

**DESOTO PARISH SHERIFF
Mansfield, Louisiana**

**Financial Statements
For Year Ended June 30, 2020**

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, 2020, 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 opinions.

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, 2020, 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 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—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 31, 2021, 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.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Louisiana Legislative Auditor's Statewide Agreed-Upon Procedures, we have issued a report dated March 31, 2021, on the results of those procedures, in accordance with attestation standards established by the AICPA and the standards applicable to attestation engagements contained in *Governmental Auditing Standards*. The purpose of that report is solely to describe the scope of testing performed on those control and compliance areas identified in the Louisiana Legislative Auditor's statewide agreed-upon procedures, and the results of that testing, and not to provide an opinion on control or compliance.

Dees Gardner, Certified Public Accountants, LLC

Mansfield, Louisiana
March 31, 2021

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

DeSoto Parish Sheriff
Mansfield, Louisiana
FYE June 30, 2020

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, 2020. 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 \$149,195 (0.33%) during the fiscal year reported compared to an increase of \$851,425 (1.92%) at June 30, 2019, and an increase of \$2,118,380 (5.02%) at June 30, 2018. At June 30, 2020, the assets of the Sheriff exceeded its liabilities by \$45,028,220 compared to the prior year's ending net position of \$45,177,415.
- The net pension liability reported as a long-term liability increased \$1,328,836 (29.18%) to \$5,882,186 in for year end June 30, 2020 in the Statement of Net Position.
- The other postemployment benefit obligations (OPEB) reported as a long-term liability decreased \$930,951 (6.2%) to \$14,095,721 for year end June 30, 2020 in the Statement of Net Position.
- Property tax revenue increased \$273,913 (3.17%) to \$8,923,691 during the fiscal year reported compared to an increase of 1.33% for the year ended June 30, 2019.
- Sales tax revenue decreased \$341,705 (6.20%) to \$5,169,708 during the fiscal year reported compared to a decrease \$631,392 (10.28%) to \$5,511,413 at June 30, 2019, and an increase of \$2,127,533 (52.99%) to \$6,142,805 at June 30, 2018.
- The Sheriff's total general and program revenues were \$19,361,987 during the year ended June 30, 2020, compared to \$18,010,293 and \$18,101,314 during years ended June 30, 2019, and June 30, 2018, respectively.
- During the year ended June 30, 2020, the Sheriff's total expenses, excluding depreciation, was \$18,589,161, compared to \$16,166,036 and \$15,169,973 during years ended June 30, 2019 and June 30, 2018, respectively. Depreciation expense was \$922,021 in 2020; \$992,832 in 2019; and \$812,961 in 2018.
- The Sheriff's governmental funds report ending fund balance this year of \$55,577,778. This compares to the prior year ending fund balance of \$56,285,312.
- The Sheriff's capital assets had a net increase of \$2,565,808 for the year ended June 30, 2020, net increase of \$354,311 for year ended June 30, 2019, and net increase of \$1,139,285 for the year ended June 30, 2018.

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 agency funds. The fiduciary fund financial statement of net position is presented as a basic financial statement in this report. The fiduciary fund statement of changes in unsettled deposits is presented as other supplemental information.

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, a combining statement of revenues, expenditures and changes in fund balances for other governmental funds, and a statement of changes in unsettled deposits for the fiduciary funds. Then 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).

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position

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

	SUMMARY OF STATEMENTS OF NET POSITION					
	June 30, 2020		June 30, 2019		June 30, 2018	
	Governmental Activities	% of Total	Governmental Activities	% of Total	Governmental Activities	% of Total
ASSETS						
Cash and interest-bearing deposits	\$ 49,997,479	75.27%	\$ 51,523,306	79.50%	\$ 49,580,614	78.99%
Investments	4,927,467	7.42%	4,884,947	7.54%	4,838,264	7.71%
Receivables	1,043,092	1.57%	665,911	1.03%	1,041,897	1.66%
Prepaid items	279,277	0.42%	123,165	0.19%	53,603	0.09%
Capital assets, net	10,174,681	15.32%	7,608,873	11.74%	7,254,562	11.56%
TOTAL ASSETS	66,421,996	100.00%	64,806,202	100.00%	62,768,940	100.00%
DEFERRED OUTFLOWS OF RESOURCES						
OPEB related	5,404,888	61.64%	445,480	13.99%	-	0.00%
Pension related	3,364,136	38.36%	2,739,775	86.01%	2,327,627	100.00%
TOTAL DEFERRED OUTFLOWS OF RESOURCES	8,769,024	100.00%	3,185,255	100.00%	2,327,627	100.00%
LIABILITIES						
Current liabilities:						
Accounts and other accrued payables	542,967	2.61%	787,050	3.81%	698,445	3.64%
Long-term liabilities:						
Compensated absences	311,154	1.49%	288,382	1.40%	265,622	1.39%
Other postemployment benefit obligations	14,095,721	67.66%	15,026,672	72.75%	13,166,937	68.66%
Net pension liabilities	5,882,186	28.24%	4,553,350	22.04%	5,046,012	26.31%
TOTAL LIABILITIES	20,832,028	100.00%	20,655,454	100.00%	19,177,016	100.00%
DEFERRED INFLOWS OF RESOURCES						
OPEB related	8,199,993	87.88%	609,057	28.22%	641,113	40.23%
Pension related	1,130,779	12.12%	1,549,531	71.78%	952,450	59.77%
TOTAL DEFERRED INFLOWS OF RESOURCES	9,330,772	100.00%	2,158,588	100.00%	1,593,563	100.00%
NET POSITION						
Net investment in capital assets	10,174,681	22.60%	7,608,873	16.84%	7,254,562	16.37%
Restricted for other uses	6,802	0.02%	14,462	0.03%	20,328	0.05%
Unrestricted	34,846,737	77.39%	37,554,079	83.13%	37,051,099	83.59%
TOTAL NET POSITION	\$ 45,028,220	100.00%	\$ 45,177,414	100.00%	\$ 44,325,989	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 \$45,028,220 at June 30, 2020.

A portion of the Sheriff's net position \$10,174,681 (22.6%) 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, 2020, \$34,846,737 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, 2020		June 30, 2019		June 30, 2018	
	Governmental Activities	% of Total	Governmental Activities	% of Total	Governmental Activities	% of Total
REVENUES:						
Program:						
Charges for services/fines	\$ 2,693,570	13.91%	\$ 1,615,945	8.97%	\$ 1,486,773	8.21%
Operating and capital grants	1,543,460	7.97%	1,222,033	6.79%	1,065,302	5.89%
General:						
Property taxes	8,923,691	46.09%	8,649,778	48.03%	8,536,612	47.16%
Sales tax	5,169,708	26.70%	5,511,413	30.60%	6,142,805	33.94%
Video poker	150,009	0.77%	162,813	0.90%	152,049	0.84%
Unrestricted state grants	51,857	0.27%	51,484	0.29%	50,939	0.28%
Interest	299,164	1.55%	272,809	1.51%	201,506	1.11%
Loss of sale of assets	(16,092)	-0.08%	(1,500)	-0.01%	(46,174)	-0.26%
Miscellaneous	546,620	2.82%	525,518	2.92%	511,502	2.83%
TOTAL REVENUES	19,361,987	100%	18,010,293	100%	18,101,314	100%
PROGRAM EXPENSES:						
Public safety	(19,511,182)		(17,158,868)		(15,982,934)	
TOTAL EXPENSES	(19,511,182)		(17,158,868)		(15,982,934)	
CHANGE IN NET POSITION	(149,195)		851,425		2,118,380	
BEGINNING NET POSITION	45,177,415		44,325,990		42,207,610	
NET POSITION ADJUSTMENT	-		-		-	
ENDING NET POSITION	\$ 45,028,220		\$ 45,177,415		\$ 44,325,990	

Revenues

The Sheriff is heavily reliant on sales and property taxes to support operations. Sales tax revenue dedicated to personnel salaries provided \$5,169,708 (26.70%) of revenue during the current fiscal year. This was a decrease of \$341,705 (6.2%) over the year ended June 30, 2019, but a decrease of \$973,097 (15.84%) over the year ended June 30, 2018. Property taxes provided 46.09% of the Sheriff's total revenues. \$15,124,957 (78.12%) 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 \$15,172,315 (84.24%) in June 30, 2019, and \$15,549,239 (85.90%) in June 30, 2018.

Note that program revenues covered 21.72% of the government's operating expenses for year end June 30, 2020, compared to 16.54% and 15.97% for the years ended June 30, 2019 and June 30, 2018, respectively. This means that the government's taxpayers and the Sheriff's other general revenues funded 78.28% of its operations during the year ended June 30, 2020; 83.46% for year ended June 30, 2019 and; 84.03% for year ended June 30, 2018.

Interest earnings of \$299,164 were generated to support governmental activities for year end June 30, 2020, up \$26,355 (9.66%) 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 \$922,021 or 4.73% 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 2020 fund balance decreased by \$707,534. Overall, revenues from all sources increased \$1,353,078 (7.74%) for the year. Expenditures reflect an increase of \$2,707,739 over last year, or about 23.49%.

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) decreased by \$8,433 over 2019 and expenditures decreased by \$65,174. Along with operating transfers the net effect was a fund balance decrease of \$546 for 2020 versus the 2019 net decrease of \$207,100.

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 \$225,964 (1.2%) more than originally budgeted. Actual expenditures and other financing uses were \$473,552 (2.3%) less than the final budgeted amounts.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The Sheriff's investment in capital assets, as of June 30, 2020, was \$16,334,129, net of accumulated depreciation of \$6,159,448, leaving a book value of \$10,174,681. 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 \$2,565,808 (34%).

Additions to capital assets during year end June 30, 2020, included 18 vehicles, and a trailer for \$668,274; communication, safety, farm, and office equipment for \$204,147; and the completion of the new annex building in Stonewall for \$2,655,500. Depreciation charges for the year totaled \$922,021 compared to \$992,832 and \$812,961 for 2019 and 2018, respectively.

At June 30, 2020, the depreciable capital assets for governmental activities were 38% depreciated versus 47.5% and 42.2% 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. It is unknown how this will affect the DeSoto Parish Sheriff's operations in the coming year at the date of this report. At the present time, the Sheriff has not experienced any major impact from the pandemic. Therefore, the following economic factors were considered when the budget for the fiscal year end June 30, 2021, 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.
- The Sheriff is building a communications tower in Pelican.
- 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, 2020

	Governmental Funds Financial Statements				Government-wide Statements Statement of Net Position
	Balance Sheet			Adjustments	
	General Fund	Nonmajor Funds	Total		
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 49,882,437	\$ 115,042	\$ 49,997,479	\$ -	\$ 49,997,479
Investments	4,927,467	-	4,927,467	-	4,927,467
Accounts receivables, net	1,026,435	16,657	1,043,092	-	1,043,092
Interfund receivable	15,489	-	15,489	(15,489)	-
Prepaid expenses	279,277	-	279,277	-	279,277
Noncurrent assets:					
Capital assets, net of accumulated depreciation	-	-	-	10,174,681	10,174,681
TOTAL ASSETS	\$ 56,131,105	\$ 131,699	\$ 56,262,804	10,159,192	\$ 66,421,996
DEFERRED OUTFLOWS OF RESOURCES					
OPEB related				5,404,888	5,404,888
Pension related				3,364,136	\$ 3,364,136
TOTAL DEFERRED OUTFLOWS OF RESOURCES				8,769,024	8,769,024
LIABILITIES					
Current liabilities:					
Accounts payable	\$ 265,867	\$ -	\$ 265,867	-	\$ 265,867
Interfund payables	-	15,489	15,489	(15,489)	-
Payroll related liabilities	277,100	-	277,100	-	277,100
Noncurrent liabilities:					
Unavailable ad valorem taxes	10,360	-	10,360	(10,360)	-
Compensated absences	-	-	-	311,154	311,154
Other postemployment benefit obligations	-	-	-	14,095,721	14,095,721
Net pension liability	-	-	-	5,882,186	5,882,186
TOTAL LIABILITIES	553,327	15,489	568,816	20,263,212	\$ 20,832,028
DEFERRED INFLOWS OF RESOURCES					
OPEB related				8,199,993	\$ 8,199,993
Pension related				1,130,779	1,130,779
TOTAL DEFERRED INFLOWS OF RESOURCES				9,330,772	\$ 9,330,772
FUND BALANCE/NET POSITION					
Fund Balances:					
Nonspendable:					
Prepaid expenses	279,277	-	279,277	(279,277)	-
Restricted:					
DARE program	-	6,802	6,802	(6,802)	-
Assigned:					
Drug task force	-	46,888	46,888	(46,888)	-
Criminal Interdiction	-	62,520	62,520	(62,520)	-
Unassigned	55,298,501	-	55,298,501	(55,298,501)	-
TOTAL FUND BALANCES	55,577,778	116,210	55,693,988	(55,693,988)	-
TOTAL LIABILITIES AND FUND BALANCE	\$ 56,131,105	\$ 131,699	\$ 56,262,804	-	-
Net Position:					
Net investment in capital assets				10,174,681	\$ 10,174,681
Restricted				6,802	6,802
Unrestricted				34,846,737	34,846,737
TOTAL NET POSITION				\$ -	\$ 45,028,220

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, 2020

Total Fund Balance, Governmental Funds	\$	55,693,988
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Certain deferred outflows are reported in the Statement of Net Position but not in the governmental funds.

Deferred outflows-pension related		3,364,136
Deferred outflows - OPEB		5,404,888

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.

Cost of capital assets	\$	16,334,129	
Less accumulated depreciation		<u>(6,159,448)</u>	10,174,681

Certain unearned revenues are reported in the governmental fund but not in the Statement of Net Assets.		10,360
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Long-term liabilities are not due and payable in the current period and are not included in the fund financial statements but are included in the governmental activities of the Statement of Net Position.

Compensated absences		(311,154)
Other post employment benefit obligation		(14,095,721)
Net pension liability		(5,882,186)
Deferred inflows-pension related		(1,130,779)
Deferred inflows-OPEB related		(8,199,993)

Net Position of Governmental Activities in the Statement of Net Position	\$	<u>45,028,220</u>
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The notes to the financial statements are an integral part of this statement.
See the accompanying independent auditor's report.

DESOTO PARISH SHERIFF
Mansfield, Louisiana

STATEMENT OF GOVERNMENTAL FUNDS REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES /
STATEMENT OF ACTIVITIES

For the year ended June 30, 2020

	Governmental Funds Financial Statements				Government-wide
	Statement of Revenue, Expenditures and Changes in Fund Balance				Statements
	General Fund	Nonmajor Funds	Total	Adjustments	Statement of Activities
EXPENDITURES/EXPENSES					
Public Safety:					
Personal services & related benefits	\$ 13,271,832	\$ 15,489	\$ 13,287,321	\$ 2,535,837	\$ 15,823,158
Operating expenses	1,247,331	61,272	1,308,603	-	1,308,603
Material & supplies	1,394,541	10,816	1,405,357	-	1,405,357
Travel & other charges	51,623	420	52,043	-	52,043
Capital outlays	3,527,921	-	3,527,921	(3,527,921)	-
Depreciation	-	-	-	922,021	922,021
TOTAL EXPENDITURES/EXPENSES	19,493,248	87,997	19,581,245	(70,063)	19,511,182
PROGRAM REVENUES					
Prisoner reimbursement fees	382,593	-	382,593	-	382,593
Contractual fees	1,709,190	-	1,709,190	-	1,709,190
Fines, forfeitures, and other commissions	599,493	2,294	601,787	-	601,787
Operating grants and contributions	1,506,803	36,657	1,543,460	-	1,543,460
TOTAL PROGRAM REVENUES	4,198,079	38,951	4,237,030	-	4,237,030
NET PROGRAM EXPENSE	(15,295,169)	(49,046)	(15,344,215)	70,063	(15,274,152)
GENERAL REVENUES					
Property taxes	8,921,542	-	8,921,542	2,149	8,923,691
Sales taxes	5,169,708	-	5,169,708	-	5,169,708
State revenue sharing	51,857	-	51,857	-	51,857
Video poker	150,009	-	150,009	-	150,009
Miscellaneous income	19,855	-	19,855	526,765	546,620
Investment earnings	299,164	-	299,164	-	299,164
TOTAL GENERAL REVENUES	14,612,135	-	14,612,135	528,914	15,141,049
EXCESS(DEFICIENCY) OF REVENUES OVER EXPENDITURES/ CHANGES IN NET POSITION	(683,034)	(49,046)	(732,080)	598,977	(133,103)
Other financing sources(uses):					
Operating transfers in(out)	(48,500)	48,500	-	-	-
Sale of assets/ Gain (loss) on sale of assets	24,000	-	24,000	(40,092)	(16,092)
TOTAL OTHER FINANCING SOURCES(USES)	(24,500)	48,500	24,000	(40,092)	(16,092)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES(USES)/ CHANGE IN NET POSITION	(707,534)	(546)	(708,080)	\$ 558,885	(149,195)
FUND BALANCE / NET POSITION					
Beginning of the year	56,285,312	116,756	56,402,068		45,177,415
End of the year	\$ 55,577,778	\$ 116,210	\$ 55,693,988		\$ 45,028,220

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 ended June 30, 2020

Fund Financial statements excess of revenues over expenditure: \$ (708,080)

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.

Capital outlays	\$ 3,527,921	
Depreciation expense	<u>(922,021)</u>	2,605,900

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.

Proceeds from disposal of fixed assets	\$ (24,000)	
Gain (loss) of disposal of fixed assets	<u>(16,092)</u>	(40,092)

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.

Pension (expense) benefit	\$ (812,488)	
Non-employer contributions to cost-sharing pension plan	526,765	
Accrued compensated absences	(22,772)	
Accrued other post employment benefit obligations	<u>(1,700,577)</u>	(2,009,072)

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.

Increase (decrease) in deferred revenues-ad valorem taxes		2,149
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Government-wide change in net position		<u><u>\$ (149,195)</u></u>
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The notes to the financial statements are an integral part of this statement.
See the accompanying independent auditor's report.

DESOTO PARISH SHERIFF
Mansfield, Louisiana

STATEMENT OF FIDUCIARY NET POSITION
Fiduciary Fund Type--Agency Funds
June 30, 2020

	Tax Collector Fund	Civil Fund	Criminal Fund	Drug Seizures Escrow Fund	Inmate Fund	Total
ASSETS						
Cash	\$ 25,766	\$ 360,442	\$ 223,166	\$ 14,963	\$ 9,772	\$ 634,109
TOTAL ASSETS	\$ 25,766	\$ 360,442	\$ 223,166	\$ 14,963	\$ 9,772	\$ 634,109
LIABILITIES						
Unsettled deposits:						
Held for others pending court action	\$ 25,766	\$ 360,442	\$ 223,166	\$ 14,963	\$ -	\$ 624,337
Held for inmates	-	-	-	-	9,772	9,772
TOTAL LIABILITIES	\$ 25,766	\$ 360,442	\$ 223,166	\$ 14,963	\$ 9,772	\$ 634,109

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

NOTES TO FINANCIAL STATEMENTS

DESOTO PARISH SHERIFF
Mansfield, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

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, 2020

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, 2020

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, 2020

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 Net Position. The only funds accounted for in this category by the Sheriff are agency funds. The agency funds account for assets held by the Sheriff as an agent for various taxing bodies (tax collections) and for deposits held pending court action. These funds, which are custodial in nature (assets equal liabilities), do not involve measurement of results of operations. Consequently, the agency funds have no measurement focus, but use the accrual basis of accounting. Data from the fiduciary funds is not incorporated in the government-wide financial statements.

E. Cash, Interest-Bearing 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, 2020

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, 2020, are recorded as prepaid expenses.

I. Compensated Absences

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

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. 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: The vacation leave 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.

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.

DESOTO PARISH SHERIFF
Mansfield, Louisiana

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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. 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, 2020, was \$5,169,708.

O. 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.

P. 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.

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."

DESOTO PARISH SHERIFF
Mansfield, Louisiana

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

R. Equity (continued)

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, 2020, \$279,277 was non-spendable prepaid expenses; \$6,802 was restricted by the grantor; \$109,408 was assigned; and \$55,298,501 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
Mansfield, Louisiana

NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2020

2. LEVIED TAXES

The Sheriff was authorized 12.47 ad valorem tax millage and levied mills of 12.47 mills for 2019. Ad valorem taxes are recorded in the year the taxes are assessed. Total assessed value in the parish was \$758,808,223 in 2019. The following are the principal taxpayers for the parish and the Sheriff's 2019 assessed valuations:

Taxpayer	Type of Business	2019 Assessed Valuation	2019 Assessed Tax	Percentage of Total Assessed Valuation
International Paper Co.	Manufacturing	77,133,695	961,857	10.17%
Indigo Minerals LLC	Oil & Gas	56,415,821	703,505	7.43%
Exco Operating Co.	Oil & Gas	53,079,798	661,905	7.00%
Chesapeake Operating	Oil & Gas	42,479,539	529,720	5.60%
Southwestern Electric Company	Utility	38,671,512	482,234	5.10%
Covey Park Operating LLC	Oil & Gas	27,966,303	348,740	3.69%
Louisiana Midstream Gas	Oil & Gas	26,580,513	331,459	3.50%
Acadian Gas Pipeline System	Oil & Gas	25,575,440	318,926	3.37%
Enterprise Gathering LLC	Oil & Gas	23,583,925	294,092	3.11%
Cleco Power LLC	Utility	31,683,080	395,088	4.18%
Total		<u>\$ 403,169,626</u>	<u>\$ 5,027,526</u>	<u>53.15%</u>

3. CASH, INTEREST-BEARING DEPOSITS AND INVESTMENTS

Cash and Cash Equivalents:

At June 30, 2020, the Sheriff has cash in interest bearing and non-interest bearing accounts (book balance) totaling \$50,631,587 as follows:

	Government Funds	Fidiciary Funds	Total
Demand deposits	\$ 326,531	\$ 593,380	\$ 919,911
Interest-bearing demand deposits	49,670,847	40,729	49,711,576
Petty Cash	100	-	100
Categorized bank deposits	<u>\$ 49,997,478</u>	<u>\$ 634,109</u>	<u>\$ 50,631,587</u>

Investments:

At June 30, 2020, the Sheriff has investments (book balances) totaling \$4,927,467 as follows:

Louisiana Asset Management Pool	\$ 677,527
Time deposits	4,249,940
Total investments	<u>\$ 4,927,467</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.

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Mansfield, Louisiana

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

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

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 \$55,585,383 which were fully protected by \$1,000,157 of federal depository insurance and pledged securities with a market value of \$55,960,223 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.

Investments held at June 30, 2020, include \$677,527 invested with the Louisiana Asset Management Pool (LAMP), a local government investment pool. 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.

DESOTO PARISH SHERIFF
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NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

4. RECEIVABLES

The following is a summary of receivables at June 30, 2020:

	General Fund	Nonmajor Funds	Total
Intergovernmental revenues:			
Federal overtime	\$ 5,130	-	5,130
Parish building reimbursement	143,000	-	143,000
Parish revenue	67,392	-	67,392
State grants	-	16,657	16,657
Probation & Juvenile officers	26,273	-	26,273
Juvenile detail	1,680	-	1,680
Dispatch salary reimbursements	333,750	-	333,750
Sales tax	391,052	-	391,052
Ad valorem tax	11,756	-	11,756
Fees, charges, and commissions for services:			
Witness fees	300	-	300
Background check fees	15,429	-	15,429
Court attendance	612	-	612
Feeding and keeping parish prisoners	4,942	-	4,942
Feeding and keeping state prisoners	24,878	-	24,878
Prisoner transportation	241	-	241
	1,026,435	16,657	1,043,092
Less allowance for uncollectible	-	-	-
Totals	\$ 1,026,435	\$ 16,657	\$ 1,043,092

5. CAPITAL ASSETS

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

Governmental Activities	Balance 7/1/2019	Additions	Reclassification/ Deletions	Balance 6/30/2020
Capital assets not begin depreciated:				
Land	\$ 513,445	\$ 6,000	\$ -	\$ 519,445
Construction in Progress	764,882	24,780	(755,737)	33,925
Total assets not being depreciated	1,278,327	30,780	(755,737)	553,370
Depreciable assets:				
Office equipment & furniture	198,608	52,442	-	251,050
Safety equipment	834,613	5,350	-	839,963
Communications equipment	1,297,380	106,950	-	1,404,330
Farm equipment	198,621	-	-	198,621
Training equipment/apparatus	119,548	-	-	119,548
Computers & Software	447,563	-	-	447,563
Vehicles	4,477,210	668,274	(534,904)	4,610,580
Buildings & improvements	4,489,241	2,664,125	755,738	7,909,104
Total depreciable assets	12,062,784	3,497,141	220,834	15,780,759
Total Assets	13,341,111	3,527,921	(534,903)	16,334,129
Less accumulated depreciation	5,732,238	922,021	(494,811)	6,159,448
Capital assets, net	\$ 7,608,873	\$ 2,605,900	\$ (40,092)	\$ 10,174,681

Depreciation expense in the amount of \$922,021 was charged to public safety.

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NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

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, 2020, the Sheriff's compensated absences payable in accordance with GASB Statement No. 16 amounted to 12,148 hours with a resulting liability as following:

Compensated absences at July 1, 2019	\$	265,622
Additions		311,154
Deductions		(265,622)
Compensated absences at June 30, 2020	\$	311,154

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.

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, 2020, 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, 2020, 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:

	2020	2019	2018
Employee portion	\$ 989,942	\$ 913,108	\$ 808,560
Employer contributions	1,183,102	1,042,770	1,069,454
Total pension contributions	\$ 2,173,044	\$ 1,955,878	\$ 1,878,014

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 \$526,765 were recorded for the year ended June 30, 2020, in the government-wide statements.

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NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

8. PENSION PLAN (continued)

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 to exceed (after reduction for optional payment form) 100% of average final compensation. Members with twenty or more years of service may retire with a reduced retirement at age fifty.

For 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.

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 them 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.

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NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

8. PENSION PLAN (continued)

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-two, 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.

Back Deferred Retirement Option Plan (Back-DROP). In lieu of receiving a service retirement allowance, any member of the Fund who has more than sufficient service for a regular service retirement may elect to receive a back deferred retirement option plan (Back-DROP). 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. At retirement the member's maximum monthly retirement benefit is based upon his service, final average compensation and plan provisions in effect on the last day of creditable service immediately prior to the commencement of the Back-DROP period. In addition to the monthly benefit at retirement, the member receives a lump sum payment equal to the maximum monthly benefit as calculated above 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 retirement fund during the Back-DROP period. 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. 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, 2020, the Sheriff reported a liability of \$5,882,186 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, 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, 2019, the Sheriff's proportion was 1.243531%, which was an increase of 0.05611% from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the Sheriff recognized total pension expense of \$812,488.

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NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

8. PENSION PLAN (continued)

At June 30, 2020, 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	\$ -	\$ 1,126,908
Changes of assumptions	1,797,679	-
Net difference between projected and actual earnings on pension plan investments	211,673	-
Changes in employer's proportion of beginning NPL	187,268	
Changes in proportion and differences between employer contributions and proportionate share of contributions	(15,586)	3,871
Employer contributions subsequent to the measurement date	1,183,102	-
Total	\$ 3,364,136	\$ 1,130,779

Sheriff contributions subsequent to the measurement date in the amount of \$1,183,102 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.

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		
2020	\$	2,150,862
2021		(708,003)
2022		1,610,357
2023		1,890,905
2024		722,181
Total	\$	5,666,302

Actuarial Methods Assumptions

The total pension liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation Date	June 30, 2019
Actuarial Cost Method	Entry Age Normal Method
Actuarial Assumptions:	
Expected Remaining Service Lives	2019 & 2018 - 6 years 2017 & 2016 -7 years; 6 years for 2014 & 2015
Investment Rate of Return	7.10% net of investment expense'
Discount Rate	7.10%
Projected salary increases	5.5% (2.5% inflation, 3.0% merit)
Mortality	RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Table for active members, healthy annuitants and beneficiaries RP-2000 Disabled Lives Mortality Table for disable annuitants
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the Fund and includes previously granted cost-of-living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.

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NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2020

8. PENSION PLAN (continued)

The mortality rate assumptions were set after reviewing an experience study performed over the period July 1, 2009 through June 30, 2014. The data was then assigned credibility weighting and combined with a standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent to the estimated duration of the Fund's liabilities. Annuity values calculated based on this mortality were compared to those produced by using a setback of standard tables. The result of the procedure indicated that these tables would produce liability values approximating the appropriate generational mortality tables used.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected return, 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, 2019 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%	7.1%	4.40%
Fixed Income	23%	3.0%	0.70%
Alternative Investments	15%	4.6%	0.60%
Totals	100%		5.70%
Inflation			2.40%
Expected Arithmetic Nominal Return			8.10%

The discount rate used to measure the total pension liability was 7.10%, which was a decrease of 0.15% from the discount rate used to measure the total pension liability at June 30, 2019. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contributions rates and that contributions from participating employers will be made at the actuarially required rates approved by Public Employees' Retirement Systems' Actuarial Committee 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 7.10%, 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
Net pension liability	12,300,551	5,882,186	480,547

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NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

8. PENSION PLAN (continued)

Change in Net Pension Liability

The changes in the net pension liability for the year ended June 30, 2019 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, 2019. 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) Codification Section P52 *Postemployment Benefits Other Than Pensions—Reporting for Benefits Not Provided Through Trusts That Meet Specified Criteria—Defined Benefit*.

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NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2020

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

Benefits Provided – Medical, dental, vision and life insurance benefits are provided through comprehensive plans and are made available to employees upon actual retirement. Employee’s 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.

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.

Inflation	2.50%
Salary increases	3.0% including inflation
Prior discount rate	3.50%
Discount rate	2.21% annually
Healthcare cost trend rates	5.5% annually until year 2030, then 4.5%
Mortality	SOA RP-2014 Table

Employees covered by benefit terms—At June 30, 2020, 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)	<u>181</u>

Total OPEB Liability

The Sheriff’s total OPEB liability of \$14,095,718 was measured as of June 30, 2020, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and other inputs – The total OPEB liability in the June 30, 2020, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary increases	3.0% including inflation
Prior discount rate	3.50%
Discount rate	2.21% 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.

Mortality rates were based on the RP-2000 Table combined healthy without projection.

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of ongoing evaluations of the assumptions from July 1, 2009 to June 30, 2020.

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NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

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

Changes in the Total OPEB Liability

Balance at June 30, 2019	\$ 15,026,672
Changes for the year	
Service cost	1,518,171
Interest	552,502
Differences between expected and actual experience	(8,071,403)
Changes in assumptions	5,275,964
Benefit payments and net transfers	(206,185)
Net changes	(930,951)
Balance at June 30, 2020	\$ 14,095,721

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 (1.21%) or 1-percentage-point higher (3.21%) than the current discount rate:

	Changes in Discount Rate		
	1% Decrease	Current	1% Increase
	1.21%	2.21%	3.21%
Total OPEB liability	\$ 17,344,792	\$ 14,095,721	\$ 11,601,515

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%) of 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	\$ 11,799,429	\$ 14,095,721	\$ 17,163,216

For the year ended June 30, 2020, the Sheriff recognized total OPEB expense of \$1,906,761. At June 30, 2020, 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	\$ 134,448	\$ 8,199,993
Changes in assumptions	5,270,440	-
Total	\$ 5,404,888	\$ 8,199,993

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NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2020

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

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	
2021	(163,911)
2022	(163,911)
2023	(163,911)
2024	(163,911)
2025	(163,911)
Thereafter	(1,975,547)

10. RESTRICTED NET POSITION / FUND BALANCE

The following schedule summarizes restricted net position and the reserves at June 30, 2020:

	Restricted Fund Balance		
	General Fund	Nonmajor Funds	Restricted Net Position
DARE	\$ -	\$ 6,802	\$ 6,802
Total	\$ -	\$ 6,802	\$ 6,802

11. LEASE AGREEMENTS

The Sheriff has the following lease agreements in effect during the year ended June 30, 2020:

The Sheriff leases a postal meter system with Pitney Bowes. This lease is for 60 months with quarterly payments of \$225. Lease and supply expense paid was \$1,627 for the year ended June 30, 2020.

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 \$8,979.

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 \$4,119.

The Sheriff also leases space on communication towers for \$608 a month. Total paid was \$6,848 for the year.

Lease expense for the year ended June 30, 2020, is \$21,573. Minimum lease payments on long-term leases by year are as follows:

For year ended June 30,	
2021	10,018
2022	9,603
2023	8,928
2024	8,928
2025	5,208

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NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2020

12. CHANGES IN AGENCY UNSETTLED DEPOSITS

A summary of changes in agency unsettled deposits due to taxing bodies and others follows:

FUND	Balance			Balance
	July 1, 2019	Additions	Deductions	June 30, 2020
Tax collector	\$ 25,758	\$80,819,759	\$80,819,751	\$ 25,766
Civil	373,333	665,921	678,812	360,442
Criminal	131,843	1,116,451	1,025,128	223,166
Drug Seizures Escrow	9,312	5,651	-	14,963
Inmate Commissary	10,060	210,357	210,645	9,772
Totals	<u>\$ 550,306</u>	<u>\$82,818,139</u>	<u>\$82,734,336</u>	<u>\$ 634,109</u>

13. COMMITMENTS AND CONTINGENCIES

Lawsuits. At June 30, 2020, the Sheriff was a defendant in lawsuits principally arising from the normal course of operations. Although the outcome of these lawsuits is not presently determinable, in the opinion of the Sheriff and legal counsel, resolution of these matters would not create a liability in excess of insurance coverage that would have a material adverse effect on the financial condition of the Sheriff.

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

Cooperative Endeavor Agreements:

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

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

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

On November 18, 2019, the DeSoto Parish Sheriff entered into a cooperative endeavor agreement with the DeSoto Parish Police Jury to provide 1,430 square feet of office space, suitable parking, and access to common areas in the Sheriff annex building in Stonewall (1746 Highway 171) for a term of 99 years. In return, the DeSoto Parish Police Jury will pay \$100 per square feet (\$143,000), provide their necessary fixtures, furnishings, and equipment, pay for their utility costs, and financially participate 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 will pay \$100 per square feet (\$228,700), provide their necessary equipment, and pay for their utility costs.

DESOTO PARISH SHERIFF
Mansfield, Louisiana

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

14. TAXES PAID UNDER PROTEST

The liability held for others pending court action, in the Tax Collector agency fund at June 30, 2020, reflects taxes paid under protest, plus interest earned to date on these funds. These funds are held pending resolution of the protest.

15. RELATED PARTY TRANSACTIONS

Procedures, observations, and inquiries did not disclose any material related party transactions for the fiscal year ended June 30, 2020.

16. ON-BEHALF PAYMENTS FOR SALARIES

The Sheriff recognizes as general fund revenues and expenses, supplemental pay paid by the State of Louisiana to the Sheriff's employees. For year ended June 30, 2020, the state contributed \$619,445.

17. SUBSEQUENT EVENTS

Management has performed an evaluation of the Sheriff's activities through March 31, 2021 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.

In the spring of 2020, there was a global outbreak of a new strain of coronavirus, COVID-19. The public health crisis caused volatile economic conditions impacting financial market and disrupting general business activities across the United States. The timing and extent of the impact of COVID-19 on the Sheriff's current and future operations is unknown at the date of this report.

REQUIRED SUPPLEMENTAL INFORMATION (PART II)

DESOTO PARISH SHERIFF
Mansfield, Louisiana

BUDGETARY COMPARISON SCHEDULE -- GENERAL FUND

For the Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive(Negative)
EXPENDITURES/EXPENSES				
Public Safety:				
Personal services & related benefits	\$ 13,440,000	\$ 13,440,000	\$ 13,271,832	\$ 168,168
Operating expenses	1,141,950	1,353,600	1,247,331	106,269
Material & supplies	1,210,000	1,210,000	1,394,541	(184,541)
Travel & other charges	94,500	95,200	51,623	43,577
Capital outlays	2,010,000	3,871,500	3,527,921	343,579
TOTAL EXPENDITURES/EXPENSES	<u>17,896,450</u>	<u>19,970,300</u>	<u>19,493,248</u>	<u>477,052</u>
PROGRAM REVENUES				
Prisoner reimbursement fees	381,000	381,000	382,593	1,593
Contractual fees	2,057,000	2,344,000	1,709,190	(634,810)
Fines, forfeitures, and other commissions	429,750	485,750	599,493	113,743
Operating grants and contributions	1,093,000	1,112,000	1,506,803	394,803
TOTAL PROGRAM REVENUES	<u>3,960,750</u>	<u>4,322,750</u>	<u>4,198,079</u>	<u>(124,671)</u>
NET PROGRAM EXPENSE	(13,935,700)	(15,647,550)	(15,295,169)	352,381
GENERAL REVENUES				
Property taxes	8,703,000	8,916,000	8,921,542	5,542
Sales taxes	4,800,000	4,840,000	5,169,708	329,708
State revenue sharing	55,000	55,000	51,857	(3,143)
Video poker	120,000	150,000	150,009	9
Miscellaneous income	18,500	18,500	19,855	1,355
Investment earnings	260,000	282,000	299,164	17,164
TOTAL GENERAL REVENUES	<u>13,956,500</u>	<u>14,261,500</u>	<u>14,612,135</u>	<u>350,635</u>
EXCESS(Deficiency) of REVENUES OVER EXPENDITURES	20,800	(1,386,050)	(683,034)	703,016
Other financing sources(uses)				
Operating transfers in (out)	(45,000)	(45,000)	(48,500)	(3,500)
Sale of assets/ Gain (loss) on sale of assets	3,000	24,000	24,000	-
TOTAL Other financing sources(uses)	<u>(42,000)</u>	<u>(21,000)</u>	<u>(24,500)</u>	<u>(3,500)</u>
EXCESS (Deficiency) of REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES(USES)	(21,200)	(1,407,050)	(707,534)	699,516
FUND BALANCE				
Beginning of the year	56,285,312	56,285,312	56,285,312	-
End of the year	<u>\$ 56,264,112</u>	<u>\$ 54,878,262</u>	<u>\$ 55,577,778</u>	<u>\$ 699,516</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 ended June 30, 2020

	2018	2019	2020
Total OPEB Liability			
Service cost	\$ 1,096,287	\$ 1,105,291	\$ 1,518,171
Interest	490,500	496,649	552,502
Changes of benefit terms	-		
Differences between expected and actual experience	(673,168)	149,387	(8,071,403)
Changes of assumptions	-	319,539	5,275,964
Benefit payments	(200,124)	(211,131)	(206,185)
Net change in total OPEB liability	<u>713,495</u>	<u>1,859,735</u>	<u>(930,951)</u>
Total OPEB liability-beginning	<u>12,453,442</u>	<u>13,166,937</u>	<u>15,026,672</u>
Total OPEB liability-ending	<u>\$ 13,166,937</u>	<u>\$ 15,026,672</u>	<u>\$ 14,095,721</u>
Covered-employee payroll	\$ 6,430,024	\$ 6,622,925	\$ 7,616,184
Net OPEB liability as a percentage of covered-employee payroll	204.77%	226.89%	185.08%
Notes to Schedule			
Benefit Change:	None	None	None
Changes of Assumptions:			
Discount rate	3.62%	3.50%	2.21%
Mortality	RP-2000	RP-2000	RP-2014
Trend	5.50%	5.50%	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 ended June 30, 2020

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
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 ended June 30, 2020

Louisiana: Sheriffs' Pension and Relief Fund

Fiscal Year*	(a)	(b)	(a-b) Contribution Deficiency (Excess)	Agency's covered-employee payroll	Contributions as a percentage of covered-employee payroll
	Statutorily Required Contribution	Contributions in relation to the statutorily required contribution			
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, 2020

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.

OTHER SUPPLEMENTAL INFORMATION

DeSoto Parish Sheriff
Mansfield, Louisiana

OTHER NONMAJOR SPECIAL REVENUE FUNDS

Year ended June 30, 2020

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, 2020

	Task Force Budget Fund	Task Force Program Fund	DARE Fund	Criminal Interdiction	Total
ASSETS					
Cash	\$ 30,501	\$ 16,387	\$ 5,634	\$ 62,520	\$ 115,042
Receivables	-	-	16,657	-	16,657
TOTAL ASSETS	\$ 30,501	\$ 16,387	\$ 22,291	\$ 62,520	\$ 131,699
LIABILITIES & FUND EQUITY					
Liabilities:					
Interfund payables	\$ -	\$ -	\$ 15,489	\$ -	\$ 15,489
Total liabilities	-	-	15,489	-	15,489
Fund equity:					
Fund balance:					
Restricted	-	-	6,802	-	6,802
Assigned	30,501	16,387	-	62,520	109,408
Total Fund Equity	30,501	16,387	6,802	62,520	116,210
TOTAL LIABILITIES & FUND EQUITY	\$ 30,501	\$ 16,387	\$ 22,291	\$ 62,520	\$ 131,699

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 ended June 30, 2020

	Task Force Budget Fund	Task Force Program Fund	DARE Fund	Criminal Interdiction Fund	Total
REVENUES					
Fees, fines, seizures, and commissions	\$ -	\$ 594	\$ 1,700	\$ -	\$ 2,294
Operating grants and contributions:					
Local grants	20,000	-	-	-	20,000
State grants	-	-	16,657	-	16,657
TOTAL REVENUES	<u>20,000</u>	<u>594</u>	<u>18,357</u>	<u>-</u>	<u>38,951</u>
EXPENDITURES					
Public safety:					
Personal services and related benefits	-	-	15,489	-	15,489
Operating services	25,400	20,781	5,600	9,491	61,272
Materials and supplies	2,860	-	4,528	3,428	10,816
Travel and other charges	-	-	400	20	420
Capital outlay	-	-	-	-	-
TOTAL EXPENDITURES	<u>28,260</u>	<u>20,781</u>	<u>26,017</u>	<u>12,939</u>	<u>87,997</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(8,260)	(20,187)	(7,660)	(12,939)	(49,046)
Other financing sources (uses)					
Transfer in	10,000	-	-	38,500	48,500
TOTAL OTHER FINANCING SOURCES(USES)	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>38,500</u>	<u>48,500</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES(USES)	1,740	(20,187)	(7,660)	25,561	(546)
FUND BALANCES, BEGINNING OF YEAR	<u>28,761</u>	<u>36,574</u>	<u>14,462</u>	<u>36,959</u>	<u>116,756</u>
FUND BALANCES, END OF YEAR	<u>\$ 30,501</u>	<u>\$ 16,387</u>	<u>\$ 6,802</u>	<u>\$ 62,520</u>	<u>\$ 116,210</u>

Supplemental Information.
See the accompanying independent auditor's report

**DeSoto Parish Sheriff
Mansfield, Louisiana**

FIDUCIARY FUND TYPE—AGENCY FUNDS

Year ended June 30, 2020

Tax Collector Fund

Article V, Section 27 of the Louisiana Constitution of 1974, provides that the Sheriff will serve as the collector of state and parish taxes, licenses, and fees. The Tax Collector Fund is used to collect and distribute these taxes to the appropriate taxing bodies.

Civil Fund

The Civil Fund accounts for the collection of funds in civil suits, sheriff's sales, and garnishments and payment of these collections to the Sheriff's General Fund and other recipients in accordance with applicable laws.

Criminal Fund

The Criminal Fund is a depository for cash bonds, fines, and court costs which are posted in criminal and traffic cases and the collection of a bond fee charge levied for the processing of cash bonds. Bond fee charges are transferred to the Sheriff's General Fund and cash bonds are held until cases are heard in court and then either refunded to defendants or distributed as directed by the court.

Drug Seizures Escrow Fund

In accordance with Louisiana Revised Statute 40:2616, the District Attorney for the Forty-second Judicial District has appointed the DeSoto Parish Sheriff as administrator for the Drug Seizures Escrow Fund. This fund accounts for seized property subject to forfeiture to the law enforcement agencies that participated in the seizing process. The distributions to the appropriate agencies are made only upon order of the district attorney as approved by the court.

Inmate Fund

The Inmate Fund accounts for funds of inmates that are used for personal items purchased by the inmates.

DESOTO PARISH SHERIFF
Mansfield, Louisiana
FIDUCIARY FUND TYPE- AGENCY FUNDS
Statement of Changes in Unsettled Deposits
For the year ended June 30, 2020

	Tax Collector Fund	Civil Fund	Criminal Fund	Drug Seizures Escrow Fund	Inmate Fund	Total
Additions:						
Taxes, fees, etc., received:						
Sheriff's sales	\$ -	\$ 470,096	\$ -	\$ -	\$ -	\$ 470,096
Fines, forfeitures, and costs	-	-	1,011,330	-	-	1,011,330
Garnishments	-	125,902	-	-	-	125,902
Seizures, bonds, etc	-	-	105,121	5,648	-	110,769
Ad Valorem						
Current year	80,016,639	-	-	-	-	80,016,639
Prior year	16,267	-	-	-	-	16,267
Protested	-	-	-	-	-	-
State revenue sharing	563,876	-	-	-	-	563,876
Interest on:						
Operating account	32,189	-	-	3	-	32,192
Delinquent taxes	36,567	-	-	-	-	36,567
Prior year taxes	1,975	-	-	-	-	1,975
Cost of tax notices, etc.	23,359	-	-	-	-	23,359
Redemptions	121,432	-	-	-	-	121,432
Other additions	7,455	69,923	-	-	210,357	287,735
Total additions	<u>80,819,759</u>	<u>665,921</u>	<u>1,116,451</u>	<u>5,651</u>	<u>210,357</u>	<u>82,818,139</u>
Deductions:						
Settlement payments to:						
Louisiana Dept of Forestry	26,082	-	-	-	-	26,082
Red River Levee District	4,865	-	-	-	-	4,865
Louisiana Tax Commission	52,740	-	-	-	-	52,740
Northwest Crime Lab	-	-	89,614	-	-	89,614
Northwest Juvenile Detention	-	-	20,235.00	-	-	20,235
Louisiana Rehabilitation	-	-	11,034	-	-	11,034
DeSoto Parish:						
Sheriff's General Fund	9,057,533	217,565	108,535	-	-	9,383,633
Clerk of Court	-	77,262	44,483	-	-	121,745
Police Jury	10,687,423	-	362,822	-	-	11,050,245
School Board	41,280,103	-	-	-	-	41,280,103
Assessor	1,802,566	-	-	-	-	1,802,566
Municipalities	-	-	235	-	-	235
District Attorney	-	-	127,961	-	-	127,961
Communications District	735,555	-	-	-	-	735,555
Judicial Expense Fund	-	-	71,598	-	-	71,598
Indigent Defender Fund	-	-	120,520	-	-	120,520
Fire Protection District No. 1	1,485,847	-	-	-	-	1,485,847
Fire Protection District No. 2	752,224	-	-	-	-	752,224
Fire Protection District No. 3	563,554	-	-	-	-	563,554
Fire Protection District No. 5	373,706	-	-	-	-	373,706
Fire Protection District No. 8	3,594,340	-	-	-	-	3,594,340
Fire Protection District No. 9	2,321,754	-	-	-	-	2,321,754
Water District No. 1	687,537	-	-	-	-	687,537
Ambulance Service District	5,005,014	-	-	-	-	5,005,014
Litigants, attorneys	-	108,071	-	-	-	108,071
State Pension Funds	2,228,380	-	-	-	-	2,228,380
Other Settlements	-	-	29,971	-	-	29,971
Refunds	160,512	20,719	38,120	-	-	219,351
Other reductions	16	255,195	-	-	210,645	465,856
Total reduction:	<u>80,819,751</u>	<u>678,812</u>	<u>1,025,128</u>	<u>-</u>	<u>210,645</u>	<u>82,734,336</u>
Change in Unsettled Deposits	<u>8</u>	<u>(12,891)</u>	<u>91,323</u>	<u>5,651</u>	<u>(288)</u>	<u>83,803</u>
Unsettled Deposits, beginning	25,758	373,333	131,843	9,312	10,060	550,306
Unsettled Deposits, ending	<u>\$ 25,766</u>	<u>\$ 360,442</u>	<u>\$ 223,166</u>	<u>\$ 14,963</u>	<u>\$ 9,772</u>	<u>\$ 634,109</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 ended June 30, 2020

Jayson Richardson, Sheriff

Purpose:

Salary	\$	165,869
Benefits - Insurance		21,887
Benefits - Retirement		43,081
Benefits - Other		7,800
Car Allowance		-
Per diem		-
Reimbursements		-
Travel		785
Registration fees		404
Conference travel		260
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:

\$25,766 is the amount of cash on hand in the tax collector accounts on June 30, 2020.

The cash on hand is monies collected under protest.

The following is a list of ad valorem taxes assessed, collected, and uncollected for 2019:

	2019 Adjusted <u>Tax Assessed</u>	2019 <u>Collections</u>	2019 <u>Uncollected</u>
Louisiana Dept of Forestry	\$ 30,718	\$ 30,661	\$ 57
Red River Levee District	5,036	5,036	-
Louisiana Tax Commission	52,719	52,719	-
DeSoto Parish:			
Sheriff's General Fund	8,915,891	8,902,969	12,922
Police Jury	11,082,302	11,066,241	16,061
School Board	42,701,773	42,639,876	61,897
Tax Assessor	1,787,468	1,784,878	2,590
Communications District (E911)	729,287	728,230	1,057
Fire Protection District No. 1	1,482,696	1,478,998	3,698
Fire Protection District No. 2	747,657	747,381	276
Fire Protection District No. 3	564,793	563,248	1,545
Fire Protection District No. 5	370,014	369,459	555
Fire Protection District No. 8	3,584,956	3,582,107	2,849
Fire Protection District No. 9	2,307,699	2,307,148	551
Water District No. 1	687,149	686,514	635
Ambulance Service District	5,004,911	4,997,657	7,254
	<u>\$ 80,055,069</u>	<u>\$ 79,943,122</u>	<u>\$ 111,947</u>

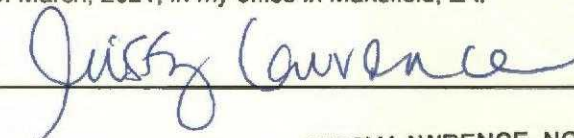
The taxes that were uncollected consist of oil wells that no longer produce and moveable property of businesses that have closed. Liens have been placed on these properties.

The above information is true and correct.



Sheriff of DeSoto Parish

SWORN to and subscribed before me, Notary, this 30th day of March, 2021, in my office in Mansfield, LA.



Missy Lawrence, Notary Public

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

Supplemental Information.

See the accompanying independent auditor's report

**OTHER REPORTS REQUIRED BY
GOVERNMENT AUDITING STANDARDS**



Dees Gardner, Certified Public Accountants, LLC

Deborah D. Dees, CPA/CFF

122 Jefferson Street

Maura Dees Gardner, CPA, CFE

Mansfield, Louisiana

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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, 2020, 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 31, 2021.

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 any audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The 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 31, 2021

DeSoto Parish Sheriff
Mansfield, Louisiana

SCHEDULE OF FINDINGS AND RESPONSES
For the Year ended June 30, 2020

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, 2020, 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, 2020, 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, 2020

None.