	M	45
Justice System Funding Schedule - Collecting/Disbursing Entity	N	46-47
Annual Reporting Requirement of Sheriff as Ex Officio Tax Collector to Legislative Auditor	O	48
Other Reports/Schedules		
Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	P	50-51
Schedule of Findings	Q	52
Independent Accountant's Report on Applying Statewide Agreed-Upon Procedures	R	53-61

NATCHITOCHES PARISH SHERIFF

P. O. Box 303
Natchitoches, LA 71458-0303

MANAGEMENT'S DISCUSSION AND ANALYSIS

As Management of the Natchitoches Parish Sheriff, we offer readers of the Natchitoches Parish Sheriff's financial statements this narrative overview and analysis of the financial activities of the Natchitoches Parish Sheriff as of and for the fiscal year ended June 30, 2022. 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. Certain comparative information is presented to provide an overview of the Sheriff's operations.

FINANCIAL HIGHLIGHTS

The Sheriff's assets exceeded its liabilities (Net Position) on June 30, 2022 and liabilities exceeded its assets on June 30, 2021, by \$1,769,816 and \$(485,114), respectively. The Sheriff's net position increased by \$2,254,930 as a result of this year's operations. Total Net Position is comprised of the following:

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
Net Investment in Capital Assets	\$2,026,636	\$ 1,767,691
Unrestricted Net Position which represents the portion available to maintain continuing obligations to citizens and creditors	<u>(256,820)</u>	<u>(2,252,805)</u>
Total Net Position	<u>\$1,769,816</u>	<u>\$ (485,114)</u>

GOVERNMENT-WIDE FINANCIAL STATEMENTS

This report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the Sheriff as a whole and present a longer-term view of the Sheriff's finances. These statements tell how the services were financed in the short-term as well as what remains for future spending.

FUND FINANCIAL STATEMENTS

A fund is an accountability unit used to maintain control over resources segregated for specific activities. The Sheriff uses funds to ensure and demonstrate compliance with finance related laws and regulations. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources at the end of the year. As the Government-wide Financial Statements includes the long-term view, comparisons between these two views may provide insight into the long-term impact as short-term financing decreases. Both the governmental funds balance sheet and the governmental funds operating statement provide a reconciliation to assist in understanding the difference between these two views.

Fiduciary funds are reported in the fund financial statements and report taxes collected for other taxing bodies and deposits held pending court action. The Sheriff reports these as agency funds.

OTHER INFORMATION

In addition to the basic financial statements and accompanying notes, this report also presents Other Required Supplementary Information consisting of a comparison of budgeted revenues and expenditures to

actual revenues and expenditures, schedules of employer's share of net pension liability and contributions, schedule of changes in net OPEB liability and related ratios, schedule of compensation, benefits and other payments to the sheriff, justice funding schedule, and annual reporting requirement of sheriff as ex officio tax collector to LLA.

FINANCIAL ANALYSIS OF THE SHERIFF AS A WHOLE

Over time, as year-to-year financial information is accumulated on a consistent basis, changes in Net Position may be observed and used to discuss the changing financial position of the Sheriff as a whole.

CAPITAL ASSETS

The Sheriff's investment in capital assets as of June 30, 2022 is \$2,026,636 (net of accumulated depreciation). This investment in capital assets includes office furniture, radios, vehicles and buildings. The Sheriff's major capital assets are vehicles and buildings. Additional information on the Sheriff's capital assets can be found on page 28 of this report.

LONG-TERM OBLIGATIONS

At the end of the fiscal year, the Sheriff had total long-term obligations of \$15,750,136, consisting of post-employment benefits, compensated absences, revenue bonds and capital lease obligations.

A summary of the basic government-wide financial statements is as follows:

Summary of Statement of Net Position

	<u>2022</u>	<u>2021</u>
ASSETS:		
Current Assets	\$12,125,695	\$10,803,069
Non-current Assets	<u>3,208,972</u>	<u>3,040,399</u>
Total Assets	<u>\$15,334,667</u>	<u>\$13,843,468</u>
DEFERRED OUTFLOWS OF RESOURCES:	<u>\$ 9,551,477</u>	<u>\$10,650,278</u>
LIABILITIES:		
Other Liabilities	\$ 528,207	\$ 1,053,855
Long-term Debt	579,370	917,884
Compensated Absences	36,525	21,356
OPEB Payable	15,134,241	14,440,992
Net Pension Liability	<u>0</u>	<u>7,071,882</u>
Total Liabilities	<u>\$16,278,343</u>	<u>\$23,505,969</u>
DEFERRED INFLOWS OF RESOURCES:	<u>\$ 6,837,985</u>	<u>\$ 1,472,891</u>
NET POSITION:		
Net Investment in Capital Assets	\$ 2,026,636	\$ 1,767,691
Unrestricted	<u>(256,820)</u>	<u>(2,252,805)</u>
Total Net Position	<u>\$ 1,769,816</u>	<u>\$ (485,114)</u>

Summary of Statement of Activities

Comparative data for government-wide information is presented to assist analysis. The following table provides a summary of the Sheriff's changes in Net Position:

	<u>2022</u>	<u>2021</u>
REVENUES:		
Charges for Services/Fines	\$ 3,688,396	\$ 4,196,624
Operating and Capital Grants	1,472,071	2,609,226
Taxes	11,269,332	10,686,839
Miscellaneous	<u>579,055</u>	<u>803,143</u>
Total Revenues	\$17,008,854	\$18,295,832
EXPENSES:		
Public Safety	<u>14,753,924</u>	<u>16,132,943</u>
Change in Net Position	\$ <u>2,254,930</u>	\$ <u>2,162,889</u>

The change in Net Position for 2022 is \$2,254,930, which is an increase of \$92,041 from the prior year. Total net position increased by 4.25% in the current year.

GOVERNMENTAL FUNCTIONAL EXPENSES

The functions of the Sheriff are public safety and law enforcement activities and parish-wide property tax collections.

GENERAL BUDGETARY HIGHLIGHTS

For the year ended June 30, 2022, revenues and expenditures were within the 5% variance allowed.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The fiscal year 2022-2023 budget is forecasted to provide \$15,910,000 in estimated surplus and revenues to fund costs of \$15,280,000. Capital Outlay is budgeted in the amount of \$250,000 to be used for the deputy vehicles.

CONTACTING THE SHERIFF'S OFFICE

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 additional questions about this report or would like to request additional information, contact Stuart Wright, Sheriff, P.O. Box 266, Natchitoches, LA 71458-0266.

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

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

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

321 Bienville Street
Natchitoches, Louisiana 71457
(318) 352-3652
Fax (318) 352-4447
www.tcbtcpa.com

INDEPENDENT AUDITORS' REPORT

Stuart Wright, Sheriff
of Natchitoches Parish
P O Box 266
Natchitoches, LA 71458

Opinions

We have audited the accompanying financial statements of the governmental activities, the major fund, and fiduciary funds of the Natchitoches Parish Sheriff (Sheriff) 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, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and fiduciary funds of the Sheriff as of June 30, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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, Budgetary Comparison Schedule, Schedule of Employer's Share of Net Pension Liability, Schedule of Employer Contributions, and Schedule of Changes in Net OPEB Liability and Related Ratios on pages 1 through 3 and 41 through 44 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 Sheriff's basic financial statements. The Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer, Justice System Funding Schedule, and the Annual Reporting Requirement of Sheriff as Ex Officio Tax Collector are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer, Justice System Funding Schedule, and the Annual Reporting Requirement of Sheriff as Ex Officio Tax Collector are fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 2022, on our consideration of the Sheriff's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Sheriff's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Sheriff's internal control over financial reporting and compliance.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Louisiana Legislative Auditor, we have issued a report, dated December 29, 2022, on the results of our statewide agreed-upon procedures performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards*. The purpose of that report is solely to describe the scope of testing performed on those control and compliance areas identified in the Louisiana Legislative Auditor's statewide agreed-upon procedures, and the results of that testing, and not to provide an opinion on control or compliance.

Thomas, Cunningham, Broadway & Todtenbier, CPA's

Thomas, Cunningham, Broadway & Todtenbier, CPA's
Natchitoches, Louisiana

December 29, 2022

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE
FINANCIAL STATEMENTS

Natchitoches Parish Sheriff
Natchitoches, Louisiana
Statement of Net Position
June 30, 2022

	<u>Governmental Activities</u>
ASSETS:	
Current Assets-	
Cash & Cash Equivalents	\$ 8,696,705
Investments	2,366,216
Revenue Receivable	1,007,136
Prepaid Expense	<u>55,638</u>
Total Current Assets	<u>\$12,125,695</u>
Non-current Assets-	
Cash - Restricted	\$ 144,512
Capital Assets (Net)	2,370,353
Right-of-Use Assets (Net)	235,653
Net Pension Asset	<u>458,454</u>
Total Non-current Assets	<u>\$ 3,208,972</u>
Total Assets	<u>\$15,334,667</u>
DEFERRED OUTFLOWS OF RESOURCES:	
Pensions	\$ 2,316,497
OPEB	<u>7,234,980</u>
Total Deferred Outflows of Resources	<u>\$ 9,551,477</u>
LIABILITIES:	
Current Liabilities-	
Accounts Payable	\$ 378,349
Accrued Expenses	149,858
Current Portion of Revenue Bonds Payable	330,000
Current Portion of Capital Lease	<u>102,660</u>
Total Current Liabilities	<u>\$ 960,867</u>
Long-term Liabilities-	
Net OPEB Obligation	\$15,134,241
Compensated Absences	36,525
Capital Lease Net of Current Portion	<u>146,710</u>
Total Long-term Liabilities	<u>\$15,317,476</u>
Total Liabilities	<u>\$16,278,343</u>
DEFERRED INFLOWS OF RESOURCES:	
Pensions	\$ 5,413,603
OPEB	<u>1,424,382</u>
Total Deferred Outflows of Resources	<u>\$ 6,837,985</u>
NET POSITION:	
Net Investment in Capital Assets	\$ 2,026,636
Unrestricted	<u>(256,820)</u>
Total Net Position	<u>\$ 1,769,816</u>

See independent auditors' report and notes to the financial statements.

Natchitoches Parish Sheriff
Natchitoches, Louisiana
Statement of Activities
June 30, 2022

<u>Activities</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position Governmental Activities</u>
		<u>Fees, Fines Commissions, and Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Governmental Activities:					
Public Safety	<u>\$14,753,924</u>	<u>\$3,688,396</u>	<u>\$1,303,719</u>	<u>\$168,352</u>	<u>\$ (9,593,457)</u>
		General Revenues:			
				Taxes	\$11,269,332
				Non-employer Pension Revenue	427,338
				Gain on Sale of Assets	16,031
				Miscellaneous	<u>135,686</u>
				Total General Revenues	<u>\$11,848,387</u>
				Change in Net Position	\$ 2,254,930
				Net Position at Beginning of Year	<u>(485,114)</u>
				Net Position at End of Year	<u>\$ 1,769,816</u>

See independent auditors' report and notes to the financial statements.

FUND FINANCIAL STATEMENTS

Natchitoches Parish Sheriff
Natchitoches, Louisiana
Balance Sheet-Governmental Fund
June 30, 2022

ASSETS:

Cash & Cash Equivalents	\$ 8,696,705
Investments	2,366,216
Revenue Receivable	1,007,136
Prepaid Expenses	55,638
Cash - Restricted	<u>144,512</u>
Total Assets	<u>\$12,270,207</u>

LIABILITIES:

Accounts Payable	\$ 378,349
Accrued Expenses	<u>149,858</u>
Total Liabilities	<u>\$ 528,207</u>

FUND BALANCE:

Nonspendable for Prepaid Expenses	\$ 55,638
Unassigned	<u>11,686,362</u>
Total Fund Balance	<u>\$11,742,000</u>
Total Liabilities and Fund Balance	<u>\$12,270,207</u>

Natchitoches Parish Sheriff
Natchitoches, Louisiana
Reconciliation of the Governmental Fund
Balance Sheet to the Statement of Net Position
June 30, 2022

Total Fund Balance for the Governmental Fund at June 30, 2022 \$ 11,742,000

Amounts reported for Governmental Activities
in the Statement of Net Position are different because:

The following used in Governmental Activities are not
current financial resources and, therefore, are not reported
in the Governmental Fund Balance Sheet:

Capital Assets	13,667,982
Less, Accumulated Depreciation	(11,297,629)
Right-of-Use Assets	368,937
Less, Accumulated Amortization	(133,284)
Net Pension Asset	458,454
Deferred Outflows of Resources	9,551,477

The following are not due and payable in the current
period and, therefore, are not reported in the Governmental
Fund Balance Sheet:

Net OPEB Obligation	(15,134,241)
Compensated Absences	(36,525)
Revenue Bonds Payable	(330,000)
Capital Leases	(249,370)
Deferred Inflows of Resources	<u>(6,837,985)</u>

Total Net Position of Governmental Activities at June 30, 2022 \$ 1,769,816

Natchitoches Parish Sheriff
Natchitoches, Louisiana
Statement of Revenues, Expenditures and Change in Fund Balance
For the Year Ended June 30, 2022

REVENUES:	
Taxes	\$11,269,332
Fees, Fines, Commissions & Charges for Services	972,933
Inmate Fees & Commissions	514,786
Work Release Revenues	62,365
Detention Center Revenues	2,138,312
Intergovernmental	1,472,071
Miscellaneous	<u>135,686</u>
Total Revenues	<u>\$16,565,485</u>
EXPENDITURES:	
Public Safety-	
Current-	
Personnel Services & Related Benefits	\$10,907,303
Operating Services	1,745,634
Materials & Supplies	835,606
Travel & Other Charges	31,270
Professional Services	171,533
Food - Detention Center	398,537
Work Release	18,066
Debt Service	572,127
Capital Outlay	<u>467,555</u>
Total Expenditures	<u>\$15,147,631</u>
Excess (Deficiency) of Revenues over Expenditures	\$ 1,417,854
OTHER FINANCING SOURCES:	
Proceeds from Capital Leases	\$ 204,077
Sale of Assets	<u>16,031</u>
Total Other Financing Sources	<u>\$ 220,108</u>
Excess of Revenues and Other Sources over Expenditures and Other Uses	\$ 1,637,962
Fund Balance-Beginning of Year	<u>10,104,038</u>
Fund Balance-End of Year	<u>\$11,742,000</u>

See independent auditors' report and notes to the financial statements.

Natchitoches Parish Sheriff
Natchitoches, Louisiana
Reconciliation of the Statement of Revenues, Expenditures and
Change in Fund Balance of the Governmental Fund
to the Statement of Activities
For the Year Ended June 30, 2022

Net Change in Fund Balance - Governmental Fund	\$1,637,962
--	-------------

Amounts reported for Governmental Activities
in the Statement of Activities are different because:

Amounts reported for Governmental Activities in the Statement of
Activities are different because: The Governmental Fund reports
Capital Outlays and Right-of-Use Assets as expenditures. However,
in the Statement of Activities, the cost of these assets is allocated over
their estimated useful lives as depreciation and amortization expense.
The current year amounts for these items were:

Capital Outlay	263,478
Depreciation Expense	(475,218)
Right-Of-Use Assets	204,077
Amortization Expense	(66,156)

Some revenues reported in the Statement of Activities do not
provide current financial resources and these are not reported
as revenues in governmental fund. Some expenses reported
in the Statement of Activities do not require the use of current
financial resources and, therefore, are not reported as expenditures
in governmental funds. These timing differences are summarized below:

Issuance of Long-Term Debt	(204,077)
Revenue Bond Payments	315,000
Capital Lease Payments	215,269
Non-Employer Pension Revenue	427,338
Pension Expense	838,225
OPEB Expense	(885,799)
Compensated Absences	<u>(15,169)</u>

Change in Net Position of Governmental Activities	<u>\$2,254,930</u>
---	--------------------

Natchitoches Parish Sheriff
Natchitoches, Louisiana
Fiduciary Fund Type-Agency Funds
Statement of Fiduciary Net Position
For the Year Ended June 30, 2022

	<u>Sheriff's Civil Fund</u>	<u>Sheriff's Bond Fund</u>	<u>Tax Collector Fund</u>	<u>Total</u>
ASSETS:				
Cash & Cash Equivalents	<u>\$14,714</u>	<u>\$731,540</u>	<u>\$69,918</u>	<u>\$816,172</u>
LIABILITIES:				
Due to Others	<u>\$14,714</u>	<u>\$731,540</u>	<u>\$69,918</u>	<u>\$816,172</u>

See independent auditors' report and notes to the financial statements.

Natchitoches Parish Sheriff
Natchitoches, Louisiana
Fiduciary Funds-Agency Funds
Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2022

	Sheriff's Civil <u>Fund</u>	Sheriff's Bond <u>Fund</u>	Tax Collector <u>Fund</u>	<u>Total</u>
Unsettled Balances-Beginning of Year	\$ <u>32,481</u>	\$ <u>733,188</u>	\$ <u>84,731</u>	\$ <u>850,400</u>
ADDITIONS:				
Deposits-				
Ad Valorem Taxes	\$ 0	\$ 0	\$34,818,041	\$34,818,041
State Revenue Sharing (see Note 11)	0	0	734,802	734,802
Interest- Demand Deposits	0	0	39,329	39,329
Civil Fees	1,299,825	0	0	1,299,825
Garnishments	74,023	0	0	74,023
Bonds	0	191,138	0	191,138
Fines & Costs	0	1,198,880	0	1,198,880
Other Deposits	<u>0</u>	<u>0</u>	<u>97,758</u>	<u>97,758</u>
Total Additions	<u>\$1,373,848</u>	<u>\$1,390,018</u>	<u>\$35,689,930</u>	<u>\$38,453,796</u>
DEDUCTIONS:				
Deposits Settled to-				
Louisiana Department of Agriculture & Forestry	\$ 0	\$ 0	\$ 31,170	\$ 31,170
Natchitoches Parish-				
School Board	0	0	10,651,679	10,651,679
Sheriff	96,799	186,444	7,304,556	7,587,799
Government	0	458,952	7,635,425	8,094,377
Assessor	0	0	1,496,852	1,496,852
Levee District	0	0	958,337	958,337
Clerk of Court	194,526	51,824	0	246,350
Tax Commission	1,099	0	0	1,099
Hospital	0	0	1,984,406	1,984,406
Fire Protection District No. 1	0	0	301,000	301,000
Fire Protection District No. 2	0	0	65,098	65,098
Fire Protection District No. 3	0	0	77,258	77,258
Fire Protection District No. 4	0	0	209,520	209,520
Fire Protection District No. 5	0	0	144,840	144,840
Fire Protection District No. 6	0	0	664,147	664,147
Fire Protection District No. 7	0	0	432,373	432,373
Fire Protection District No. 8	0	0	27,468	27,468
Fire Protection District No. 9	0	0	308,965	308,965
Fire Protection District No. 10	0	0	29,658	29,658

Continued next page

See independent auditors' report and notes to financial statements.

Natchitoches Parish Sheriff
Natchitoches, Louisiana
Fiduciary Funds-Agency Funds
Combining Schedule of Changes in Net Position (continued)
For the Year Ended June 30, 2022

	Sheriff's Civil <u>Fund</u>	Sheriff's Bond <u>Fund</u>	Tax Collector <u>Fund</u>	<u>Total</u>
Pension Funds	\$ 0	\$ 0	\$ 995,938	\$ 995,938
Red River Waterway Commission	0	0	903,910	903,910
Cane River Waterway Commission	0	0	1,312,664	1,312,664
LTC Assesment Fees	0	0	42,010	42,010
Tenth Judicial District-				
District Attorney	0	131,446	0	131,446
District Judges	0	203,622	0	203,622
Indigent Defender Board	0	169,646	0	169,646
Garnishments	68,959	0	0	68,959
Refunds	0	36,367	0	36,367
Other Settlements	1,030,232	49,140	127,469	1,206,841
North LA Crime Lab	0	104,225	0	104,225
La. Commission Law Enforcement	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
 Total Deductions	 <u>\$1,391,615</u>	 <u>\$1,391,666</u>	 <u>\$35,704,743</u>	 <u>\$38,488,024</u>
 Unsettled Balances-End of Year	 <u>\$ 14,714</u>	 <u>\$ 731,540</u>	 <u>\$ 69,918</u>	 <u>\$ 816,172</u>

See independent auditors' report and notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

Natchitoches Parish Sheriff
Natchitoches, Louisiana
Notes to 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 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 and state revenue sharing funds.

As the chief law enforcement officer of the parish, the Sheriff has the responsibility of 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 community-involvement programs. In addition, the Sheriff, when requested, provides assistance to other law enforcement agencies within the parish.

In accordance with certain laws the Sheriff accounts for the collection and disbursement of bonds, fines and costs and forfeitures imposed by the district court.

1. **Summary of Significant Accounting Policies:**

A. Reporting Entity-

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

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

B. Basis of Presentation-

Government-Wide Financial Statements

The Statement of Net Position and Statement of Activities report information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues.

Natchitoches Parish Sheriff
Natchitoches, Louisiana
Notes to Financial Statements
June 30, 2022

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the Sheriff's governmental activities. Direct expenses are those that are specifically associated with a program or function. Program revenues include (a) fees and charges paid by the recipient for goods or services offered by the program, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements

The Sheriff's Office uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain Sheriff functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts. The various funds of the Sheriff are classified into two categories: governmental and fiduciary. The funds of the Sheriff are described as follows:

Governmental Fund-

General Fund

The General Fund, as provided by Louisiana Revised Statute 33:1422, is the Sheriff's only major fund and is used to account for the operations of the Sheriff's office. The Sheriff's major sources of revenue are from revenues from the State of Louisiana for prisoner maintenance and the U.S. Department of Homeland Security for the detention and care of aliens. Other sources of revenue include ad valorem taxes, commissions on state revenue sharing, state supplemental pay for deputies, civil and criminal fees, fees for court attendance, and various other reimbursements, fees, grants, and commissions. General operating expenditures are paid from this fund.

Fiduciary Funds-

Fiduciary Fund Financial Statements

Fiduciary Fund Financial Statements present a Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position. The only funds accounted for in this category by the Sheriff are agency funds. The agency funds account for assets held by the Sheriff as an agent for various taxing bodies (tax collections) and for deposits held pending court action. These funds, which are custodial in nature (assets equal liabilities), do not involve measurement of results of operations.

Consequently, the agency funds have no measurement focus, but use the accrual basis of accounting.

C. Measurement Focus/Basis of Accounting-

Basis of accounting refers to when revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

Natchitoches Parish Sheriff
Natchitoches, Louisiana
Notes to Financial Statements
June 30, 2022

Accrual Basis - Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the Sheriff as a whole. Both of these statements have been prepared using the economic measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Modified Accrual Basis - Fund Financial Statements

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., when they are both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Sheriff considers all revenues "available" if collected within 60 days after year-end. Expenditures are generally recorded under the modified accrual basis of accounting when the related liability is incurred. The exceptions to this general rule are that (1) unmatured principal and interest on long-term debt, if any, are recorded when due and (2) claims and judgments and compensated absences are recorded as expenditures when paid with expendable available financial resources.

D. Assets, Liabilities, and Equity-

Cash and Cash Equivalents

Cash includes all demand accounts, interest-bearing demand deposits, and money market accounts of the Sheriff. Cash equivalents include amounts in time deposits and other investments with original maturities of 90 days or less.

Restricted Assets

Certain funds are restricted for use by the Sheriff's office. These funds include inmate trust accounts and proceeds from a capital lease that is to be spent on specific property to be purchased by the Sheriff's office.

Investments

Investments are limited by Louisiana Revised Statute and the Sheriff's investment policy which allows for investment in obligations of the U.S. Treasury and U.S. Agencies, certificate of deposits, investment grade commercial paper of domestic United States corporations, and other allowable investments. Investments are carried at fair market value at June 30, 2022.

Natchitoches Parish Sheriff
Natchitoches, Louisiana
Notes to Financial Statements
June 30, 2022

Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Sheriff maintains a threshold level of \$1,000 or more for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of that asset or materially extend the life of that asset are not capitalized. Depreciation of all exhaustible capital assets is recorded as an expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation.

The range of useful lives by type of asset is as follows:

Furniture, computers	5 years
Vehicles	5 years
Radios	10 years
Buildings	25-40 years

Compensated Absences

Employees of the Sheriff's office are not eligible for overtime; however, if an employee works more than 40 hours a week, the employee accrues compensatory time at a rate of 1.5 hours for every hour worked. Compensatory time represents hours that can be used in future weeks by the employees. The maximum amount of compensatory time that may be accumulated is 240 hours, and any excess is paid to the employee when earned. Compensatory time is paid out upon termination. The compensated absences balance represent the liability due to employees for this compensatory time.

Pensions

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 the Sheriffs' Pension and Relief Fund (System) and additions to/deductions from the System' fiduciary net position have been determined on the same basis as they are reported by the System. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

Deferred Outflows/Inflows of Resources

The Statement of Net Position reports a separate section for deferred outflows and/or deferred inflows of financial resources. Deferred outflows of resources represent a consumption of net position that applies to future periods and will not be recognized as an outflow of resources (expense/expenditure) until the applicable period. Deferred inflows of resources represent an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources until that time.

Natchitoches Parish Sheriff
Natchitoches, Louisiana
Notes to Financial Statements
June 30, 2022

Equity Classifications

In the government-wide statements, equity is classified as Net Position and displayed 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 resources with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provision or enabling legislation.
- c. Unrestricted net position - All other net resources that do not meet the definition of “restricted” or “net investment in capital assets”.

When an expense is incurred for the purposes for which both restricted and unrestricted net position is available, management applies unrestricted resources first, unless a determination is made to use restricted resources. The policy concerning which to apply first varies with the intended use and legal requirements. This decision is typically made by management at the incurrence of the expense.

In the fund statements, governmental fund equity is classified as fund balance and displayed in five components. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- a. Nonspendable fund balance - amounts that are not in a spendable form (such as prepaid expenses) or are required to be maintained intact;
- b. Restricted fund balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- c. Committed fund balance - amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;
- d. Assigned fund balance - amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- e. Unassigned fund balance - amounts that are available for any purpose. Only the General Fund would report positive amounts in unassigned fund balance.

The General Fund has an unassigned fund balance of \$11,686,362. If applicable, the Sheriff would typically use restricted fund balances first, followed by committed resources and assigned resources

Natchitoches Parish Sheriff
Natchitoches, Louisiana
Notes to Financial Statements
June 30, 2022

as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first and to defer the use of these other classified funds.

E. Budget-

Prior to the beginning of each fiscal year, the Sheriff adopts a budget for the next fiscal year. The budget is open for public inspection and was published in the official journal 10 days prior to the public hearing. All budgetary appropriations lapse at the end of the fiscal year. The budget is prepared on the modified accrual basis of accounting.

F. Sales Taxes-

The Sheriff collects a one-half percent parish-wide sales and use tax dedicated and used to meet the increased costs and expenses for critical operations of the Sheriff's office. The tax, approved by voters on July 15, 2006, was effective October 1, 2006 for a period of 10 years. The tax renewal was approved and extends in perpetuity.

G. Estimates-

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

2. Levied Taxes:

The Sheriff levied the following millages for ad valorem taxes for 2021.

Constitutional	8.18	indefinite
Law Enforcement Sheriff	<u>9.96</u>	no expiration
Total	18.14	

The taxes are normally collected in December of the current year and January and February of the ensuing year. Property taxes are recorded as receivables and revenues in the year assessed. The property tax calendar is as follows:

Assessment date	January 1
Levy date	June 30
Tax bills mailed	October 15
Total taxes due	December 31
Penalties & interest added	January 31 of ensuing year
Tax Sale	May 15 of ensuing year

Total assessed value was \$446,348,893 in 2021. Louisiana state law exempts the first \$75,000 of assessed value of a taxpayer's primary residence from parish property tax. In 2021, this homestead exemption was \$55,010,160 of the total assessed value.

Natchitoches Parish Sheriff
Natchitoches, Louisiana
Notes to Financial Statements
June 30, 2022

3. Cash, Cash Equivalents, and Investments:

Cash and Cash Equivalents

At June 30, 2022, the Sheriff has cash and cash equivalents book balances totaling \$9,657,389.

The Sheriff has restricted cash relating to inmate trust accounts and a capital lease. The inmate trust accounts consist of money that is deposited by inmates for purchase of commissary items. The Sheriff's office is not entitled to spend these funds. These funds totaled \$9,123 at June 30, 2022. Under the terms of the capital lease entered into by the Sheriff for the 2018 fiscal year, cash received from this lease is to be deposited in a dedicated bank account for the purchase of the PTS Software. As of June 30, 2022, the Sheriff was in compliance with all related debt covenants and has restricted cash of \$135,389 for the payment of the capital lease.

Investments:

At June 30, 2022, the Sheriff has the following investments and maturities:

Type of Investment	Fair Value	Investment Maturities (in Years)			
		Less Than 1 Year	1-5 Years	6-10 Years	Over 10 Years
U.S. Government Securities	\$2,245,922	\$ 0	\$0	\$1,923,293	\$322,629
Equity Trust	120,294	120,294	0	0	0
Total Investments	<u>\$2,366,216</u>	<u>\$120,294</u>	<u>\$0</u>	<u>\$1,923,293</u>	<u>\$322,629</u>

Investment valuation: The U.S. government securities and equity trust are stated at fair value based on market quotations. The Sheriff categories its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 are significant unobservable inputs. The Sheriff's recurring fair value measurements is Level 2 inputs (valued using a market based approach comprised of a combination of directly observable quoted prices and a matrix pricing technique that relies on the securities' relationship to other benchmark quoted securities).

The cash, cash equivalents, and investments of the 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 at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

Louisiana Revised Statute 39:1229 imposes a statutory requirement 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 deposit 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.

Natchitoches Parish Sheriff
Natchitoches, Louisiana
Notes to Financial Statements
June 30, 2022

At year end, the Sheriff had collected bank balances of \$9,894,471, which were fully protected by \$2,337,870 of federal depository insurance and pledged securities with a market value in excess of \$7,556,601 held by the custodial banks in the name of the Sheriff.

Interest Rate Risk: This is the risk that changes in market rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value is to changes in market interest rates. The 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.

Credit Risk: Generally, credit risk is the risk that the issuer of a debt type investment will not fulfill its obligation to the holder of the investment. U.S. government securities or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk exposure. The Sheriff's investments comply with Louisiana Statutes (LSA R.S. 33:2955). 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 organized under Louisiana law and national banks having principal offices in Louisiana.

Concentration of Credit Risk: The Sheriff's investment portfolio had concentration of credit risk on June 30, 2021 due to the holding of securities issued by the following U.S. Agencies that are both permitted by statute and the Sheriff's investment policy. The Sheriff's investment portfolio consisted of 49% of securities issued by Federal Farm Credit Bank, 18% of securities issued by the Federal Home Loan Bank, 21% in equity trusts, and 12% of securities issued by the Governmental National Mortgage Association. The Sheriff's investment policy does not limit the amount it may invest in any one issuer.

Custodial Credit Risk: This is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Sheriff has custodial risk exposure for the investment balance because the related securities are uninsured, unregistered, and held by the government's brokerage firm, which is also the counterparty for these particular securities. Investments are held with an investment management company which is insured by SIPC for up to \$500,000.

4. Receivables:

All receivables are reported at their gross value and, where applicable, are reduced by the estimated portion that is expected to be uncollectible. The Sheriff The following is a summary of receivables at June 30, 2022:

Class of Receivable - General Fund

Taxes	\$ 381,985
Detention Center	178,765
Intergovernmental	239,572
Fees, Charges and Commissions	<u>206,814</u>
Total	<u>\$1,007,136</u>

Natchitoches Parish Sheriff
Natchitoches, Louisiana
Notes to Financial Statements
June 30, 2022

Substantially all receivables are considered to be fully collectible: therefore, no allowance for uncollectible accounts is used.

5. Capital Assets:

Capital asset balances and activity for the year ended June 30, 2021, are as follows:

Governmental Activities	Balance 7-01-21	Additions	Deletions	Balance 6-30-22
Capital Assets Not Depreciated:				
Land	\$ 150,889	\$ 0	\$ 0	\$ 150,889
Capital Assets Depreciated:				
Buildings & Improvements	7,074,070	29,381	0	7,103,451
Vehicles	3,873,304	45,283	290,453	3,628,134
Equipment, Furniture & Fixtures	<u>2,596,694</u>	<u>188,814</u>	<u>0</u>	<u>2,785,508</u>
Total Assets	<u>\$13,694,957</u>	<u>\$ 263,478</u>	<u>\$290,453</u>	<u>\$13,667,982</u>
Less, Accumulated Depreciation:				
Buildings & Improvements	\$ 5,358,202	\$ 200,854	\$ 0	\$ 5,559,056
Vehicles	3,452,772	158,107	290,453	3,320,426
Equipment, Furniture & Fixtures	<u>2,301,890</u>	<u>116,257</u>	<u>0</u>	<u>2,418,147</u>
Total Depreciation	<u>\$11,112,864</u>	<u>\$ 475,218</u>	<u>\$290,453</u>	<u>\$11,297,629</u>
Net Capital Assets	<u>\$ 2,582,093</u>	<u>\$(211,740)</u>	<u>\$ 0</u>	<u>\$ 2,370,353</u>

Depreciation expense of \$475,218 for the year ended June 30, 2022, was charged to the Public Safety function.

6. Changes in Long-Term Obligations:

The following is a summary of the long-term debt obligations of the Natchitoches Parish Sheriff for the year ended June 30, 2022.

	Balance 7/1/21	Additions	Reductions	Balance 6/30/22
Revenue Bonds series 2008	\$645,000	\$ 0	\$315,000	\$ 330,000
Loan Payable - Software	135,116	0	135,116	0
Loan Payable - Servers	22,832	0	11,134	11,698
Capital Lease - Automobiles	102,613	204,077	69,018	237,672
Compensated Absences	21,356	15,169	0	36,525
Net OPEB Obligation	<u>7,071,882</u>	<u>8,062,359</u>	<u>0</u>	<u>15,134,241</u>
Total	<u>\$7,998,799</u>	<u>\$8,281,605</u>	<u>\$530,268</u>	<u>\$15,750,136</u>

Natchitoches Parish Sheriff
Natchitoches, Louisiana
Notes to Financial Statements
June 30, 2022

7. Long-Term Debt:

The terms of the Sheriff's long-term debt are as follows:

	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Amount Issued</u>
Revenue Bonds series 2008	4.49%	3/1/2023	\$3,500,000
Loan Payable - Software	2.40%	2/1/2022	\$ 655,571
Loan Payable – Servers	4.95%	2/1/2023	\$ 55,807

Interest expense is \$32,121 for the year ended June 30, 2022, and was charged to the Public Safety function.

The annual debt service requirements to maturity for these loans are as follows:

<u>Year Ending June 30</u>	<u>Long-Term Debt Principal</u>	<u>Long-Term Debt Interest</u>	<u>Total</u>
2023	<u>\$341,698</u>	<u>\$15,409</u>	<u>\$357,107</u>

8. Capital Leases:

The Natchitoches Parish Sheriff entered into lease agreements for vehicles beginning May 2019 with five year lease terms, with an option to continue month-to-month for an unlimited period of time. The interest rates for the leases obtained range from 5.21% - 5.74%. During the year ending June 30, 2022, the Sheriff entered into 6 new lease agreements for vehicles for three and half year lease terms. These lease agreements were entered into throughout the year with interest rates ranging from 4.62% to 5.65%.

Interest expense is \$9,738 for the year ended June 30, 2022, and was charged to the Public Safety function.

Right-of-use assets and amortization activity as of and for the year ended June 30, 2022, is as follows:

<u>Governmental Activities</u>	<u>Balance 7/01/21</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/22</u>
Right-of-use Assets:				
Vehicles	\$164,860	\$204,077	\$0	\$368,937
Less, Accumulated Amortization:				
Vehicles	<u>67,128</u>	<u>66,156</u>	<u>0</u>	<u>133,284</u>
Net Right-of-Use Assets	<u>\$ 97,732</u>	<u>\$137,921</u>	<u>\$0</u>	<u>\$235,653</u>

Amortization expense of \$66,156 was charged to the Public Safety function.

Natchitoches Parish Sheriff
Natchitoches, Louisiana
Notes to Financial Statements
June 30, 2022

The following is a schedule by years of future minimum lease payments under the capital leases, together with the present value of the net minimum future lease payments as of June 30, 2022:

Year Ending <u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 90,962	\$ 9,831	\$100,793
2024	93,269	5,119	98,388
2025	51,663	1,247	52,910
2026	<u>1,778</u>	<u>12</u>	<u>1,790</u>
Total	<u>\$237,672</u>	<u>\$16,209</u>	<u>\$253,881</u>

9. Pension Plan:

Plan Description

The Sheriff contributes to the Sheriffs' Pension and Relief Fund (System) which is a cost-sharing, multiple employer defined benefit pension plan established in accordance with the provisions of LA Revised Statute 11:2171 to provide retirement, disability and survivor benefits to employees of sheriff's offices throughout the State of Louisiana, employees of the Louisiana Sheriffs' Association and the Sheriffs' Pension and Relief Fund's office. Membership in the System is required for all eligible sheriffs and deputies. The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System, which can be obtained at www.la.state.la.us.

Benefits Provided

The following is a description of the plan and its benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

Retirement

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 to exceed (after reduction for optional payment form) 100% of average final compensation. Active, contributing members with at least ten years of creditable service may retire at age sixty. The accrued normal retirement benefit is reduced actuarially for each month or fraction thereof that retirement begins prior to the member's earliest normal retirement date assuming continuous service.

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

Natchitoches Parish Sheriff
Natchitoches, Louisiana
Notes to Financial Statements
June 30, 2022

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

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

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

Disability Benefits

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

Survivor Benefits

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

Natchitoches Parish Sheriff
Natchitoches, Louisiana
Notes to Financial Statements
June 30, 2022

Deferred Benefits

The System 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 System 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 System 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 System 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 System 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.

Contributions

According to state statute, contribution requirements for all employers are actuarially determined each fiscal year. For the year ending June 30, 2021, the actual employer contribution rate was 12.25% with an additional -0-% allocated from the Funding Deposit Account.

Natchitoches Parish Sheriff
Natchitoches, Louisiana
Notes to Financial Statements
June 30, 2022

In accordance with state statute, the System also 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 expense for the year ended June 30, 2022. Non-employer contributions for the year ended June 30, 2022 were \$427,338.

The Sheriff's contractually required composite contribution rate for the year ended June 30, 2022 was 12.25% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any Unfunded Actuarial Accrued Liability. Contributions to the pension plan from the Sheriff for the years ended June 30, 2022 and June 30, 2021 were \$828,625 and \$825,319 respectively.

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

At June 30, 2022 and 2021, the Sheriff reported an asset (liability) of \$458,454 and (\$7,071,882) respectively, for its proportionate share of the Net Pension Liabilities. 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 employers, actuarially determined. At June 30, 2021, the Sheriff's proportion was 0.925142%, which was a decrease of .096636% from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the Sheriff recognized pension expense of \$126,777 less employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions of \$129,806.

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	\$ 0	\$ 638,358
Changes in assumption	1,410,781	0
Net difference between projected and actual earnings on pension plan investments	0	4,140,036
Changes in employer's proportion of beginning net pension liability	64,382	627,880
Differences between employer contributions and proportionate share of employer contributions	12,709	7,329
Subsequent Measurement Contributions	828,625	0
Total	\$2,316,497	5,413,603

Natchitoches Parish Sheriff
Natchitoches, Louisiana
Notes to Financial Statements
June 30, 2022

The deferred outflows of resources related to pensions resulting from Natchitoches Parish Sheriff contributions subsequent to the measurement date in the amount of \$828,625, will be recognized as a reduction of the Net Pension Liabilities measured in the year of June 30, 2022. Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year ended June 30:	
2023	\$ (811,844)
2024	(782,863)
2025	(946,285)
2026	(1,384,739)
Total	\$(3,925,731)

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2021 are as follows:

Valuation Date	June 30, 2021
Actuarial Cost Method	Individual Entry Age Normal Method
Actuarial Assumptions:	
Investment Rate of Return	6.90%, net of investment expense
Discount Rate	6.90%
Projected Salary Increases	5.00% (2.50% Inflation, 2.50% 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 annuitants, each with full generational projection using the appropriate MP2019 scale.
Expected Remaining Service Lives	2021 - 5 years 2020 - 6 years 2019 - 6 years
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost-of-living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.

Natchitoches Parish Sheriff
Natchitoches, Louisiana
Notes to Financial Statements
June 30, 2022

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 System's liabilities. Annuity values calculated based on this mortality were compared to those produced by using a setback of standard tables. The result of the procedure indicated that these tables would produce liability values approximating the appropriate generational mortality tables used.

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

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

<u>Asset Class</u>	<u>Expected Rate of Return</u>		
	<u>Target Asset</u>	<u>Real</u>	<u>Long-term</u>
	<u>Allocation</u>	<u>Return</u>	<u>Expected</u>
		<u>Arithmetic</u>	<u>Portfolio</u>
		<u>Basis</u>	<u>Real Rate</u>
			<u>of Return</u>
Equity Securities	62%	7.08%	4.39%
Fixed Income	25	1.44	0.36
Alternative Investments	<u>13</u>	4.38	<u>0.57</u>
Totals	100%		5.32%
Inflation			<u>2.55</u>
Expected Arithmetic Nominal Return			<u>7.87%</u>

The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the System's actuary. Based on those assumptions, the System'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 Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Sheriff's proportionate share of the Net Pension Liability (Asset) using the discount rate of 6.90%, as well as what the Sheriff's proportionate share of the Net Pension Liability (Asset) would be if it were calculated using a discount rate that is one percentage-point lower (5.90%) or one percentage-point higher (7.90%) than the current rate:

Natchitoches Parish Sheriff
Natchitoches, Louisiana
Notes to Financial Statements
June 30, 2022

	1.0% Decrease	Current Discount Rate	1.0% Increase
Employer's proportionate share of net pension liability (asset)	\$5,033,780	\$(458,454)	\$(5,037,227)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Sheriffs' Pension and Relief Fund Annual Financial Report at www.la.la.gov.

10. Post-employment Benefits Other Than Pensions:

Plan description - The Natchitoches Parish Sheriff's Office (the Sheriff) provides certain continuing health care and life insurance benefits for its retired employees. The Natchitoches 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, and life insurance benefits are provided through comprehensive plans and are made available to employees upon actual retirement. Employees retirement eligibility (DROP 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 1, 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.

Life insurance coverage is provided to retirees and 100% 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, though not below amount \$10,000.

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	50
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	137
	<hr/>
	187
	<hr/>

Total OPEB Liability

The Sheriff's total OPEB liability of \$15,134,241 was measured as of June 30, 2022 and was determined by an actuarial valuation as of that date.

Natchitoches Parish Sheriff
Natchitoches, Louisiana
Notes to Financial Statements
June 30, 2022

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	3.00%, including inflation
Prior Discount rate	2.16%
Discount rate	3.54% annually
Healthcare cost trend rates	5.5% annually until year 2030, 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 as of June 30, 2022, the end of the applicable measurement period.

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	\$14,440,992
Changes for the year:	
Service cost	108,938
Interest	313,102
Changes in Assumptions/Inputs	(1,357,978)
Differences between expected and actual experience	2,006,268
Benefit payments and net transfers	(377,081)
Net changes	693,249
Balance at June 30, 2022	\$15,134,241

Sensitivity of the total OPEB liability to changes in the discount rate - The following presents the total OPEB liability of the Sheriff, as well as what the Sheriff's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.54%) or 1-percentage-point higher (4.54%) than the current discount rate:

	1.0% Decrease (2.54%)	Current Discount Rate (3.54%)	1.0% Increase (4.54%)
Total OPEB liability	\$17,932,782	\$15,134,241	\$12,928,071

Natchitoches Parish Sheriff
Natchitoches, Louisiana
Notes to Financial Statements
June 30, 2022

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

	1.0% Decrease (4.5%)	Current Trend (5.5%)	1.0% Increase (6.5%)
Total OPEB liability	\$13,339,938	\$15,134,241	\$17,389,199

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

For the year ended June 30, 2022, the Sheriff recognized OPEB expense of \$1,262,880. 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	\$3,629,580	\$ 0
Changes in Assumptions	3,605,400	1,424,382
Total	\$7,234,980	\$1,424,382

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

Years ending June 30:	
2023	\$840,840
2024	840,840
2025	840,840
2026	840,840
2027	840,840
Thereafter	1,606,398

11. State Revenue Sharing Funds:

The revenue sharing funds were distributed as follows:

Natchitoches Parish:	
Government	\$132,871
School Board	179,354
Assessor	52,764
Levee District	38,254
Sheriff	245,713
Fire Districts	37,207
Red River Waterway Commission	33,187
Pension Funds	<u>15,452</u>
Total	<u>\$734,802</u>

Natchitoches Parish Sheriff
Natchitoches, Louisiana
Notes to Financial Statements
June 30, 2022

12. Expenditures of the Sheriff's Office Paid by the Parish Police Jury:

The Sheriff's office is located in the parish courthouse. Expenditures for maintenance and operation of the parish courthouse, as required by state statute, are paid by the Natchitoches Parish Government.

13. Related Parties:

There were no identified related party transactions.

14. Deferred Compensation Plan:

All the employees of the Natchitoches Parish Sheriff are eligible to participate in the State of Louisiana Public Employees Deferred Compensation Plan which is defined by Internal Revenue Code Section 457. Employees may contribute a portion of their salary to the plan on a pre-tax basis. The contributions are fully vested immediately and are remitted to a third-party administrator each pay period, where they are deposited to an account in the employee's name. The Natchitoches Parish Sheriff does not assume any liability for the funds and does not have any control over the funds once they are remitted to the third-party administrator. During the current year, the Sheriff elected to match 6% of the employees annual salary. During the current year, the Sheriff's contribution was \$162,230.

15. Risk Management

The Sheriff is exposed to various risk of loss related to torts, thefts of, damage to, and destruction of assets, errors and omissions, and injuries to employees. The Sheriff maintains commercial insurance coverage, workers' compensation insurance, and surety bond coverage to cover each of these risks of loss. There was no significant reductions in insurance coverage in the year ended June 30, 2022.

16. Tax Abatement:

The Louisiana Industrial Ad Valorem Tax Exemption program (Louisiana Administrative Code, Title 13, Chapter 5) is a state incentive program which abates, up to ten years, local ad valorem taxes on a manufacturer's new investment and annual capitalized additions related to the manufacturing site. Applications to exempt qualified property for five years are approved by the Louisiana Economic Development's Board of Commerce and Industry. The exemption may be renewed for an additional five years. For the fiscal year ending June 30, 2022, approximately \$295,171 in Natchitoches Parish Sheriff ad valorem tax revenues were abated by the state of Louisiana through the Louisiana Industrial Ad Valorem Tax Exemption program.

17. Subsequent Events:

Management has evaluated subsequent events through December 29, 2022, the date which the financial statements were available for issue. There were no items to be reported as subsequent events.

OTHER REQUIRED
SUPPLEMENTARY INFORMATION

Natchitoches Parish Sheriff
Natchitoches, Louisiana
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2022

	<u>Budget</u>			Variance Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES:				
Taxes	\$10,200,000	\$10,200,000	\$11,269,332	\$1,069,332
Fees, Fines, Commissions & Charges for Services	1,000,000	1,000,000	972,933	(27,067)
Inmate Fees & Commissions	600,000	600,000	514,786	(85,214)
Work Release Revenues	100,000	100,000	62,365	(37,635)
Detention Center Revenues	2,500,000	2,500,000	2,138,312	(361,688)
Intergovernmental	965,000	2,100,000	1,472,071	(627,929)
Miscellaneous	<u>90,000</u>	<u>90,000</u>	<u>135,686</u>	<u>45,686</u>
Total Revenues	<u>\$15,455,000</u>	<u>\$16,590,000</u>	<u>\$16,565,485</u>	<u>\$ (24,515)</u>
EXPENDITURES:				
Public Safety- Current-				
Personnel Services & Related Benefits	\$11,285,000	\$11,165,000	\$10,907,303	\$ 257,697
Operating Services	1,800,000	1,800,000	1,745,634	54,366
Materials & Supplies	845,000	840,000	835,606	4,394
Travel & Other Charges	35,000	21,000	31,270	(10,270)
Professional Services	215,000	210,000	171,533	38,467
Food - Detention Center	575,000	550,000	398,537	151,463
Work Release	160,000	160,000	18,066	141,934
Debt Service	540,000	540,000	572,127	(32,127)
Capital Outlay	<u>400,000</u>	<u>600,000</u>	<u>467,555</u>	<u>132,445</u>
Total Expenditures	<u>\$15,855,000</u>	<u>\$15,886,000</u>	<u>\$15,147,631</u>	<u>\$ 738,369</u>
Excess of Revenues over Expenditures	<u>\$ (400,000)</u>	<u>\$ 704,000</u>	<u>\$ 1,417,854</u>	<u>\$ 713,854</u>
OTHER FINANCING SOURCES:				
Proceeds from Capital Leases	\$ 400,000	\$ 0	\$ 204,077	\$ 204,077
Sale of Assets	<u>0</u>	<u>6,000</u>	<u>16,031</u>	<u>10,031</u>
Total Other Financing Sources	<u>\$ 400,000</u>	<u>\$ 6,000</u>	<u>\$ 220,108</u>	<u>\$ 214,108</u>
Excess of Revenues and Other Sources over Expenditures and Other Uses	\$ 0	\$ 710,000	\$ 1,637,962	\$ 927,962
Fund Balance - Beginning of Year	<u>10,104,038</u>	<u>10,104,038</u>	<u>10,104,038</u>	<u>0</u>
Fund Balance - End of Year	<u>\$10,104,038</u>	<u>\$10,814,038</u>	<u>\$11,742,000</u>	<u>\$ 927,962</u>

See independent auditor's report and notes to the financial statements.

Natchitoches Parish Sheriff
Natchitoches, Louisiana
Schedule of Employer's Share of Net Pension Liability
For the Year Ended June 30, 2022

<u>Year</u>	<u>Employer's Proportion of the Net Pension Liability (Asset)</u>	<u>Employer's Proportionate Share of the Net Pension Liability (Asset)</u>	<u>Employer's Covered Employee Payroll</u>	<u>Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll</u>	<u>Plan Fiduciary Net Pension as a Percentage of the Total Pension Liability</u>
<i>Sheriff's Pension and Relief Fund</i>					
2015	1.060528%	\$4,199,696	\$7,269,719	57.77%	87.34%
2016	1.096465%	\$4,887,512	\$7,667,983	63.74%	99.23%
2017	1.137991%	\$7,222,709	\$8,033,613	89.91%	82.10%
2018	1.161652%	\$5,030,271	\$7,729,710	65.08%	88.49%
2019	1.122078%	\$4,302,775	\$6,274,552	68.58%	90.41%
2020	1.068737%	\$5,055,371	\$7,530,830	67.13%	88.91%
2021	1.021778%	\$7,071,882	\$6,737,288	104.97%	84.73%
2022	0.925142%	\$ (458,454)	\$6,764,282	-6.78%	101.04%

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

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

See independent auditors' report and notes to the financial statements.

Natchitoches Parish Sheriff
Natchitoches, Louisiana
Schedule of Employer Contributions
For the Year Ended June 30, 2022

<u>Year</u>	<u>Contractually Required Contributions</u>	<u>Contributions in Relation to Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered Payroll</u>	<u>Contributions as a Percentage of Covered Employee Payroll</u>
<i>Sheriff's Pension and Relief Fund</i>					
2015	\$1,035,937	\$1,035,937	\$0	\$7,269,719	14.25%
2016	\$1,054,348	\$1,054,348	\$0	\$7,667,983	13.75%
2017	\$1,109,874	\$1,109,874	\$0	\$8,033,613	13.82%
2018	\$ 985,969	\$ 985,969	\$0	\$7,729,710	12.76%
2019	\$ 914,912	\$ 914,912	\$0	\$6,274,552	14.58%
2020	\$ 922,648	\$ 922,648	\$0	\$7,530,830	12.25%
2021	\$ 825,319	\$ 825,319	\$0	\$6,737,288	12.25%
2022	\$ 828,625	\$ 828,625	\$0	\$6,764,282	12.25%

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

Changes of Assumptions:

- There were no changes of benefit assumptions for the year ended June 30, 2022.

See independent auditors' report and notes to the financial statements.

Natchitoches Parish Sheriff
Natchitoches, Louisiana
Schedule of Changes in Net OPEB Liability and Related Ratios
For the Year Ended June 30, 2022

	6/30/22	6/30/21	6/30/20	6/30/19	6/30/18
Total OPEB Liability					
Service Cost	\$ 108,938	\$ 105,704	\$ 53,344	\$ 63,326	\$ 64,951
Interest	313,102	274,414	281,110	273,960	270,569
Changes of Benefit Terms	0	0	0	0	0
Differences between Expected and Actual Experience	2,006,268	1,054,488	620,580	455,457	362,056
Changes in Assumptions	(1,357,978)	1,005,139	3,747,921	406,264	(309,949)
Benefit Payments	<u>(377,081)</u>	<u>(362,832)</u>	<u>(343,917)</u>	<u>(241,382)</u>	<u>(266,699)</u>
Net Change in Total OPEB Liability	\$ 693,249	\$ 2,076,913	\$ 4,359,038	\$ 957,625	\$ 120,928
Total OPEB Liability - Beginning	\$14,440,992	\$12,364,079	\$ 8,005,041	\$7,047,416	\$6,926,488
Total OPEB Liability - Ending	\$15,134,241	\$14,440,992	\$12,364,079	\$8,005,041	\$7,047,416
Covered-Employee Payroll	\$ 6,488,960	\$ 6,978,537	\$ 6,775,279	\$7,839,827	\$7,611,483
Net OPEB Liability as a Percentage of Covered-Employee Payroll	233.23%	206.93%	182.49%	102.11%	92.59%

Notes to Schedule:

Benefit Changes. There were no changes of benefit terms for the year ended June 30, 2022.

Changes of Assumptions. The discount rate changed in the current year to 3.54%, which is a 1.38% increase from the prior year.

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

See independent auditors' report and notes to the financial statements.

Natchitoches Parish Sheriff
Natchitoches, Louisiana
Schedule of Compensation, Benefits and Other Payments to
Agency Head or Chief Executive Officer
For the Year Ended June 30, 2022

Agency Head Name: R. Stuart Wright, Sheriff

<u>Purpose</u>	<u>Amount</u>
Salary	\$184,086
Benefits-Retirement	23,695
Deferred Compensation	10,689
Dues	90
Registration Fees	385
Travel	1,130
Other	<u>172</u>
Total	<u>\$220,247</u>

See independent auditors' report.

Natchitoches Parish Sheriff
Natchitoches, Louisiana
Justice System Funding Schedule - Collecting/Disbursing Entity
As Required by Act 87 of the 2020 Regular Legislative Session
For the Year Ended June 30, 2022

	First Six Month Period Ended 12/31/2021	Second Six Month Period Ended 06/30/2022
Cash Basis Presentation		
Beginning Balance of Amounts Collected (i.e. cash on hand)	765,669	744,707
Add: Collections		
Civil Fees (<i>including refundable amounts such as garnishments or advance deposits</i>)	855,976	517,872
Bond Fees	82,495	108,643
Asset Forfeiture/Sale	-	-
Pre-Trial Diversion Program Fees	-	-
Criminal Court Costs/Fees	365,422	360,738
Criminal Fines - Contempt	-	-
Criminal Fines - Other	232,850	239,871
Restitution	-	-
Probation/Parole/Supervision Fees	-	-
Service/Collection Fees (e.g. credit card fees, report fees, 3rd party service fees)	-	-
Interest Earnings on Collected Balances	-	-
Other (<i>do not include collections that fit into more specific categories above</i>)	-	-
Subtotal Collections	1,536,743	1,227,124
Less: Disbursements To Governments & Nonprofits: (<i>Must include one agency name and one collection type on each line and may require multiple lines for the same agency if more than one collection type is applicable. Additional rows may be added as necessary.</i>)		
Orleans Parish Sheriff - Civil Fees	30	-
Beauregard Parish Sheriff - Civil Fees	-	-
East Baton Rouge Parish Sheriff - Civil Fees	-	113
Sabine Parish Sheriff - Civil Fees	74	-
Jefferson Parish Sheriff - Civil Fees	90	-
Caddo Parish Sheriff - Civil Fees	69	244
Ouachita Parish Sheriff - Civil Fees	116	71
Natchitoches Parish Clerk of Court - Civil Fees	183,535	10,991
Natchitoches Parish Clerk of Court - Bond Fees	240	316
Natchitoches Parish Clerk of Court - Criminal Court Costs/Fees	25,758	25,510
Natchitoches Tax Commission - Civil Fees	271	828
Tenth Judicial District Court - Bond Fees	7,414	6,190
Tenth Judicial District Court - Criminal Court Costs/Fees	38,230	35,384
Tenth Judicial District Court - Criminal Fines - Other	57,755	58,648
Indigent Defender Board - Bond Fees	7,654	6,506
Indigent Defender Board - Criminal Court Costs/Fees	80,823	74,663

See independent auditors' report.

Natchitoches Parish Sheriff
Natchitoches, Louisiana
Justice Funding Schedule - Collecting/Disbursing Entity (continued)
As Required by Act 87 of the 2020 Regular Legislative Session
For the Year Ended June 30, 2022

Tenth Judicial District Attorney - Bond Fees	8,254	7,296
Tenth Judicial District Attorney - Criminal Court Costs/Fees	29,625	26,894
Tenth Judicial District Attorney - Criminal Fines - Other	31,224	28,153
North LA Crime Lab - Bond Fees	240	316
North LA Crime Lab - Criminal Court Costs/Fees	52,573	51,097
LA Treasury - CMIS - Criminal Court Costs/Fees	4,437	4,028
LA Traumatic Head & Spinal Cord Fund - Criminal Court Costs/Fees	4,755	4,410
Natchitoches Parish Government - Criminal Court Costs/Fees	104,147	95,083
Natchitoches Parish Government - Criminal Fines - Other	140,050	119,671
LA Supreme Court - Criminal Court Costs/Fees	713	625
LA Commission on Law Enforcement - Criminal Court Costs/Fees	3,392	3,381
LA State Police - Criminal Court Costs/Fees	200	274
Ware Youth Center - Criminal Court Costs/Fees	11,100	10,076
LA Wildlife & Fisheries - Criminal Court Costs/Fees	75	5
City of Natchitoches - Bond Fees	-	230
Natchitoches Coroner's Office - Criminal Court Costs/Fees	220	370
Natchitoches Public Defender - Criminal Court Costs/Fees	660	190
Less: Amounts Retained by Collecting Agency		
Collection Fee for Collecting/Disbursing to Others Based on Percentage of Collection	1,512	3,612
Collection Fee for Collecting/Disbursing to Others Based on Fixed Amount	45,123	46,553
Bond Fees	18,937	51,501
Criminal Court Costs/Fees	27,300	29,330
Criminal Fines - Other	31,224	28,153
Less: Disbursements to Individuals/3rd Party Collection or Processing Agencies		
Civil Fee Refunds	24,714	297,689
Bond Fee Refunds	16,017	20,350
Restitution Payments to Individuals (additional detail is not required)		
Other Disbursements to Individuals (additional detail is not required)	599,154	176,826
Payments to 3rd Party Collection/Processing Agencies		
Subtotal Disbursements/Retainage	1,557,705	1,225,577
Total: Ending Balance of Amounts Collected but not Disbursed/Retained (i.e. cash on hand)	744,707	746,254
Ending Balance of "Partial Payments" Collected but not Disbursed <i>(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.</i>	-	-
Other Information:		
Ending Balance of Total Amounts Assessed but not yet Collected <i>(i.e. receivable balance)</i>	-	-
Total Waivers During the Fiscal Period <i>(i.e. non-cash reduction of receivable balances, such as time served or community service)</i>	-	-

See independent auditors' report.

Natchitoches Parish Sheriff
Natchitoches, Louisiana
Annual Reporting Requirement of Sheriff as Ex Officio
Tax Collector to Legislative Auditor
As Required by Act 711 of the 2010 Regular Legislative Session
For the Year Ended June 30, 2022

STATE OF LOUISIANA

PARISH OF NATCHITOCHES

AFFIDAVIT

The Honorable R. Stuart Wright, Sheriff of Natchitoches Parish

BEFORE ME, the undersigned authority, personally came and appeared, R. Stuart Wright, the sheriff of Natchitoches Parish, State of Louisiana, who after being duly sworn, deposed and said:

The following information is true and correct:

\$69,918 is the amount of cash on hand in the tax collector account on June 30, 2022;

He further deposed and said:

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

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


Sheriff of Natchitoches Parish

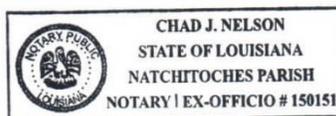
SWORN to and subscribed before me, Notary, this 29TH day of DECEMBER 20 22, in my office in NATCHITOCHES, Louisiana.
(City/Town)



(Signature)

CHAD J. NELSON (Print), # 150151
Notary Public

(Commission)



OTHER REPORTS/SCHEDULES

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

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

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

321 Bienville Street
Natchitoches, Louisiana 71457
(318) 352-3652
Fax (318) 352-4447
www.tcbtcpa.com

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

Stuart Wright, Sheriff
of Natchitoches Parish
P O Box 266
Natchitoches, LA 71458

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the *Louisiana Governmental Audit Guide*, the financial statements of the governmental activities, the major fund, and fiduciary funds as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Natchitoches Parish Sheriff's (Sheriff) basic financial statements and have issued our report thereon dated December 29, 2022.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Thomas, Cunningham, Broadway & Todtenbier, CPA's

Thomas, Cunningham, Broadway & Todtenbier, CPA's
Natchitoches, Louisiana

December 29, 2022

Natchitoches Parish Sheriff
Natchitoches, Louisiana
Schedule of Findings
Year Ended June 30, 2022

I. SUMMARY OF AUDIT RESULTS

The following summarize the audit results:

1. An unmodified opinion was issued on the financial statements of the Natchitoches Parish Sheriff as of and for the year ended June 30, 2022.
2. The audit disclosed no material weakness in internal control that is required to be reported under *Government Auditing Standards*.
3. The audit disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

II. FINDINGS IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

No findings were identified.

III. PRIOR YEAR FINDINGS

2021-001 Misappropriation of Funds

Condition - The Deputy over the Cash Bonds Account admitted to misappropriation of cash receipts in the amount of \$11,050 for October 2019 over a one month period. The amount of the misappropriation was verified by the outside CPA firm and the Major of Civil Bureau. The Deputy was arrested by the Natchitoches Parish Sheriff's Department and bond was set. Full restitution has been made.

Status - *This was cleared as of June 30, 2022.*

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

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

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

321 Bienville Street
Natchitoches, Louisiana 71457
(318) 352-3652
Fax (318) 352-4447
www.tcbtcpa.com

**INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING
STATEWIDE AGREED-UPON PROCEDURES**

To the Natchitoches Parish Sheriff and the Louisiana Legislative Auditor:

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

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

The procedures and associated findings are as follows:

Written Policies and Procedures

1. We obtained and inspected the entity's written policies and procedures and observed that they address each of the following categories and subcategories (or noted that the entity does not have any written policies and procedures), as applicable:
 - ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
 - ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
 - ***Disbursements***, including processing, reviewing, and approving.
 - ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation.)

- **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedule.
- **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- **Credit Cards (and debit cards, fuel cards, 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).
- **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
- **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- **Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

a) Procedure Results - We noted no exceptions with regard to the written policies and procedures.

Board or Finance Committee

2. We obtained and inspected the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent documents in effect during the fiscal period, and:
 - Observed that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - Observed that the minutes referenced or included monthly budget-to-actual comparisons on the General Fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds.

- Obtained the prior year audit report and observed the unassigned fund balance in the General Fund. If the General Fund had a negative ending unrestricted fund balance in the prior year audit report, observed that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the General Fund.

a) Procedure Results - We noted no exceptions with regard to Board or Finance Committee.

Bank Reconciliations

3. We obtained a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Management identified the entity's main operating account. We selected the entity's main operating account and randomly selected 4 additional accounts (or all if less than 5). We randomly selected one month from the fiscal period, and obtained and inspected the corresponding bank statement and reconciliation for the selected accounts, and observed that:

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

a) Procedure Results - We noted no exceptions regarding Bank Reconciliations.

Collections (excluding electronic funds transfers)

4. We obtained a listing of deposit sites for the fiscal period where deposits for cash/check/money order (cash) are prepared and management's representation that the listing is complete. We randomly selected 5 deposit sites (or all deposit sites if less than 5).

5. We obtained a listing of collection locations and management's representation that the listing is complete. We randomly selected one collection location for each deposit site selected. We obtained and inspected written policies and procedures relating to employee job duties (if no written policies or procedures, inquired of employees about their job duties) at each collection location, and observed that job duties were properly segregated at each collection location such that:

- Employees that are responsible for cash collections do not share cash drawers/registers.
- Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
- Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.

- The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.
6. We obtained from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. We observed that the bond or insurance policy for theft was enforced during the fiscal period.
7. We randomly selected two deposit dates for each of the bank accounts selected for procedure #3 under “Bank Reconciliations” above (selected the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly selected a deposit if multiple deposits were made on the same day). We obtained supporting documentation for each of the deposits selected and:
- We observed that receipts are sequentially pre-numbered.
 - We traced sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - We traced the deposit slip total to the actual deposit per the bank statement.
 - We observed that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
 - We traced the actual deposit per the bank statement to the general ledger.
- a) Procedure Results - We noted no exceptions regarding Collections.

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

8. We obtained a listing of locations that process payments for the fiscal period and management’s representation that the listing is complete. We randomly selected the required amount of disbursement locations (up to five).
9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. We obtained written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and we observed that job duties are properly segregated such that:
- At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
 - At least two employees are involved in processing and approving payments to vendors.
 - The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
 - Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

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

- We observed that the disbursement matched the related original itemized invoice and that documentation indicates that deliverables included on the invoice were received by the entity.
- We observed that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

a) Procedure Results - We noted no exceptions with regard to Non-Payroll Disbursements.

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

11. We obtained 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. We obtained management's representation that the listing is complete.

12. Using the listing prepared by management, we randomly selected the required amount of cards (up to five) that were used during the fiscal period. We randomly selected one monthly statement or combined statement for each card (for a debit card, randomly selected one monthly bank statement), and obtained supporting documentation, and:

- We observed that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder.
- We observed that finance charges and late fees were not assessed on the selected statements.

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, we randomly selected the required amount transactions (up to ten) from each statement, and obtained supporting documentation for the transactions. For each transaction, we observed that it is supported by (1) an original itemized receipt that identified 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, we described the nature of the transaction and noted whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

a) Procedure Results - We noted no exceptions with regard to Credit Cards/Debit Cards/Fuel Cards/P-Cards.

Travel and Expense Reimbursement

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

- If reimbursed using a per diem, we observed that the approved reimbursement rate is no more than those rates established by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
- If reimbursed using actual costs, we observed that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
- We observed that each reimbursement was supported by documentation of the business/public purpose (for meal charges, we observed that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
- We observed that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.
 - a) Procedure Results - We noted no exceptions with regard to Travel and Expense Reimbursements.

Contracts

15. We obtained 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. We obtained management's representation that the listing is complete. We randomly selected the required amount of contracts (up to five) from the listing, excluding our contract, and:
- We observed that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
 - We observed that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).
 - If the contract was amended (e.g. change order), we observed that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g. if approval is required for any amendment was approval documented).
 - We randomly selected one payment from the fiscal period for each of the selected contracts, obtained the supporting invoice, agreed the invoice to the contract terms, and observed that the invoice and related payment agreed to the terms and conditions of the contract.
- a) Procedure Results - We noted no exceptions with regard to Contracts.

Payroll and Personnel

16. We obtained a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. We randomly selected five employees/officials, obtained related paid salaries and personnel files, and agreed paid salaries to authorized salaries/pay rates in the personnel files.
17. We randomly selected one pay period during the fiscal period. For the five employees/officials selected under #16 above, we obtained attendance and leave documentation for the pay period, and:
- We observed that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).

- We observed that supervisors approved the attendance and leave of the selected employees/officials.
 - We observed that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
 - We observed that the rate paid to the employees or officials agree to the authorized salary/pay rate found with the personnel file.
18. We obtained a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. If applicable, we selected two employees or officials, and obtained related documentation of the hours and pay rates used in management's termination payment calculations and the entity policy on termination payments. If applicable, we agreed the hours to the employees or officials' cumulative leave records, and the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and the termination payment to entity policy.
19. We obtained management's representation that employer and employee portions of third-party payroll related amounts (e.g. payroll taxes, retirement contributions, health insurance premiums, workers' compensation premiums, etc.) have been paid, and associated forms have been filed, by required deadlines.
- a) Procedure Results - We noted no exceptions with regard to Payroll and Personnel.

Ethics

20. Using the five randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, we obtained ethics compliance documentation from management, and:
- We observed that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
 - We observed that the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.
- a) Procedure Results - We noted no exceptions regarding Ethics.

Debt Service

21. We obtained a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. We selected all debt instruments on the listing, obtained supporting documentation, and observed that State Bond Commission approval was obtained for each bond/note issued.
22. We obtained a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. We randomly selected one bond/note, inspected debt covenants, obtained supporting documentation for the reserve balance and payments, and agreed actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).
- a) Procedure Results - We noted no exceptions with regard to Debt Service.

Fraud Notice

23. We obtained a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. We selected all misappropriations on the listing, obtained supporting documentation, and observed that the entity reported the misappropriation(s) to the legislative auditor and the District attorney of the parish in which the entity is domiciled.
24. We observed whether 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.
- a) Procedure Results - We noted no exceptions with regard to the Fraud Notice.

Information Technology Disaster Recovery/Business Continuity

25. We performed the following procedures:
- We obtained and inspected the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquired of personnel responsible for backing up critical data) and observed that such backup occurred within the past week. If backups are stored on the physical medium (e.g., tapes, CDs), we observed that backups are encrypted before being transported.
 - We obtained and inspected the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquired of personnel responsible for testing/verifying backup restoration) and observed evidence that the test/verification was successfully performed within the past 3 months.
 - We obtained a listing of the entity's computers currently in use, and their related locations, and management's representation that the listing is complete. We randomly selected the required number of computers (at least 5) and observed while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.
- a) Procedure Results - We performed the procedure and discussed the results with management.

Sexual Harassment

26. We randomly selected the employees/officials from procedure #16 under "Payroll and Personnel" above, obtained sexual harassment training documentation from management, and observed that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.
27. We observed that the entity has posted its sexual harassment policy and complaint procedures on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).
28. We obtained the entity's annual sexual harassment report for the current fiscal period, observed that the report was dated on or before February 1, and observed that it includes the applicable requirements of R.S. 42:344:
- Number and percentage of public servants in the agency who have completed the training requirements;

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

a) Procedure Results - We noted no exceptions regarding Sexual Harassment.

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

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

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

Thomas, Cunningham, Broadway + Todtenbier, CPA's

Thomas, Cunningham, Broadway & Todtenbier, CPA's
Natchitoches, Louisiana

December 29, 2022