

**DESOTO PARISH SHERIFF
Mansfield, Louisiana**

**Financial Statements
For Year Ended June 30, 2021**

DESOTO PARISH SHERIFF
Mansfield, Louisiana
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Independent Auditor's Report

Honorable Jayson Richardson
DeSoto Parish Sheriff
Mansfield, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the general fund and aggregate nonmajor governmental funds and each fiduciary fund type of the DeSoto Parish Sheriff as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Sheriff's basic financial statements as listed in the table of contents.

Management's Responsibility 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; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinions

In our opinion, the financial statements referred to above, present fairly, in all material respects, the respective financial position of the governmental activities, the general fund and the aggregate nonmajor governmental funds and each fiduciary fund type of the DeSoto Parish Sheriff as of June 30, 2021, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplemental Information Part I

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, listed in the table of contents as "Required Supplemental Information Part I", be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is presented for purposes of additional analysis and 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 management's discussion and analysis 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.

Required Supplemental Information Part II and Other Supplemental Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the DeSoto Parish Sheriff's basic financial statements. The "Required Supplemental Information-Part II", as listed in the table of contents, and the "Other Supplemental Information", as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The "Required Supplemental Information—Part II" and the "Other Supplemental Information", as listed in the table of contents are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statement themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the "Required Supplemental Information—Part II" and the "Other Supplemental Information" is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 15, 2022, on our consideration of the DeSoto Parish Sheriff's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering DeSoto Parish Sheriff's internal control over financial reporting and compliance.

Dees Gardner, Certified Public Accountants, LLC

Mansfield, Louisiana
March 15, 2022

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

DeSoto Parish Sheriff
Mansfield, Louisiana
FYE June 30, 2021
Management's Discussion and Analysis (Unaudited)

Within this section of the DeSoto Parish Sheriff's (the Sheriff) annual financial report, the Sheriff's management is pleased to provide this narrative overview and analysis of the financial activities of the Sheriff as of and for the fiscal year ended June 30, 2021. The Sheriff's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section. We encourage readers to consider the information presented here in conjunction with the Sheriff's basic financial statements and supplementary information provided in this report in assessing the efficiency and effectiveness of our stewardship of public resources.

FINANCIAL HIGHLIGHTS

- The Sheriff's total net position decreased \$288,246 (0.64%) during the fiscal year reported compared to an decrease of \$149,194 (0.33%) at June 30, 2020, and an increase of \$851,425 (1.92%) at June 30, 2019. At June 30, 2021, the assets of the Sheriff exceeded its liabilities by \$44,783,974 compared to the prior year's ending net position of \$45,028,220.
- The net pension liability reported as a long-term liability increased \$3,169,526 (53.88%) to \$9,051,712 for year end June 30, 2021 in the Statement of Net Position.
- The other postemployment benefit obligations (OPEB) reported as a long-term liability increased \$1,778,816 (12.62%) to \$15,874,537 for year end June 30, 2021 in the Statement of Net Position.
- Property tax revenue increased \$180,932 (2.03%) to \$9,104,623 during this fiscal year compared to an increase of 3.17% for the year ended June 30, 2020.
- Sales tax revenue decreased \$674,266 (13.04%) to \$4,495,442 during the fiscal year reported compared to a decrease of \$341,705 (6.20%) to \$5,169,708 at June 30, 2020, and an decrease of \$631,392 (10.28%) to \$5,511,413 at June 30, 2019.
- The Sheriff's total general and program revenues were \$19,337,956 during the year ended June 30, 2021, compared to \$19,361,987 and \$18,010,293 during years ended June 30, 2020, and June 30, 2019, respectively.
- During the year ended June 30, 2021, the Sheriff's total expenses, excluding depreciation, was \$18,544,302, compared to \$18,589,161 and \$16,166,036 during years ended June 30, 2020 and June 30, 2019, respectively. Depreciation expense was \$1,081,900 in 2021; \$922,021 in 2020; and \$992,832 in 2019.
- The Sheriff's governmental funds report ending fund balance this year is \$55,470,853. This compares to the prior year ending fund balance of \$55,577,778.
- The Sheriff's capital assets had a net increase of \$1,002,485 for the year ended June 30, 2021, net increase of \$2,565,808 for year ended June 30, 2020, and net increase of \$354,311 for the year ended June 30, 2019.

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

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Governmental Fund Financial Statements

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

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

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

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

Government-Wide Financial Statements

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

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

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

Fiduciary Fund Type Financial Statements

The Fiduciary fund financial statements report taxes collected for other taxing bodies, deposits held pending court action and the individual prison inmate accounts. The Sheriff only reports custodial funds. The statement of fiduciary assets and liabilities – custodial funds and statement of changes in fiduciary net position – custodial funds are presented as basic financial statements in this report.

Notes to the Basic Financial Statements

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

Required Supplemental Information

The basic financial statements and accompanying notes are followed by a section of required supplementary information concerning the Sheriff's budget presentations and retiree health benefits. Budgetary comparison statements are included for the general fund as "required supplementary information." This statement is a schedule demonstrating compliance with the Sheriff's adopted and final revised budget.

Other Supplemental Information

Following the required supplementary information is supplementary information including a combining balance sheet for other governmental funds, and a combining statement of revenues, expenditures and changes in fund balances for other governmental funds. A report for the Sheriff as ex officio tax collector is presented as required by the Louisiana Legislative Auditor. The schedule of compensation, benefits and other payments to agency head or chief executive officer is presented to fulfil the requirements of Louisiana Revised Statute 24:513(A)(3). The justice system funding schedule – collecting/disbursing entity and the justice system funding schedule – receiving entity are presented to fulfil the requirements of Louisiana Revised Statute 24:515.2.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position

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

	June 30, 2021		June 30, 2020		June 30, 2019	
	Governmental Activities	% of Total	Governmental Activities	% of Total	Governmental Activities	% of Total
ASSETS						
Cash and interest-bearing deposits	\$ 50,060,598	74.52%	\$ 49,997,479	75.27%	\$ 51,523,306	79.50%
Investments	4,960,114	7.38%	4,927,467	7.42%	4,884,947	7.54%
Receivables	936,764	1.39%	1,043,092	1.57%	665,911	1.03%
Prepaid items	47,084	0.07%	279,277	0.42%	123,165	0.19%
Capital assets, net	11,177,167	16.64%	10,174,681	15.32%	7,608,873	11.74%
TOTAL ASSETS	67,181,727	100.00%	66,421,996	100.00%	64,806,202	100.00%
DEFERRED OUTFLOWS OF RESOURCES						
OPEB related	6,011,506	49.72%	5,404,888	61.64%	445,480	13.99%
Pension related	6,078,884	50.28%	3,364,136	38.36%	2,739,775	86.01%
TOTAL DEFERRED OUTFLOWS OF RESOURCES	12,090,390	100.00%	8,769,024	100.00%	3,185,255	100.00%
LIABILITIES						
Current liabilities:						
Accounts and other accrued payables	432,641	1.68%	542,967	2.61%	787,050	3.81%
Long-term liabilities:						
Compensated absences	347,928	1.35%	311,154	1.49%	288,382	1.40%
Claims payable	44,000	0.17%	-	0.00%	-	-
Other postemployment benefit obligations	15,874,537	61.65%	14,095,721	67.66%	15,026,672	72.75%
Net pension liabilities	9,051,712	35.15%	5,882,186	28.24%	4,553,350	22.04%
TOTAL LIABILITIES	25,750,818	100.00%	20,832,028	100.00%	20,655,454	100.00%
DEFERRED INFLOWS OF RESOURCES						
OPEB related	7,719,526	87.91%	8,199,993	87.88%	609,057	28.22%
Pension related	1,061,799	12.09%	1,130,779	12.12%	1,549,531	71.78%
TOTAL DEFERRED INFLOWS OF RESOURCES	8,781,325	100.00%	9,330,772	100.00%	2,158,588	100.00%
NET POSITION						
Net investment in capital assets	11,177,167	24.98%	10,174,681	22.60%	7,608,873	16.84%
Restricted for other uses	6,462	0.01%	6,802	0.02%	14,462	0.03%
Unrestricted	33,556,345	75.00%	34,846,737	77.39%	37,554,079	83.13%
TOTAL NET POSITION	\$ 44,739,974	100.00%	\$ 45,028,220	100.00%	\$ 45,177,414	100.00%

As noted earlier, net position may serve over time as a useful indicator of the Sheriff's financial position. The Sheriff's net position total is \$44,739,974 at June 30, 2021.

A portion of the Sheriff's net position \$11,177,167 (24.98%) reflects its investment in capital assets such as buildings, safety equipment, vehicles, and computer hardware and software. The Sheriff uses these capital assets to provide services to the citizens of the parish; consequently, these assets are not available for future spending. There is no outstanding debt related to these assets. At June 30, 2021, \$33,556,345 is unrestricted and may be used to meet the Sheriff's ongoing obligations to citizens and creditors at the discretion of the Sheriff. The unrestricted net position consists primarily of cash, demand and time deposits, and investments in the Louisiana Asset Management Plan (LAMP).

Changes in Net Position

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

	SUMMARY OF STATEMENTS OF ACTIVITIES					
	June 30, 2021		June 30, 2020		June 30, 2019	
	Governmental Activities	% of Total	Governmental Activities	% of Total	Governmental Activities	% of Total
REVENUES:						
Program:						
Charges for services/fines	\$ 3,176,923	16.43%	\$ 2,693,570	13.91%	\$ 1,615,945	8.97%
Operating and capital grants	1,448,437	7.49%	1,543,460	7.97%	1,222,033	6.79%
General:						
Property taxes	9,104,623	47.08%	8,923,691	46.09%	8,649,778	48.03%
Sales tax	4,495,442	23.25%	5,169,708	26.70%	5,511,413	30.60%
Video poker	219,228	1.13%	150,009	0.77%	162,813	0.90%
Unrestricted state grants	51,808	0.27%	51,857	0.27%	51,484	0.29%
Interest	114,978	0.59%	299,164	1.55%	272,809	1.51%
Gain on sale/disposal of assets	119,686	0.62%	(16,092)	-0.08%	(1,500)	-0.01%
Miscellaneous	606,831	3.14%	546,620	2.82%	525,518	2.92%
TOTAL REVENUES	19,337,956	100%	19,361,987	100%	18,010,293	100%
PROGRAM EXPENSES:						
Public safety	(19,626,202)		(19,511,182)		(17,158,868)	
TOTAL EXPENSES	(19,626,202)		(19,511,182)		(17,158,868)	
CHANGE IN NET POSITION	(288,246)		(149,195)		851,425	
BEGINNING NET POSITION	45,028,220		45,177,415		44,325,990	
ENDING NET POSITION	\$ 44,739,974		\$ 45,028,220		\$ 45,177,415	

Revenues

The Sheriff is heavily reliant on sales and property taxes to support operations. Sales tax revenue dedicated to personnel salaries provided \$4,495,442 (23.25%) of revenue during the current fiscal year. This was a decrease of \$674,266 (13.04%) over the year ended June 30, 2020, and a decrease of \$1,015,971 (18.43%) over the year ended June 30, 2019. Property taxes provided 47.08% of the Sheriff's total revenues. \$14,712,596 (76.08%) of total revenue was derived from general revenues including property and sales tax, video poker, state revenue sharing, interest, and miscellaneous. This compares to general revenues of \$15,124,957 (78.12%) in June 30, 2020, and \$15,172,315 (84.24%) in June 30, 2019.

Note that program revenues covered 23.57% of the government's operating expenses for year end June 30, 2021, compared to 21.72% and 16.54% for the years ended June 30, 2020 and June 30, 2019, respectively. This means that the government's taxpayers and the Sheriff's other general revenues funded 76.43% of its operations during the year ended June 30, 2021; 78.28% for year ended June 30, 2020 and; 83.46% for year ended June 30, 2019.

Interest earnings of \$114,978 were generated to support governmental activities for year end June 30, 2021, down \$184,186 (61.6%) over last year.

Functional Expenses

The total function of the Sheriff's office is public safety-law enforcement activities. Of the total costs, depreciation on the buildings, office equipment and vehicles was \$1,081,900 or 5.52% of total expenses.

FINANCIAL ANALYSIS OF THE INDIVIDUAL FUNDS

General Fund--Major Governmental Fund

The General Fund is the Sheriff's primary operating fund and the largest source of day-to-day service delivery. The General Fund's 2021 fund balance decreased by \$106,925. Overall, revenues from all sources decreased \$104,450 (0.55%) for the year. Expenditures reflect an decrease of \$706,559 over last year, or about 3.62%.

Non-major Governmental Funds

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

The non-major Special Revenue Funds' revenues (detailed in Schedule 6 as supplemental information) increased by \$958 over 2020 and expenditures increased by \$24,911. Along with operating transfers the net effect was a fund balance decrease of \$22,999 for 2021 versus the 2020 net decrease of \$546.

GENERAL FUND BUDGETARY HIGHLIGHTS

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

Actual revenues and other financing sources available for expenditure were \$690,014 (3.82%) more than originally budgeted. Actual expenditures and other financing uses were \$809,239 (4.51%) more than the final budgeted amounts.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The Sheriff's investment in capital assets, as of June 30, 2021, was \$18,399,534, net of accumulated depreciation of \$7,222,367, leaving a book value of \$11,177,167. This investment in capital assets consists of safety equipment, vehicles, office furniture and equipment, farm, training and communications equipment, buildings and improvements, and computer hardware and software. The total net increase in the Sheriff's investment in capital assets for the current year was \$1,002,485 (9.85%).

Additions to capital assets during year end June 30, 2021, included 12 vehicles for \$906,808; communication, safety, farm, and office equipment for \$120,865; \$55,422 in building improvements; and \$1,015,445 construction in progress additions for 3 communication tower projects. Depreciation charges for the year totaled \$1,081,900 compared to \$922,021 and \$992,832 for 2020 and 2019, respectively.

At June 30, 2021, the depreciable capital assets for governmental activities were 39% depreciated versus 38% and 47.5% in the prior two years. This comparison indicates that the Sheriff is replacing his assets at a steady rate. This percentage is a positive indicator.

Debt

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The annual budget is developed to provide efficient, effective, and economic uses of the Sheriff's resources, as well as a means to accomplish the highest priority objectives. Through the budget, the Sheriff sets the direction of the department, allocates its resources, and establishes its priorities. Due to the COVID-19 pandemic, the United States has experienced volatile economic conditions and disruption of general business activities. The Sheriff has experienced impacts from the pandemic resulting in increased costs for vehicles and equipment. The following economic factors were considered when the budget for the fiscal year end June 30, 2022, was prepared.

- Sales tax and property revenues are conservatively expected to remain constant over the prior year.
- The Sheriff plans to continue to update the vehicles in the department as well as update equipment but at an increased cost.
- The Sheriff is building communications towers in Pelican, Stonewall, and Logansport.
- Other revenues and expenditures are expected to be consistent with the prior year.

CONTACTING THE SHERIFF'S FINANCIAL MANAGEMENT

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

BASIC FINANCIAL STATEMENTS

DESOTO PARISH SHERIFF
Mansfield, Louisiana

GOVERNMENTAL FUNDS BALANCE SHEET / STATEMENT OF NET POSITION

June 30, 2021

	Governmental Funds Financial Statements				Government-wide
	Balance Sheet			Adjustments	Statements
	General Fund	Nonmajor Funds	Total		Statement of Net Position
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 49,971,502	\$ 89,096	\$ 50,060,598	\$ -	\$ 50,060,598
Investments	4,960,114	-	4,960,114	-	4,960,114
Accounts receivables, net	936,764	-	936,764	-	936,764
Interfund receivable	-	4,115	4,115	(4,115)	-
Prepaid expenses	47,084	-	47,084	-	47,084
Noncurrent assets:					
Capital assets, net of accumulated depreciation	-	-	-	11,177,167	11,177,167
TOTAL ASSETS	\$ 55,915,464	\$ 93,211	\$ 56,008,675	11,173,052	67,181,727
DEFERRED OUTFLOWS OF RESOURCES					
OPEB related				6,011,506	6,011,506
Pension related				6,078,884	6,078,884
TOTAL DEFERRED OUTFLOWS OF RESOURCES				12,090,390	12,090,390
LIABILITIES					
Current liabilities:					
Accounts payable	\$ 74,797	\$ -	\$ 74,797	-	74,797
Interfund payables	4,115	-	4,115	(4,115)	-
Payroll related liabilities	357,844	-	357,844	-	357,844
Noncurrent liabilities:					
Unavailable ad valorem taxes	7,855	-	7,855	(7,855)	-
Compensated absences	-	-	-	347,928	347,928
Other postemployment benefit obligations	-	-	-	15,874,537	15,874,537
Claims payable	-	-	-	44,000	44,000
Net pension liability	-	-	-	9,051,712	9,051,712
TOTAL LIABILITIES	444,611	-	444,611	25,306,207	25,750,818
DEFERRED INFLOWS OF RESOURCES					
OPEB related				7,719,526	7,719,526
Pension related				1,061,799	1,061,799
TOTAL DEFERRED INFLOWS OF RESOURCES				8,781,325	8,781,325
FUND BALANCE/NET POSITION					
Fund Balances:					
Nonspendable:					
Prepaid expenses	47,084	-	47,084	(47,084)	-
Restricted:					
DARE program	-	6,462	6,462	(6,462)	-
Assigned:					
Drug task force	-	21,097	21,097	(21,097)	-
Criminal Interdiction	-	65,652	65,652	(65,652)	-
Unassigned	55,423,769	-	55,423,769	(55,423,769)	-
TOTAL FUND BALANCES	55,470,853	93,211	55,564,064	(55,564,064)	-
TOTAL LIABILITIES AND FUND BALANCE	\$ 55,915,464	\$ 93,211	\$ 56,008,675	-	-
Net Position:					
Net investment in capital assets				11,177,167	11,177,167
Restricted				6,462	6,462
Unrestricted				33,556,345	33,556,345
TOTAL NET POSITION				\$ -	\$ 44,739,974
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION					\$ 79,272,117

The notes to the financial statements are an integral part of this statement.

See the accompanying independent auditor's report.

DESOTO PARISH SHERIFF
Mansfield, Louisiana

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

June 30, 2021

Total Fund Balance, Governmental Funds	\$	55,564,064
<p>Certain deferred outflows are reported in the Statement of Net Position but not in the governmental funds.</p>		
Deferred outflows-pension related		6,078,884
Deferred outflows - OPEB		6,011,506
<p>Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in fund financial statement, but are reported in the governmental activities of the Statement of Net Position.</p>		
Cost of capital assets	\$ 18,399,534	
Less accumulated depreciation	<u>(7,222,367)</u>	11,177,167
<p>Certain unearned revenues are reported in the governmental fund but not in the Statement of Net Assets.</p>		
		7,855
<p>Long-term liabilities are not due and payable in the current period and are not included in the fund financial statements but are included in the governmental activities of the Statement of Net Position.</p>		
Compensated absences		(347,928)
Other post employment benefit obligation		(15,874,537)
Claims payable		(44,000)
Net pension liability		(9,051,712)
Deferred inflows-pension related		(1,061,799)
Deferred inflows-OPEB related		(7,719,526)
Net Position of Governmental Activities in the Statement of Net Position	\$	<u><u>44,739,974</u></u>

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

DESOTO PARISH SHERIFF
Mansfield, Louisiana

STATEMENT OF GOVERNMENTAL FUNDS REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES /
STATEMENT OF ACTIVITIES
For the year ending June 30, 2021

	Governmental Funds Financial Statements				Government-wide Statements Statement of Activities
	Statement of Revenue, Expenditures and Changes in Fund Balance				
	General Fund	Nonmajor Funds	Total	Adjustments	
EXPENDITURES/EXPENSES					
Public Safety:					
Personal services & related benefits	\$ 13,781,934	\$ 14,626	\$ 13,796,560	\$ 1,699,245	\$ 15,495,805
Operating expenses	1,325,290	85,056	1,410,346	44,000	1,454,346
Material & supplies	1,503,006	12,886	1,515,892	-	1,515,892
Travel & other charges	77,919	340	78,259	-	78,259
Capital outlays	2,098,540	-	2,098,540	(2,098,540)	-
Depreciation	-	-	-	1,081,900	1,081,900
TOTAL EXPENDITURES/EXPENSES	18,786,689	112,908	18,899,597	726,605	19,626,202
PROGRAM REVENUES					
Prisoner reimbursement fees	476,556	-	476,556	-	476,556
Contractual fees	1,968,731	-	1,968,731	-	1,968,731
Fines, forfeitures, and other commissions	730,236	1,400	731,636	-	731,636
Operating grants and contributions	1,409,928	38,509	1,448,437	-	1,448,437
TOTAL PROGRAM REVENUES	4,585,451	39,909	4,625,360	-	4,625,360
NET PROGRAM EXPENSE	(14,201,238)	(72,999)	(14,274,237)	(726,605)	(15,000,842)
GENERAL REVENUES					
Property taxes	9,107,128	-	9,107,128	(2,505)	9,104,623
Sales taxes	4,495,442	-	4,495,442	-	4,495,442
State revenue sharing	51,808	-	51,808	-	51,808
Video poker	219,228	-	219,228	-	219,228
Miscellaneous income	21,889	-	21,889	584,942	606,831
Investment earnings	114,978	-	114,978	-	114,978
TOTAL GENERAL REVENUES	14,010,473	-	14,010,473	582,437	14,592,910
EXCESS(DEFICIENCY) OF REVENUES OVER EXPENDITURES/ CHANGES IN NET POSITION	(190,765)	(72,999)	(263,764)	(144,168)	(407,932)
Other financing sources(uses):					
Operating transfers in(out)	(50,000)	50,000	-	-	-
Sale of assets/ Gain (loss) on sale of assets	35,597	-	35,597	(14,154)	21,443
Reimbursement for damaged assets	98,243	-	98,243	-	98,243
TOTAL OTHER FINANCING SOURCES(USES)	83,840	50,000	133,840	(14,154)	119,686
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES(USES)/ CHANGE IN NET POSITION	(106,925)	(22,999)	(129,924)	\$ (158,322)	(288,246)
FUND BALANCE / NET POSITION					
Beginning of the year	55,577,778	116,210	55,693,988		45,028,220
End of the year	<u>\$ 55,470,853</u>	<u>\$ 93,211</u>	<u>\$ 55,564,064</u>		<u>\$ 44,739,974</u>

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

DESOTO PARISH SHERIFF
Mansfield, Louisiana

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

For the year ending June 30, 2021

Fund Financial statements excess of revenues over expenditures	\$	(129,924)
<p>Governmental funds report capital outlays as expenditures because such outlays use current financial resources. However, for governmental activities those capital outlays are reported in the Statement of Net Position and are allocated over their useful lives in the Statement of Activities.</p>		
Capital outlays	\$ 2,098,540	
Depreciation expense	<u>(1,081,900)</u>	1,016,640
<p>In the Statement of Activities, the loss of the disposal of fixed assets is reported; whereas, in the governmental funds, the proceeds from the disposal increase financial resources.</p>		
Proceeds from disposal of fixed assets	\$ (35,597)	
Gain (loss) of disposal of fixed assets	<u>21,443</u>	(14,154)
<p>In the Statement of Activities, certain operating expenses, are measured by the the amounts accrued during the year. In the governmental funds, however, expenditures for these items are measured by the amounts actually paid.</p>		
Pension (expense) benefit	\$ (970,740)	
Non-employer contributions to cost-sharing pension plan	584,942	
Accrued compensated absences	(36,774)	
Claims payable	(44,000)	
Accrued other post employment benefit obligations	<u>(691,731)</u>	(1,158,303)
<p>Because of the timing of actual receipt, some revenues are not considered "available" to pay current obligations and are not reported in the governmental funds. They are, however, reported in the Statement of Activities.</p>		
Increase (decrease) in deferred revenues-ad valorem taxes		(2,505)
Government-wide change in net position	\$	<u><u>(288,246)</u></u>

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

DESOTO PARISH SHERIFF
Mansfield, Louisiana

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
Custodial Funds
June 30, 2021

	Tax Collector Fund	Civil Fund	Criminal Fund	Drug Seizures Escrow Fund	Inmate Fund	Total
ASSETS						
Cash	\$ 25,770	\$ 716,486	\$ 236,881	\$ 14,262	\$ 19,566	\$ 1,012,965
Total Assets	<u>\$ 25,770</u>	<u>\$ 716,486</u>	<u>\$ 236,881</u>	<u>\$ 14,262</u>	<u>\$ 19,566</u>	<u>\$ 1,012,965</u>
NET POSITION						
Fiduciary net position - held for others	<u>\$ 25,770</u>	<u>\$ 716,486</u>	<u>\$ 236,881</u>	<u>\$ 14,262</u>	<u>\$ 19,566</u>	<u>\$ 1,012,965</u>

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

DESOTO PARISH SHERIFF
Mansfield, Louisiana
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
Custodial Funds
For the year ending June 30, 2021

	Tax Collector Fund	Civil Fund	Criminal Fund	Drug Seizures Escrow Fund	Inmate Fund	Total
Additions:						
Taxes, fees, etc., received:						
Sheriff's sales	\$ -	\$ 1,017,119	\$ -	\$ -	\$ -	\$ 1,017,119
Fines, forfeitures, and costs	-	-	954,082	-	-	954,082
Garnishments	-	151,183	-	-	-	151,183
Seizures, bonds, etc	-	-	175,031	4,945	-	179,976
Ad Valorem						
Current year	80,403,088	-	-	-	-	80,403,088
Prior year	80,020	-	-	-	-	80,020
Protested	4	-	-	-	-	4
State revenue sharing	565,093	-	-	-	-	565,093
Interest on:						
Operating account	12,350	-	-	3	-	12,353
Delinquent taxes	37,866	-	-	-	-	37,866
Prior year taxes	14,150	-	-	-	-	14,150
Cost of tax notices, etc.	80,452	-	-	-	-	80,452
Redemptions	131,360	-	-	-	-	131,360
Other additions	11,130	73,027	-	-	297,993	382,150
Total additions	<u>81,335,513</u>	<u>1,241,329</u>	<u>1,129,113</u>	<u>4,948</u>	<u>297,993</u>	<u>84,008,896</u>
Deductions:						
Settlement payments to:						
Louisiana Dept of Forestry	26,277	-	-	-	-	26,277
Red River Levee District	4,947	-	-	-	-	4,947
Louisiana Tax Commission	52,011	-	-	-	-	52,011
Northwest Crime Lab	-	-	89,439	-	-	89,439
Northwest Juvenile Detention	-	-	19,343	-	-	19,343
Louisiana Rehabilitation	-	-	10,426	-	-	10,426
DeSoto Parish:						
Sheriff's General Fund	9,303,886	197,383	126,419	-	-	9,627,688
Clerk of Court	-	105,294	46,145	-	-	151,439
Police Jury	10,902,725	-	370,797	-	-	11,273,522
School Board	41,278,114	-	-	-	-	41,278,114
Assessor	1,838,711	-	-	-	-	1,838,711
Municipalities	-	-	25	-	-	25
District Attorney	-	-	144,423	-	-	144,423
Communications District	749,981	-	-	-	-	749,981
Judicial Expense Fund	-	-	105,378	-	-	105,378
Indigent Defender Fund	-	-	115,139	-	-	115,139
Fire Protection District No. 1	1,528,824	-	-	-	-	1,528,824
Fire Protection District No. 2	767,851	-	-	-	-	767,851
Fire Protection District No. 3	605,797	-	-	-	-	605,797
Fire Protection District No. 5	375,952	-	-	-	-	375,952
Fire Protection District No. 8	3,674,391	-	-	-	-	3,674,391
Fire Protection District No. 9	2,083,413	-	-	-	-	2,083,413
Water District No. 1	687,237	-	-	-	-	687,237
Ambulance Service District	5,005,489	-	-	-	-	5,005,489
Litigants, attorneys	-	131,235	-	-	-	131,235
State Pension Funds	2,233,717	-	-	-	-	2,233,717
Other Settlements	-	-	34,164	-	-	34,164
Refunds	216,186	73,622	53,700	-	-	343,508
Other reductions	-	377,751	-	5,649	288,199	671,599
Total reductions	<u>81,335,509</u>	<u>885,285</u>	<u>1,115,398</u>	<u>5,649</u>	<u>288,199</u>	<u>83,630,040</u>
Net increase (decrease) in fiduciary net position	<u>4</u>	<u>356,044</u>	<u>13,715</u>	<u>(701)</u>	<u>9,794</u>	<u>378,856</u>
Net position - beginning	<u>25,766</u>	<u>360,442</u>	<u>223,166</u>	<u>14,963</u>	<u>9,772</u>	<u>634,109</u>
Net position - ending	<u>\$ 25,770</u>	<u>\$ 716,486</u>	<u>\$ 236,881</u>	<u>\$ 14,262</u>	<u>\$ 19,566</u>	<u>\$ 1,012,965</u>

Supplemental Information. See the accompanying independent auditor's report

NOTES TO FINANCIAL STATEMENTS

DESOTO PARISH SHERIFF
Mansfield, Louisiana

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

INTRODUCTION

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

The accompanying basic financial statements of the DeSoto Parish Sheriff have been prepared in conformity with generally accepted accounting principles (GAAP) in the United States of America. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*, issued in June 1999. The Basic Financial Statements consist of Government-wide Financial Statements, including a Statement of Net Position and a Statement of Activities, and Fund Financial Statements, which provide more detailed level of financial information.

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

B. Reporting Entity

Governmental Accounting Standards Board Statement No. 14 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. The basic criterion for including a potential component unit within the reporting entity is financial accountability. Oversight responsibility is determined on the basis of appointment of governing body, ability to significantly influence operations, accountability for fiscal matters, and the nature and significance of an organization's relationship with the primary government. Considering the foregoing criteria, the DeSoto Sheriff is deemed to be a separate reporting entity. The accompanying financial statements present information only on the funds maintained by the DeSoto Parish Sheriff. There are no component units to be included in the Sheriff's reporting entity.

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

DESOTO PARISH SHERIFF
Mansfield, Louisiana

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Fund Accounting

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

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

D. Basis of Accounting/Measurement Focus

Governmental Fund Financial Statements

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

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

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

The Sheriff reports the following governmental funds:

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

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

DESOTO PARISH SHERIFF
Mansfield, Louisiana

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Basis of Accounting/Measurement Focus (continued)

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

Revenues

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

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

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

Interest earnings on deposits are recorded when earned.

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

Expenditures

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

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

Government-Wide Financial Statements

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

DESOTO PARISH SHERIFF
Mansfield, Louisiana

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Basis of Accounting/Measurement Focus (continued)

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

Fiduciary Fund Financial Statements

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

E. Cash, Interest-Bearing Deposits and Investments

Cash includes cash on hand, amounts in demand deposits, interest-bearing demand deposits, money market accounts, time deposits (certificates of deposit), and short-term, highly liquid investment with original maturities of ninety (90) days or less when purchased. Under state law, the Sheriff may deposit funds with a fiscal agent organized under the laws of Louisiana, the laws of any other state in the union, or the laws of the United States. The Sheriff may invest in United States bonds, treasury notes and bills, government-backed agency securities, or certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. In addition, local Louisiana governments are authorized to invest in the Louisiana Asset Management Pool, Inc. (LAMP), a non-profit corporation formed by an initiative of the State Treasurer and organized under the laws of the State of Louisiana, which operates a local government investment pool.

F. Accounts Receivable

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

G. Capital Assets

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

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

Assets reported in the fund financial statements for governmental funds exclude capital assets. The governmental funds financial statements report the acquisition of capital assets as expenditures.

DESOTO PARISH SHERIFF
Mansfield, Louisiana

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

H. Prepaid expenses

Payments made to vendors for services or supplies that will benefit periods beyond June 30, 2021, are recorded as prepaid expenses.

I. Compensated Absences

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

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

J. Unavailable Ad Valorem Taxes

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

K. Deferred Outflows/Inflows of Resources

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

DESOTO PARISH SHERIFF
Mansfield, Louisiana

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

L. Pension Plan

The DeSoto Parish Sheriff is a participating employer in a cost-sharing, multiple-employer defined benefit pension plan as described in Note 8. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of each of the plans, and additions to / deductions for the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. The financial statements were prepared using the accrual basis of accounting, member and employer contributions are recognized when due, pursuant to formal commitments and statutory requirements. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance statutes governing the plan. Expenses are recognized when the liability is incurred, regardless of when payment is made. Investments have been reported at fair value within the plan.

M. Other Postemployment Benefits

The DeSoto Parish Sheriff follows GASB Statement 75 "*Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*," which requires the accrual of other postemployment benefits for retired employees. The sheriff has recorded a liability for other postemployment benefits (see Note 9). In the government-wide financial statements, the other postemployment benefits liability is recorded as an expense and non-current liability and allocated on a functional basis. In the fund financial statements, other postemployment benefit expenditures are recognized in the amount contributed to the plan or expected to be liquidated with expendable available financial resources. Expendable available financial resources generally refer to other postemployment benefit payments due and payable as of the end of the year.

N. Interfund Transactions

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

O. Use of Estimates

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

DESOTO PARISH SHERIFF
Mansfield, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

R. Equity

Net Position

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

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

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

Fund Balances

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

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

At June 30, 2021, \$47,084 was non-spendable prepaid expenses; \$6,462 was restricted by the grantor; \$86,749 was assigned; and \$55,423,769 was unassigned.

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

S. Risk Management

The Sheriff is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, and injuries to employees. To handle such risk of loss, the Sheriff maintains commercial insurance policies covering: automobile liability, medical payments, uninsured motorist, and collision; health insurance providing 100 percent coverage for any employee injured while on the job; and surety bond coverage. The Sheriff also maintains a Louisiana Sheriffs' Risk Management Program liability insurance policy. No claim has been paid on the policy during the past three years nor is the Sheriff aware of any unfiled claims.

DESOTO PARISH SHERIFF
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NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2021

2. LEVIED TAXES

Ad valorem taxes:

The Sheriff was authorized 12.73 ad valorem tax millage and levied mills of 12.73 mills for 2020. Ad valorem taxes are recorded in the year the taxes are assessed. Total assessed value in the parish was \$757,797,295 in 2020. The amount of ad valorem tax collections recognized for the year ending June 30, 2021 was \$9,107,128. The following are the principal taxpayers for the parish and the Sheriff's 2020 assessed valuations:

Taxpayer	Type of Business	2020 Assessed Valuation	2020 Assessed Tax	Percentage of Total Assessed Valuation
International Paper Co.	Manufacturing	78,392,930	997,942	10.34%
Indigo Minerals LLC	Oil & Gas	58,131,562	740,015	7.67%
Comstock Oil & Gas, LP	Oil & Gas	51,250,784	652,422	6.76%
Exco Operating Co.	Oil & Gas	48,295,767	614,805	6.37%
Chesapeake Operating	Oil & Gas	37,859,168	481,947	5.00%
Southwestern Electric Power	Utility	38,155,395	485,718	5.04%
Louisiana Midstream Gas	Oil & Gas	24,648,460	313,775	3.25%
Cleco Power LLC	Utility	29,906,737	380,713	3.95%
Enterprise Gathering LLC	Oil & Gas	22,565,258	287,256	2.98%
Acadian Gas Pipeline System	Oil & Gas	22,355,670	284,588	2.95%
Total		<u>\$ 411,561,731</u>	<u>\$ 5,239,181</u>	<u>54.31%</u>

Sales Taxes:

DeSoto Parish passed a one-half of one percent (1/2%) sales and use tax on July 17, 2004. Collection of the tax began October 1, 2004. These funds are dedicated to paying salaries and benefits for the law enforcement personnel of the Sheriff. The amount of sales tax collected for year ended June 30, 2021, was \$4,495,442.

3. CASH, INTEREST-BEARING DEPOSITS AND INVESTMENTS

Cash and Cash Equivalents:

At June 30, 2021, the Sheriff has cash in interest bearing and non-interest bearing accounts (book balance) totaling \$51,073,563 as follows:

	Government Funds	Fidiciary Funds	Total
Demand deposits	\$ 461,686	\$ 972,933	\$ 1,434,619
Interest-bearing demand deposits	49,598,812	40,032	49,638,844
Petty Cash	100	-	100
Categorized bank deposits	<u>\$ 50,060,598</u>	<u>\$ 1,012,965</u>	<u>\$ 51,073,563</u>

DESOTO PARISH SHERIFF
Mansfield, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

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

Investments:

At June 30, 2021, the Sheriff has investments (book balances) totaling \$4,960,114 as follows:

Louisiana Asset Management Pool	\$ 678,209
Time deposits	4,281,905
Total investments	<u>\$ 4,960,114</u>

Investment valuation. The certificate of deposit is stated at cost, which approximates market value. The investments in LAMP are stated at fair value based upon quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool shares.

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

Custodial Credit Risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the government will not be able to recover its deposits.

Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must always equal or exceed the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

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

At year end, the Sheriff had collected bank balances of \$56,308,529 which were fully protected by \$1,000,157 of federal depository insurance and pledged securities with a market value of \$55,308,372 held by the custodial banks in the name of the DeSoto Parish Sheriff.

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

However, as a means of offsetting exposure to interest rate risk, the Sheriff diversifies its investments by security type and institution. The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances.

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

DESOTO PARISH SHERIFF
Mansfield, Louisiana

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

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

Investments held at June 30, 2021, include \$678,209 invested with the Louisiana Asset Management Pool (LAMP), a local government investment pool rated AAAM by Standard and Poor's. The Louisiana Asset Management Pool is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LSA-R.S. 33:2955.

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

4. RECEIVABLES

The following is a summary of receivables at June 30, 2021:

	General Fund	Nonmajor Funds	Total
Intergovernmental revenues:			
Federal overtime	\$ 2,339	-	2,339
Parish revenue	76,680	-	76,680
Probation & Juvenile officers	38,789	-	38,789
Juvenile detail	2,280	-	2,280
Dispatch salary reimbursements	333,750	-	333,750
Sales tax	404,059	-	404,059
Ad valorem tax	9,110	-	9,110
Fees, charges, and commissions for services:			
Witness fees	200	-	200
Background check fees	27,633	-	27,633
Court attendance	612	-	612
Feeding and keeping parish prisoners	7,759	-	7,759
Feeding and keeping state prisoners	33,218	-	33,218
Prisoner transportation	335	-	335
	936,764	-	936,764
Less allowance for uncollectible	-	-	-
Totals	\$ 936,764	\$ -	\$ 936,764

DESOTO PARISH SHERIFF
Mansfield, Louisiana

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

5. CAPITAL ASSETS

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

<u>Governmental Activities</u>	Balance 7/1/2020	Additions	Reclassification/ Deletions	Balance 6/30/2021
Capital assets not begin depreciated:				
Land	\$ 519,445	\$ -	\$ -	\$ 519,445
Construction in Progress	33,925	1,015,445	(19,980)	1,029,390
Total assets not being depreciated	<u>553,370</u>	<u>1,015,445</u>	<u>(19,980)</u>	<u>1,548,835</u>
Depreciable assets:				
Office equipment & furniture	251,050	29,335	-	280,385
Safety equipment	839,963	31,000	-	870,963
Communications equipment	1,404,330	52,445	-	1,456,775
Farm equipment	198,621	8,085	-	206,706
Training equipment/apparatus	119,548	-	-	119,548
Computers & Software	447,563	-	-	447,563
Vehicles	4,610,580	906,808	(33,135)	5,484,253
Buildings & improvements	7,909,104	55,422	19,980	7,984,506
Total depreciable assets	<u>15,780,759</u>	<u>1,083,095</u>	<u>(13,155)</u>	<u>16,850,699</u>
Total Assets	<u>16,334,129</u>	<u>2,098,540</u>	<u>(33,135)</u>	<u>18,399,534</u>
Less accumulated depreciation	6,159,447	1,081,900	(18,980)	7,222,367
Capital assets, net	<u>\$ 10,174,682</u>	<u>\$ 1,016,640</u>	<u>\$ (14,155)</u>	<u>\$ 11,177,167</u>

Depreciation expense in the amount of \$1,081,900 was charged to public safety.

6. COMPENSATED ABSENCES

Compensated absences represent accumulated and vested employee leave benefits computed in accordance with accounting principles generally accepted in the United States of America. The liability for compensated absences is computed only at the end of the fiscal year. As of June 30, 2021, the Sheriff's compensated absences payable in accordance with GASB Statement No. 16 amounted to 14,057 hours with a resulting liability as following:

Compensated absences at July 1, 2020	\$ 311,154
Additions	347,928
Deductions	(311,154)
Compensated absences at June 30, 2021	<u>\$ 347,928</u>

7. DEFERRED COMPENSATION

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

DESOTO PARISH SHERIFF
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NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2021

8. PENSION PLAN

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

Funding Policy. Contribution requirements for all employers are actuarially determined each year in accordance with state statute. For the year ended June 30, 2021, the actual employer contribution rate was 12.25% with no additional percentage allocated from the Funding Deposit Account. Employee contributions are based on the employee's annual covered salary and are established by the board of trustees. For the year ended June 30, 2021, the employee contribution rate was 10.25%.

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

	2021	2020	2019
Employee portion	\$ 1,034,617	\$ 989,942	\$ 913,108
Employer contributions	1,236,494	1,183,102	1,042,770
Total pension contributions	\$ 2,271,111	\$ 2,173,044	\$ 1,955,878

In accordance with state statute, the Fund receives ad valorem taxes, insurance premium taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities, but are not considered special funding situations. Non-employer contributions are recognized as revenue and excluded from pension expense. Non-employer contributions of \$584,942 were recorded for the year ended June 30, 2021, in the government-wide statements.

Retirement Benefits. For members who become eligible for membership on or before December 31, 2011: Members with twelve years of creditable service may retire at age fifty-five; members with thirty years of service may retire regardless of age. The retirement allowance is equal to three and one-third percent of the member's average final compensation multiplied by his years of creditable service, not 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 fund began on or after January 1, 2012: Members with twelve years of creditable service may retire at age sixty-two; members with twenty years of service may retire at age sixty; members with thirty years of creditable service may retire at age fifty-five. The benefit accrual rate for such members with less than thirty years of service is three percent; for members with thirty or more years of service the accrual rate is three and one-third percent. The retirement allowance is equal to the benefit accrual rate times the member's average final compensation multiplied by his years of creditable service, not exceed (after reduction for optional payment form) 100% of average final compensation. Members with twenty or more years of service may retire with a reduced retirement at age fifty.

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

DESOTO PARISH SHERIFF
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NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

8. PENSION PLAN (continued)

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

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

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

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

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

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

DESOTO PARISH SHERIFF
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NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

8. PENSION PLAN (continued)

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

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

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

At June 30, 2021, the Sheriff reported a liability of \$9,051,712 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Sheriff's proportion of the net pension liability was based on a projection of the Sheriff's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2020, the Sheriff's proportion was 1.307833%, which was an increase of 0.06430% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the Sheriff recognized total pension expense of \$970,740.

At June 30, 2021, 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	\$ -	\$ 1,057,962
Changes of assumptions	2,224,823	-
Net difference between projected and actual earnings on pension plan investments	2,177,785	-
Changes in employer's proportion of beginning NPL	215,444	
Changes in proportion and differences between employer contributions and proportionate share of contributions	224,338	3,837
Employer contributions subsequent to the measurement date	1,236,494	-
Total	\$ 6,078,884	\$ 1,061,799

Sheriff contributions subsequent to the measurement date in the amount of \$1,236,494 reported as deferred outflows of resources related to pensions will be recognized as a reduction of the net pension liability in the year ending June 30, 2021.

DESOTO PARISH SHERIFF
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NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

8. PENSION PLAN (continued)

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

Year		
2021	\$	582,569
2022		1,050,590
2023		1,124,331
2024		865,549
2025		157,552
Total	\$	3,780,591

Actuarial Methods Assumptions

The total pension liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation Date	June 30, 2020
Actuarial Cost Method	Entry Age Normal Method
Actuarial Assumptions:	
Expected Remaining Service Lives	2020-2018 - 6 years; 2017 & 2016 -7 years; 6 years for 2015 & 2014
Investment Rate of Return	7.00% net of investment expense'
Discount Rate	7.00%
Projected salary increases	5.00% (2.5% inflation, 3.0% 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.

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

DESOTO PARISH SHERIFF
Mansfield, Louisiana

NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2021

8. PENSION PLAN (continued)

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

Estimates of arithmetic real rates of return for each major asset class based on the Fund's target asset allocation as of June 30, 2020 are as follows:

	Long-Term Expected Rate of Return		
Asset Class	Target Asset Allocation	Real Return Arithmetic Basis	Long-Term Expected Portfolio Real Rate of Return
Equity securities	62%	6.8%	4.20%
Fixed Income	23%	2.4%	0.60%
Alternative Investments	15%	4.7%	0.70%
Totals	100%		5.50%
Inflation			2.40%
Expected Arithmetic Nominal Return			7.90%

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

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

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

	Changes in Discount Rate		
	1% Decrease	Current Discount Rate	1% Increase
	6.00%	7.00%	8.00%
Net pension liability	16,441,053	9,051,712	2,889,363

DESOTO PARISH SHERIFF
Mansfield, Louisiana

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

8. PENSION PLAN (continued)

Change in Net Pension Liability

The changes in the net pension liability for the year ended June 30, 2020 were recognized in the current reporting period as pension expense except as follows:

Differences between Expected and Actual Experience. The differences between expected and actual experience with regard to economic or demographic factors in the measurement of the total pension liability were recognized as pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan.

Differences between Projected and Actual Investment Earnings. The differences between projected and actual investment earnings on pension plan investments were recognized in pension expense using the straight-line amortization method over a closed five-year period.

Changes in Assumptions. The changes in assumptions about future economic or demographic factors were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan.

Changes in Proportion. Changes in the employer's proportionate shares of the collective net pension liability and collective deferred outflows of resources and deferred inflows of resources since the prior measurement date were recognized in employer's pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided pensions through the pension plan.

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

Retirement Fund Audit Report

The Sheriff's Pension and Relief Fund has issued a stand-alone financial report for the year ended June 30, 2020. Access to the report can be found on the Louisiana Legislative Auditor's website www.lia.la.gov.

9. POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

General Information about the OPEB Plan

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

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

DESOTO PARISH SHERIFF
Mansfield, Louisiana

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

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

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

Employees covered by benefit terms—At June 30, 2021, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	30
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	151
Annual required contribution (ARC)	181

Total OPEB Liability

The Sheriff's total OPEB liability of \$15,874,537 was measured as of June 30, 2021, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and other inputs – The total OPEB liability in the June 30, 2021, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.00%
Salary increases	3.0% including inflation
Prior discount rate	2.21%
Discount rate	2.16% 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 on the applicable measurement dates.

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of ongoing evaluations of the assumptions from July 1, 2009 to June 30, 2021.

Changes in the Total OPEB Liability

Balance at June 30, 2020	\$ 14,095,721
Changes for the year	
Service cost	696,261
Interest	319,209
Differences between expected and actual experience	838,261
Changes in assumptions	142,610
Benefit payments and net transfers	(217,525)
Net changes	1,778,816
Balance at June 30, 2021	\$ 15,874,537

DESOTO PARISH SHERIFF
Mansfield, Louisiana

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

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

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

	Changes in Discount Rate		
	1% Decrease	Current	1% Increase
	1.16%	2.16%	3.16%
Total OPEB liability	\$ 19,549,831	\$ 15,874,537	\$ 13,053,162

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

	Changes in healthcare cost trend rates		
	1% Decrease	Current Trend	1% Increase
	4.50%	5.50%	6.50%
Total OPEB liability	\$ 13,278,453	\$ 15,874,537	\$ 19,356,160

For the year ended June 30, 2021, the Sheriff recognized total OPEB expense of \$909,257. At June 30, 2021, 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	\$ 915,930	\$ (7,719,526)
Changes in assumptions	5,095,757	-
Total	\$ 6,011,687	\$ (7,719,526)

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

Year ending June 30		
2022	\$	(106,213)
2023	\$	(106,213)
2024	\$	(106,213)
2025	\$	(106,213)
2026	\$	(106,213)
Thereafter	\$	(1,176,954)

DESOTO PARISH SHERIFF
Mansfield, Louisiana

NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2021

10. RESTRICTED NET POSITION / FUND BALANCE

The following schedule summarizes restricted net position and the reserves at June 30, 2021:

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

11. LEASE AGREEMENTS

The Sheriff has the following lease agreements in effect during the year ended June 30, 2021:

The Sheriff leases a postal meter system with Pitney Bowes. This lease is now month to month with payments of \$225. Lease and supply expense paid was \$1,416 for the year ended June 30, 2021.

Various printers and accessories are leased from Xerox. This lease is for 60 months with payments of \$744 per month. Lease payments also include supplies used each month and the total lease expense for the current year was \$9,583.

The Sheriff also leases dishwashing equipment from Auto-Chlor. The lease is for 12 months and is automatically renewed each year. Lease expense, which includes supplies used each month, for the year was \$3,551.

The Sheriff also leases space on communication towers for \$608 a month. Total paid was \$7,383 for the year.

Lease expense for the year ended June 30, 2021, is \$23,266. Minimum lease payments on long-term leases by year are as follows:

For year ended June 30,		
2022	\$	8,928
2023	\$	8,928
2024	\$	8,928
2025	\$	8,928
2026	\$	5,208

12. COMMITMENTS AND CONTINGENCIES

Lawsuits. At June 30, 2021, the Sheriff was a defendant in lawsuits principally arising from the normal course of operations. Although the outcome of these lawsuits is not presently determinable, in the opinion of the Sheriff and legal counsel, resolution of these matters would not create a liability in excess of insurance coverage that would have a material adverse effect on the financial condition of the Sheriff.

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

DESOTO PARISH SHERIFF
Mansfield, Louisiana

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

12. COMMITMENTS AND CONTINGENCIES (continued)

Cooperative Endeavor Agreements:

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

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

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

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

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

13. TAXES PAID UNDER PROTEST

The liability held for others pending court action, in the Tax Collector agency fund at June 30, 2021, reflects taxes paid under protest, plus interest earned to date on these funds. These funds are held pending resolution of the protest.

14. RELATED PARTY TRANSACTIONS

Procedures, observations, and inquiries did not disclose any material related party transactions for the fiscal year ended June 30, 2021.

15. ON-BEHALF PAYMENTS FOR SALARIES

The Sheriff recognizes as general fund revenues and expenses, supplemental pay paid by the State of Louisiana to the Sheriff's employees. For year ended June 30, 2021, the state contributed \$596,168.

16. CHANGE IN ACCOUNTING PRINCIPLE

As of July 1, 2020, the Sheriff adopted the requirements of Governmental Accounting Standards Board (GASB) Statement No. 84, Fiduciary Activities. This statement improves guidance relative to the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This change does not require a restatement of prior period reported amounts.

**DESOTO PARISH SHERIFF
Mansfield, Louisiana**

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

17. SUBSEQUENT EVENTS

Management has performed an evaluation of the Sheriff's activities through March 15, 2022 and has concluded that there is one significant event requiring recognition or disclosure through the date and time these financial statements were available to be issued.

A lawsuit that was unsettled at the year end was settled during the subsequent review period. The settlement amount of \$44,000 has been accrued as a liability as of the end of the year.

REQUIRED SUPPLEMENTAL INFORMATION (PART II)

DESOTO PARISH SHERIFF
Mansfield, Louisiana

BUDGETARY COMPARISON SCHEDULE -- GENERAL FUND

For the year ending June 30, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
EXPENDITURES/EXPENSES				
Public Safety:				
Personal services & related benefits	\$ 13,791,500	\$ 13,791,500	\$ 13,781,934	\$ 9,566
Operating expenses	1,553,950	1,553,950	1,325,290	228,660
Material & supplies	1,625,000	1,625,000	1,503,006	121,994
Travel & other charges	84,000	84,000	77,919	6,081
Capital outlays	923,000	923,000	2,098,540	(1,175,540)
TOTAL EXPENDITURES/EXPENSES	<u>17,977,450</u>	<u>17,977,450</u>	<u>18,786,689</u>	<u>(809,239)</u>
PROGRAM REVENUES				
Prisoner reimbursement fees	381,000	381,000	476,556	95,556
Contractual fees	2,057,000	2,057,000	1,968,731	(88,269)
Fines, forfeitures, and other commissions	429,750	429,750	730,236	300,486
Operating grants and contributions	1,153,000	1,153,000	1,409,928	256,928
TOTAL PROGRAM REVENUES	<u>4,020,750</u>	<u>4,020,750</u>	<u>4,585,451</u>	<u>564,701</u>
NET PROGRAM EXPENSE	(13,956,700)	(13,956,700)	(14,201,238)	(244,538)
GENERAL REVENUES				
Property taxes	8,703,000	8,703,000	9,107,128	404,128
Sales taxes	4,800,000	4,800,000	4,495,442	(304,558)
State revenue sharing	55,000	55,000	51,808	(3,192)
Video poker	120,000	120,000	219,228	99,228
Miscellaneous income	18,000	18,000	21,889	3,889
Investment earnings	320,000	320,000	114,978	(205,022)
TOTAL GENERAL REVENUES	<u>14,016,000</u>	<u>14,016,000</u>	<u>14,010,473</u>	<u>(5,527)</u>
EXCESS(Deficiency) of REVENUES OVER EXPENDITURES	59,300	59,300	(190,765)	(250,065)
Other financing sources(uses):				
Operating transfers in (out)	(50,000)	(50,000)	(50,000)	-
Sale of assets/ Gain (loss) on sale of assets	2,000	2,000	35,597	33,597
Compensation for damaged assets	1,000	1,000	98,243	97,243
TOTAL Other financing sources(uses)	<u>(47,000)</u>	<u>(47,000)</u>	<u>83,840</u>	<u>130,840</u>
EXCESS (Deficiency) of REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES(USES)	12,300	12,300	(106,925)	(119,225)
FUND BALANCE				
Beginning of the year	55,577,778	55,577,778	55,577,778	-
End of the year	<u>\$ 55,590,078</u>	<u>\$ 55,590,078</u>	<u>\$ 55,470,853</u>	<u>\$ (119,225)</u>

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

DESOTO PARISH SHERIFF
Mansfield, Louisiana

SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS

For the year ending June 30, 2021

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

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

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

DESOTO PARISH SHERIFF
Mansfield, Louisiana

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

For the year ending June 30, 2021

Louisiana: Sheriffs' Pension and Relief Fund

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

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

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

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

DESOTO PARISH SHERIFF
Mansfield, Louisiana

SCHEDULE OF PENSION CONTRIBUTIONS
For the year ending June 30, 2021

Louisiana: Sheriffs' Pension and Relief Fund

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

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

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

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

DESOTO PARISH SHERIFF
Mansfield, Louisiana

NOTES TO REQUIRED SUPPLEMENTAL INFORMATION

As of and for the Year Ended June 30, 2021

Budgetary Information

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

The Louisiana Local Government Budget Act provides that "the total proposed expenditures shall not exceed the total of estimated funds available for the ensuing year." The "total estimated funds available" is the sum of the respective estimated fund balances at the beginning of the year and the anticipated revenues for the current year.

The Sheriff exercises budgetary control at the functional level. Within functional levels, the accountant has the authority to make amendments as necessary.

Expenditures may not legally exceed appropriations at the fund level. Appropriations that are not expended lapse at year-end. The budget was not amended during the year. The budget comparison schedules present the original adopted budget and the final budget.

The Sheriff's budget process is as follows:

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

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

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

Pension Information

The schedule of the Sheriff's proportionate share of the net pension liability and the schedule of the Sheriff's pension contributions are intended to show information for 10 years. Additional years will be displayed as they become available. There were no changes of benefit terms for the year ended June 30, 2021.

Changes of assumptions:

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

OTHER SUPPLEMENTAL INFORMATION

DeSoto Parish Sheriff
Mansfield, Louisiana

OTHER NONMAJOR SPECIAL REVENUE FUNDS
Year ended June 30, 2021

Drug Task Force Budget Fund

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

Task Force Program Fund

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

DARE Fund

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

Criminal Interdiction

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

DESOTO PARISH SHERIFF

Mansfield, Louisiana

GOVERNMENTAL FUND TYPE - NONMAJOR SPECIAL REVENUE FUNDS**Combining Balance Sheet**

June 30, 2021

	<u>Task Force Budget Fund</u>	<u>Task Force Program Fund</u>	<u>DARE Fund</u>	<u>Criminal Interdiction</u>	<u>Total</u>
ASSETS					
Cash	\$ 10,306	\$ 10,791	\$ 2,347	\$ 65,652	\$ 89,096
Due from General Fund	-	-	4,115	-	4,115
TOTAL ASSETS	<u>\$ 10,306</u>	<u>\$ 10,791</u>	<u>\$ 6,462</u>	<u>\$ 65,652</u>	<u>\$ 93,211</u>
LIABILITIES & FUND EQUITY					
Liabilities:					
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund equity:					
Fund balance:					
Restricted	-	-	6,462	-	6,462
Assigned	<u>10,306</u>	<u>10,791</u>	<u>-</u>	<u>65,652</u>	<u>86,749</u>
Total Fund Equity	<u>10,306</u>	<u>10,791</u>	<u>6,462</u>	<u>65,652</u>	<u>93,211</u>
TOTAL LIABILITIES & FUND EQUITY	<u>\$ 10,306</u>	<u>\$ 10,791</u>	<u>\$ 6,462</u>	<u>\$ 65,652</u>	<u>\$ 93,211</u>

Supplemental information.

See the accompanying independent auditor's report

DESOTO PARISH SHERIFF
Mansfield, Louisiana

GOVERNMENTAL FUND TYPE - NONMAJOR SPECIAL REVENUE FUNDS
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the year ending June 30, 2021

	Task Force Budget Fund	Task Force Program Fund	DARE Fund	Criminal Interdiction Fund	Total
REVENUES					
Fees, fines, seizures, and commissions	\$ -	\$ -	\$ 1,400	\$ -	\$ 1,400
Operating grants and contributions:					
Federal grants	-	1,718	-	-	1,718
Local grants	20,000	-	-	-	20,000
State grants	-	-	16,791	-	16,791
TOTAL REVENUES	<u>20,000</u>	<u>1,718</u>	<u>18,191</u>	<u>-</u>	<u>39,909</u>
EXPENDITURES					
Public safety:					
Personal services and related benefits	-	-	14,626	-	14,626
Operating services	46,444	7,314	1,450	29,848	85,056
Materials and supplies	3,751	-	2,365	6,770	12,886
Travel and other charges	-	-	90	250	340
Capital outlay	-	-	-	-	-
TOTAL EXPENDITURES	<u>50,195</u>	<u>7,314</u>	<u>18,531</u>	<u>36,868</u>	<u>112,908</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(30,195)	(5,596)	(340)	(36,868)	(72,999)
Other financing sources (uses):					
Transfer in (out)	10,000	-	-	40,000	50,000
TOTAL OTHER FINANCING SOURCES(USES)	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>40,000</u>	<u>50,000</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES(USES)	(20,195)	(5,596)	(340)	3,132	(22,999)
FUND BALANCES, BEGINNING OF YEAR	<u>30,501</u>	<u>16,387</u>	<u>6,802</u>	<u>62,520</u>	<u>116,210</u>
FUND BALANCES, END OF YEAR	<u>\$ 10,306</u>	<u>\$ 10,791</u>	<u>\$ 6,462</u>	<u>\$ 65,652</u>	<u>\$ 93,211</u>

Supplemental Information.
See the accompanying independent auditor's report

DESOTO PARISH SHERIFF
Mansfield, Louisiana

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

For the year ending June 30, 2021

Jayson Richardson, Sheriff

Purpose:

Salary	\$	169,051
Benefits - Insurance		13,228
Benefits - Retirement		43,813
Benefits - Other		7,800
Car Allowance		-
Per diem		-
Reimbursements		-
Travel		862
Registration fees		-
Conference travel		-
Continuing professional education fees		-
Unvouched expenses		-
Special meals		-

See the accompanying independent auditor's report.

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

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

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

\$25,770 is the amount of cash on hand in the tax collector accounts on June 30, 2021.

The cash on hand is monies collected under protest.

The following is a list of ad valorem taxes assessed, collected, and uncollected for 2020:

	2020 Adjusted <u>Tax Assessed</u>	2020 <u>Collections</u>	2020 <u>Uncollected</u>
Louisiana Dept of Forestry	\$ 30,813	\$ 30,638	\$ 175
Red River Levee District	5,120	5,118	2
Louisiana Tax Commission	52,008	52,008	-
DeSoto Parish:			
Sheriff's General Fund	9,097,388	9,074,641	22,747
Police Jury	11,298,484	11,270,234	28,250
School Board	42,672,424	42,565,918	106,506
Tax Assessor	1,822,336	1,817,780	4,556
Communications District (E911)	743,227	741,369	1,858
Fire Protection District No. 1	1,529,261	1,517,946	11,315
Fire Protection District No. 2	762,809	762,122	687
Fire Protection District No. 3	604,703	602,026	2,677
Fire Protection District No. 5	369,940	369,286	654
Fire Protection District No. 8	3,661,812	3,658,684	3,128
Fire Protection District No. 9	2,078,211	2,071,779	6,432
Water District No. 1	687,086	685,563	1,523
Ambulance Service District	5,002,491	4,989,984	12,507
	<u>\$ 80,418,113</u>	<u>\$ 80,215,096</u>	<u>\$ 203,017</u>

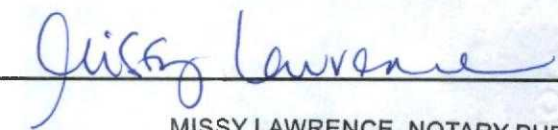
The taxes that were uncollected consist of oil wells that no longer produce and moveable property of businesses that have closed. Liens have been placed on these properties.

The above information is true and correct.



Sheriff of DeSoto Parish

SWORN to and subscribed before me, Notary, this 15th day of March, 2022, in my office in Mansfield, LA.



MISSY LAWRENCE, NOTARY PUBLIC
DESOTO PARISH, LOUISIANA
MY COMMISSION IS FOR LIFE
NOTARY ID # 53245

Supplemental Information.

See the accompanying independent auditor's report

**DESOTO PARISH SHERIFF
SHREVEPORT, LOUISIANA**

**Justice System Funding Schedule - Receiving Entity
As Required by Act 87 of the 2020 Regular Legislative Session
For the year ended June 30, 2021**

Cash Basis Presentation	First Six Month Period Ended 12/31/20	Second Six Month Period Ended 6/30/21
Receipts From:		
42nd Judicial District Court Fund	\$ <u>500</u>	\$ <u>900</u>
Total Receipts	\$ <u><u>500</u></u>	\$ <u><u>900</u></u>

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

**DESOTO PARISH SHERIFF
MANSFIELD, 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, 2021**

Cash Basis Presentation	First Six Month Period Ended 12/31/20	Second Six Month Period Ended 6/30/21
Beginning Balance of Amounts Collected	\$ -	\$ (289,183)
Add: Collections		
Civil Fees	113,515	110,695
Bond Fees	107,301	138,393
Asset Forfeiture/Sale	99,678	917,440
Pre-Trial Diversion Program Fees	-	-
Criminal Court Costs/Fees	373,445	519,618
Criminal Fines - Contempt	-	-
Criminal Fines - Other	-	-
Restitution	-	-
Probation/Parole/Supervision Fees	-	-
Service/Collection Fees	-	-
Interest Earnings on Collected Balances	-	-
Other	-	-
Subtotal Collections	693,939	1,686,146
Less: Disbursements To Governments & Nonprofits:		
Bond Fees		
42nd Judicial Criminal Court Fund	26,164	52,202
42nd Judicial District Attorney	14,342	28,656
42nd Judicial Indigent Defender Fund	360	730
DeSoto Parish Clerk of Court	360	730
Criminal Fees		
Northwest Louisiana Crime Lab	27,018	62,421
DeSoto Crime Stoppers	1,492	3,660
DeSoto Parish Clerk of Court	14,285	30,769
42nd Judicial District Attorney	29,477	77,597
DeSoto Parish Police Jury	106,636	264,161
42nd Judicial Indigent Defender Fund	33,897	81,242
42nd Judicial Expense Fund	7,450	18,312
Louisiana Rehabilitation Services	3,331	7,095
Louisiana State Treasurer	2,217	5,435
42nd Judicial Criminal Court Fund	300	950
Louisiana Commission on Law Enforcement	5,568	11,908
Louisiana State Police	398	1,081
City of Mansfield	25	-
Northwest Louisiana Juvenile Detention Center	5,670	13,673
Louisiana Supreme Court	381	934

**DESOTO PARISH SHERIFF
MANSFIELD, LOUISIANA**

**Justice System Funding Schedule - Collecting/Disbursing Entity (continued)
As Required by Act 87 of the 2020 Regular Legislative Session
For the year ended June 30, 2021**

Civil Fees		
Caddo Parish Sheriff	1,575	206
Calcasieu Parish Sheriff	65	-
DeSoto Parish Clerk of Court	173,401	9,428
DeSoto Parish School Board	-	2,597
East Baton Rouge Parish Sheriff	39	-
Louisiana Attorney General	794	5,752
Natchitoches Parish Sheriff	264	-
Quachita Parish Sheriff	65	-
Red River Parish Sheriff	25	-
Sabine Parish Sheriff	131	-
Vernon Parish Sheriff	66	-
Village of South Mansfield	55	-
U.S. Department of Veterans Affairs	-	679
Webster Parish Sheriff	-	60
Less: Amounts Retained by Collecting Agency		
Collection fee based on percentage of collection		
Civil fees	30,335	24,763
Criminal fees	14,321	35,592
Amounts "Self-Disbursed" to Collecting Agency		
Civil Fees	79,675	66,130
Criminal fees	8,180	19,778
Bond Fees	16,167	32,381
Less: Disbursements to Individuals/3rd Party		
Collection or Processing Agencies		
Civil Fee Refunds	103,179	2,322
Bond Fee Refunds	21,260	32,441
Other disbursements to individuals	254,154	246,604
 Subtotal Disbursements/Retainage	 <u>983,122</u>	 <u>1,140,289</u>
 Total: Ending Balance of Amounts Collected but not Disbursed/Retained	 <u>\$ (289,183)</u>	 <u>\$ 256,674</u>

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

**OTHER REPORTS REQUIRED BY
GOVERNMENT AUDITING STANDARDS**



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Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

Honorable Jayson Richardson
DeSoto Parish Sheriff
Mansfield, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, general fund and aggregate nonmajor governmental funds and each fiduciary fund type of the DeSoto Parish Sheriff as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the DeSoto Parish Sheriff's basic financial statements and have issued my report thereon dated March 15, 2022.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. 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 may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the DeSoto Parish Sheriff's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed 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 Sheriff's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

Dees Gardner, Certified Public Accountants, LLC

Mansfield, Louisiana
March 15, 2022

DeSoto Parish Sheriff
Mansfield, Louisiana

SCHEDULE OF FINDINGS AND RESPONSES
For the Year ended June 30, 2021

Part I. SUMMARY OF AUDITOR'S REPORTS

INDEPENDENT AUDITOR'S REPORT:

I have audited the basic financial statements of the DeSoto Parish Sheriff as of and for the year ended June 30, 2021, and have issued my report thereon dated March 31, 2021. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. My audit of the basic financial statements as of June 30, 2021, resulted in an unmodified opinion.

REPORT ON INTERNAL CONTROL AND COMPLIANCE AND OTHER MATTERS MATERIAL TO THE FINANCIAL STATEMENTS:

Internal Control

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

Compliance

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

FEDERAL AWARDS: Not applicable

MANAGEMENT LETTER: None was issued.

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

None noted.

DeSoto Parish Sheriff

Mansfield, Louisiana

SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
For the Year ended June 30, 2021

None.