
ANNUAL FINANCIAL REPORT
ORLEANS PARISH SHERIFF'S OFFICE
NEW ORLEANS, LOUISIANA
FOR THE YEAR ENDED
DECEMBER 31, 2020

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Independent Auditors' Report

The Honorable Susan Hutton
Orleans Parish Sheriff's Office
New Orleans, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Orleans Parish Sheriff's Office (the Office) as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Office'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 controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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, each major fund, and the aggregate remaining fund information of the Orleans Parish Sheriff's Office as of December 31, 2020, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages iv through xvii, budgetary comparison information on pages 44 through 45, schedule of employer's contributions to the Louisiana Sheriffs' Pension and Relief Fund on page 46, schedule of proportionate share of net pension liability on page 47, schedule of changes in total OPEB liability and related ratios on page 48, and the schedule of proportionate share of total OPEB liability on page 49 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Office's basic financial statements. The combining and comparative financial statements and schedules; the schedule of compensation, benefits and other payments to agency head; and the judicial system funding schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining and comparative financial statements and schedules; the schedule of compensation, benefits and other payments to agency head; judicial system funding schedules; and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and comparative financial statements; schedule of compensation, benefits and other payments to agency head; judicial system funding schedules; and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the financial statements as a whole.

We also have previously audited, in accordance with auditing standards generally accepted in the United States of America, the Orleans Parish Sheriff's Office's basic financial statements for the years ended December 31, 2019 and 2018, which are not presented with the accompanying financial statements and we expressed unmodified opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information. Those audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the Orleans Parish Sheriff's Office's basic financial

statements as a whole. The comparative schedule of expenses, comparative balance sheets – general fund, and comparative statements of revenues, expenditures, and changes in fund balances – general fund for the years ended December 31, 2019 and 2018, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2019 and 2018 basic financial statements. The information has been subjected to the auditing procedures applied in the audits of those basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2019 and 2018 comparative schedule of expenses, comparative balance sheets – general fund, and comparative statements of revenues, expenditures, and changes in fund balances – general fund are fairly stated in all material respects in relation to the basic financial statements from which they have been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2022, on our consideration of the Office’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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Office’s internal control over financial reporting and compliance.

Postlethwaite & Netterville

Metairie, Louisiana
December 28, 2022

REQUIRED SUPPLEMENTARY INFORMATION

ORLEANS PARISH SHERIFF'S OFFICE
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2020

Management's discussion and analysis of the Orleans Parish Sheriff's Office's (the Office) financial performance provides a narrative overview and analysis of the Office's financial activities for the year ended December 31, 2020. This discussion and analysis focuses on the current year's ending balances, activities, and resulting changes in comparison with the prior year's information. The Office's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

FINANCIAL HIGHLIGHTS

Government-Wide

The assets and deferred outflows of the Office exceeded its liabilities and deferred inflows at December 31, 2020 by \$241.5 million (presented as "net position"). Net position is comprised of the following: (1) net investment in capital assets of \$261.1 million, (2) restricted for future intergovernmental transfers of \$11.8 million, (3) restricted for debt service of \$0.7 million, (4) restricted for capital improvements of \$2.8 million, and (5) a deficit in unrestricted net position of \$34.9 million.

The Office's net position at December 31, 2020 decreased by \$5.9 million, or 2.4%, from December 31, 2019. For the year ended December 31, 2020 total expenses of approximately \$83.2 million exceeded total revenues of \$77.3 million.

The Office records its proportionate share of the unfunded net pension liability and certain deferred inflows and outflows related to the Louisiana Sheriff's Pension Relief Fund (a state-wide defined benefit, cost-sharing, multiple employer plan). Pension-related deferred outflows increased by \$8.1 million and pension-related deferred inflows decreased by \$0.9 million. The Office's net pension liability, determined by actuarial calculations, increased from \$23.1 million at December 31, 2019 to \$34.5 million at December 31, 2020. More information is included in Note 7 to the financial statements.

Fund Level

At December 31, 2020, the Office's governmental funds reported combined ending fund balances of \$22.1 million, a decrease of \$1.6 million from the prior year. The Debt Service Fund's fund balance increased by \$0.4 million to a total fund balance of \$0.9 million. The General Fund's fund balance increased by \$0.9 million to a fund balance of \$6.6 million. The Capital Projects Fund's fund balance decreased by \$2.9 million to a total fund balance of \$14.5 million.

ORLEANS PARISH SHERIFF'S OFFICE
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2020

OVERVIEW OF THE FINANCIAL STATEMENTS

This Management's Discussion and Analysis document introduces the Office's basic financial statements. The basic financial statements include three components: (1) government-wide financial statements (accrual basis), (2) fund financial statements, and (3) notes to the basic financial statements. The Office also includes in this report additional information to supplement the basic financial statements.

GOVERNMENT WIDE FINANCIAL STATEMENTS

The Office's annual report includes two government-wide financial statements. These government-wide financial statements are designed to provide readers with a broad overview of the Office's finances, in a manner similar to a private-sector business with its basis in accrual accounting and elimination or reclassification of activities between funds.

The first of these government-wide statements is the Statement of Net Position. This Statement of Net Position presents information that includes all of the Office's assets and liabilities and deferred inflows and outflows, with the difference reported as net position. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the Office as a whole is improving or deteriorating.

The second government-wide statement is the Statement of Activities, which reports how the Office's net position changed during the current year. All current year revenues and expenses are included regardless of when cash is received or paid. The primary purpose of these governmental activities is the custody of inmates and the serving of citations, summonses, subpoenas, notices, and other processes for Civil and Criminal District Courts, the Courts of Appeals, and the Supreme Court. The government-wide financial statements are presented on pages 1 and 2, Exhibits "A" and "B" of this report.

FUND FINANCIAL STATEMENTS

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Office, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the Office's most significant funds rather than the Office as a whole.

The Office's funds are classified into two categories: governmental funds and fiduciary funds as follows:

Governmental funds are reported in the fund financial statements and encompass essentially the same functions reported as governmental activities in the government-wide financial statements. However, the focus is on the near-term and may be useful in the evaluation of a government's near-term financing requirements. The focus is on inflows and outflows of spendable resources as well as on balances of spendable resources available at the end of the year.

ORLEANS PARISH SHERIFF'S OFFICE
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2020

FUND FINANCIAL STATEMENTS (continued)

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide useful insight into the long-term impact of short-term financing decisions. Reconciliations between these two perspectives are provided to facilitate this comparison. The reconciliation between the governmental funds balance sheet and the statement of net position is on page 4, Exhibit "D". The reconciliation between the governmental funds statement of revenues, expenditures, and changes in fund balances, and the statement of activities is on page 7, Exhibit "F".

The basic governmental fund financial statements are presented on pages 3 and 5-6, Exhibits "C" and "E" of this report.

Fiduciary funds are reported within the fund financial statements and report a defined contribution pension plan and custodial funds including: individual prison inmate agency accounts and civil fiduciary accounts for assets held by the Office as an agent for deposits held pending court action. Activities from fiduciary funds are not included in the government-wide financial statements because the Office cannot use these assets for its operations. The basic fiduciary fund financial statements are presented on pages 8 and 9, Exhibits "G" and "H" of this report.

NOTES TO THE BASIC FINANCIAL STATEMENTS

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin on page 10 of this report.

OTHER INFORMATION

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Office's budget presentations. Budgetary comparison statements are included as "required supplementary information" for the general fund and debt service fund. These schedules demonstrate compliance with the Office's adopted original and final revised budgets. Other required supplementary information includes pension-related schedules and OPEB – related schedules. Required supplemental information can be found on pages 44 through 49, Schedules "A-1", "A-2", "A-3", "A-4", and "A-5" of this report. This report also includes as other supplementary information combining statements and statements with comparative data to prior years on pages 50 through 54. Act 706 of the 2014 Louisiana Legislative Session amended R.S. 24:513A and added the state required disclosure of compensation, reimbursements, benefits and other payments to the Agency Head. This Schedule "D-1" can be found on page 55. The 2020 regular legislative session allowed for Act 87 to require two new justice system funding schedules; entity collections and disbursements and entity receipts, these schedules "E-1" and "E-2" can be found on pages 56 through 60. A single audit section, which includes a Schedule of Expenditures of Federal Awards, begins on page 61.

ORLEANS PARISH SHERIFF'S OFFICE
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2020

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following table provides a summary Statement of Net Position:

	<u>Primary Government Totals</u>		<u>Change</u>	
	<u>Governmental Activities</u>			
	<u>2020</u>	<u>2019</u>	<u>\$</u>	<u>%</u>
Assets:				
Current and other	\$ 38,344,907	\$ 45,692,871	\$ (7,347,964)	-16.1%
Capital	281,701,411	288,759,125	(7,057,714)	-2.4%
Total	<u>320,046,318</u>	<u>334,451,996</u>	<u>(14,405,678)</u>	<u>-4.3%</u>
Deferred outflows:				
Deferred outflows- OPEB related	4,662,351	2,999,065	1,663,286	-100.0%
Deferred outflows- pension related	20,679,174	12,532,008	8,147,166	65.0%
	<u>25,341,525</u>	<u>15,531,073</u>	<u>9,810,452</u>	<u>63.2%</u>
Liabilities:				
Current	16,047,932	21,829,105	(5,781,173)	-26.5%
Long-term				
Due within one year	6,587,480	7,319,596	(732,116)	100.0%
Due after one year	38,140,620	41,119,044	(2,978,424)	-7.2%
Net pension liability	34,568,190	23,072,467	11,495,723	49.8%
Total	<u>95,344,222</u>	<u>93,340,212</u>	<u>2,004,010</u>	<u>2.1%</u>
Deferred inflows:				
Deferred inflows-OPEB related	2,745,375	2,583,275	162,100	6.3%
Deferred inflows-pension related	5,828,349	6,708,395	(880,046)	-13.1%
Total	<u>8,573,724</u>	<u>9,291,670</u>	<u>(717,946)</u>	<u>-7.7%</u>
Net Position:				
Net investment in capital assets	261,063,454	266,954,328	(5,890,874)	-2.2%
Restricted for:				
Debt service	738,173	514,575	223,598	43.5%
Capital improvements	2,767,604	2,501,278	266,326	10.6%
Intergovernmental transfers	11,775,069	14,982,843	(3,207,774)	-21.4%
Unrestricted (deficit)	<u>(34,874,403)</u>	<u>(37,601,837)</u>	<u>2,727,434</u>	<u>-7.3%</u>
Total net position	<u>\$ 241,469,897</u>	<u>\$ 247,351,187</u>	<u>\$ (5,881,290)</u>	<u>-2.4%</u>

ORLEANS PARISH SHERIFF'S OFFICE
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2020

GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)

There are several components to net position. Net investment in capital assets decreased by \$5.9 million as a result of depreciation expense, offset by capital additions, and decreases in bonds and leases payable. Net position restricted for debt service increased \$0.4 million due to the \$4.7 million of ad valorem tax revenue dedicated to debt retirement exceeding the debt retirement principal and interest payments of \$4.3 million. Net position restricted for capital improvements increased by \$0.3 million compared to 2019. Net position restricted for intergovernmental transfers decreased by \$3.2 million as capital improvements were made by other criminal justice agencies funded through the Orleans Parish Law Enforcement District bonds.

Most of the Office's net position represents its net investment in capital assets (e.g. land, buildings and improvements, operating equipment, office furniture and equipment, vehicles, and leased equipment) less any related debt used to acquire those assets that is still outstanding. The Office uses these capital assets to provide services to citizens and inmates; consequently, these assets are not available for future spending. Although the Office's net investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other resources, since capital assets themselves cannot be used to liquidate these liabilities.

Unrestricted net position changed from a deficit of \$37.6 million in 2019 to a deficit of \$34.9 million in 2020. The restricted net position includes \$0.7 million set aside to liquidate debt. There is approximately \$16.9 million of principal and interest payments due on general obligation bonds over their remaining lives. Funds held for intergovernmental transfers (funds for other criminal justice governmental agencies for their capital improvements) had a remaining balance of \$11.8 million. The Office cannot use these intergovernmental funds as they are restricted for other criminal justice governmental agencies' capital improvements. The Office has \$2.8 million held for capital improvements for the Office at December 31, 2020.

Current and other assets decreased by \$7.3 million (16.1%) due to the reduction of intergovernmental receivables. Capital assets decreased \$7.0 million primarily due to depreciation.

Current liabilities decreased \$5.8 million (-26.5%). Long-term liabilities increased by \$7.8 million in 2020 due primarily to a \$11.4 million increase in the net pension liability and a \$5.5 million decrease in the other post-employment benefits (OPEB) liability. Reductions in long-term liabilities included \$3.7 million of regularly scheduled principal payments for general obligation bonds and principal payments of \$2.1 million on private placement debt.

Deferred outflows of resources increased by \$9.8 million, or 63.2%, and deferred inflows of resources decreased by \$0.7 million. These deferred outflows and inflows are related to pension and other-postemployment benefits and are actuarially determined.

ORLEANS PARISH SHERIFF'S OFFICE
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2020

GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)

The Office is responsible for one of the core components of the local criminal justice system, which is the operation of the Parish detention system. This responsibility includes providing for the care, custody, and control of subjects housed in detention facilities, as well as the processing of all individuals arrested within the City of New Orleans. Additionally, the Sheriff serves as the Executive Officer for the Orleans Parish Criminal District Court and the Civil District Courts, which includes the execution of all writs, orders, and processes including warrants and subpoenas; executes writs for judicial sales and disburses monies realized in accordance with laws, mandates, orders, and judgments directed to him by the District Courts, the Courts of Appeals, and the Supreme Court; and provides security for the court system. Ancillary functions of the Office include but are not limited to: law enforcement patrols; security services; the operation of search and rescue, mounted, K-9, motorcycle, and SWAT units; crime victim's assistance; community service programs; work release programs and day reporting.

The following table provides a summary of the Office's statement of activities:

	Statement of Activities			
	Governmental Activities		Change	
	2020	2019	\$	%
Revenues:				
Program:				
Charges for custody of inmates services	\$ 53,962,442	\$ 70,729,892	\$ (16,767,450)	-23.7%
Charges for civil division services	3,939,445	4,996,249	(1,056,804)	-21.2%
Operating grants	5,902,066	5,513,518	388,548	7.0%
Capital grants	1,475,060	1,959,491	(484,431)	-24.7%
General:				
Ad-valorem taxes	11,665,949	9,803,691	1,862,258	19.0%
Other	364,657	770,340	(405,683)	-52.7%
Total revenues and other	<u>77,309,619</u>	<u>93,773,181</u>	<u>(16,463,562)</u>	<u>-17.6%</u>
Expenses:				
Program expenses:				
Custody of prisoners	73,570,639	88,958,320	(15,387,681)	-17.3%
Civil division	6,026,148	6,112,271	(86,123)	-1.4%
Interest	784,243	948,125	(163,882)	-17.3%
General:				
Loss on disposal of assets	15,949	10,080,360	(10,064,411)	-99.8%
Transfers to other governmental agencies	2,793,930	2,843,245	(49,315)	-1.7%
Total expenses and other	<u>83,190,909</u>	<u>108,942,321</u>	<u>(25,751,412)</u>	<u>-24%</u>
Net (decrease)	(5,881,290)	(15,169,140)	9,287,850	-61.2%
Beginning net position	<u>247,351,187</u>	<u>262,520,327</u>	<u>(15,169,140)</u>	<u>-5.8%</u>
Ending net position	<u>\$ 241,469,897</u>	<u>\$ 247,351,187</u>	<u>\$ (5,881,290)</u>	<u>-2.4%</u>

ORLEANS PARISH SHERIFF'S OFFICE
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2020

Charges for custody of inmates, the primary funding source, decreased by \$16.8 million from 2019 to 2020 due to the City of New Orleans taking over payments for the inmate medical contract. The Civil Division-generated fees decreased 21.2% in 2020 due to the suspension of auctions due to the COVID-19 pandemic. Ad-valorem tax revenues increased by \$1.9 million, or 19%, due to the Orleans Parish property reassessment and the Assessor's Office opting to roll forward the millages.

Program expenses of the Office decreased by 16.1% primarily related to personnel and medical costs that were paid directly by the City in 2020 as described above. The loss on disposal of assets decreased by \$10.1 million in 2020 due to the disposal of City-owned buildings that occurred 2019.

FINANCIAL ANALYSIS OF THE OFFICE'S FUNDS

As noted above, the Office uses fund accounting to ensure and demonstrate compliance with finance related legal requirements and to assist in the management of its budgetary operations.

Governmental Funds

The focus of the Office's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Office's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of December 31, 2020, the Office's governmental funds reported combined ending fund balances of \$22.1 million. This is a decrease of \$1.6 million, or 6.8%, from the prior year. Unassigned fund balance is \$6.0 million.

Major Governmental Funds

The General Fund is the Office's primary operating fund. The General Fund's fund balance increased by \$0.9 million in 2020 for an ending fund balance of \$6.6 million (less than two months of operations).

Revenues for the General Fund decreased by 19.8% (\$17.3 million decrease). This is primarily attributable to a \$17.1 million decrease in City of New Orleans revenue due to the City making direct payments to the medical contractor in the amount of \$10.8 million and the COVID-19 pandemic causing the Civil Division to cease auctions resulting in a \$1.0 million decrease. Ad valorem tax millage increased by \$1.2 million due to the Orleans Parish property reassessment and the Assessor's Office opting to roll forward the millages. The Debt Service Fund had a \$0.7 million increase in ad valorem tax millages, as well, due to the reassessment.

Operating expenditures for the General Fund decreased 19.3%, or \$17.0 million, from \$87.7 million in 2019 to \$70.8 million in 2020. Most departments had decreases in overall expenditures due to the extreme measures that were taken due to the COVID-19 pandemic. Inmate services decreased \$12.5 million or 54.9%, primarily due to the inmate medical contract being paid directly by the City of New Orleans, described above.

ORLEANS PARISH SHERIFF'S OFFICE
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2020

FINANCIAL ANALYSIS OF THE OFFICE'S FUNDS (continued)

Major Governmental Funds (continued)

The following schedule shows General Fund revenues and expenditures:

	General Fund			
	2020	2019	\$ change	% change
REVENUES:				
City of New Orleans charges	\$ 42,773,360	\$ 59,854,498	\$ (17,081,138)	-28.5%
State of Louisiana DOC charges	2,438,079	2,613,772	(175,693)	-6.7%
Civil fees and commissions	2,954,230	3,971,516	(1,017,286)	-25.6%
Civil security services	985,215	1,024,733	(39,518)	-3.9%
Investment income	23,485	145,489	(122,004)	-83.9%
On-behalf payments	6,952,062	6,293,717	658,345	10.5%
Inmate telephone	772,748	865,168	(92,420)	-10.7%
Release processing fees	328,527	359,171	(30,644)	-8.5%
State supplemental pay	2,014,036	2,024,856	(10,820)	-0.5%
Federal and state grants	3,129,215	3,596,508	(467,293)	-13.0%
Restitution/administration	175,224	266,345	(91,121)	-34.2%
Commissary	522,442	477,221	45,221	9.5%
Other income	311,862	454,369	(142,507)	-31.4%
Ad valorem tax revenue	6,882,910	5,696,437	1,186,473	20.8%
Total revenues	70,263,395	87,643,800	(17,380,405)	-19.8%
EXPENDITURES:				
Central services	6,780,489	8,072,900	(1,292,411)	-16.0%
Court services	3,232,182	5,375,179	(2,142,997)	-39.9%
Security services	18,195,160	17,714,129	481,031	2.7%
Investigative services	3,059,592	3,473,731	(414,139)	-11.9%
Administrative services	4,885,106	6,037,627	(1,152,521)	-19.1%
Records and booking	5,565,936	6,225,826	(659,890)	-10.6%
Inmate services	10,281,204	22,821,231	(12,540,027)	-54.9%
Grants and special programs	396,430	422,495	(26,065)	-6.2%
Plant and maintenance	8,167,252	8,230,811	(63,559)	-0.8%
Debt retirement	3,092,723	3,086,939	5,784	0.2%
Interest payments	236,497	306,225	(69,728)	-22.8%
Civil administrative services	2,627,036	3,164,251	(537,215)	-17.0%
Civil security services	2,223,501	2,215,538	7,963	0.4%
Capital outlays	2,028,124	579,360	1,448,764	250.1%
Total expenditures	70,771,232	87,726,242	(16,955,010)	-19.3%
Deficiency of revenues over expenditures	(507,837)	(82,442)	(425,395)	516.0%
OTHER FINANCING SOURCES	1,436,944	181,853	1,255,091	690.2%
Net changes in fund balances	929,107	99,411	829,696	834.6%
FUND BALANCES, BEGINNING	5,704,135	5,604,724	99,411	1.8%
FUND BALANCES, ENDING	\$ 6,633,242	\$ 5,704,135	\$ 929,107	16.3%

ORLEANS PARISH SHERIFF'S OFFICE
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2020

FINANCIAL ANALYSIS OF THE OFFICE'S FUNDS (continued)

Major Governmental Funds (continued)

The decrease in the fund balance of the Capital Projects Fund was \$2.9 million from \$17.5 million to \$14.5 million of restricted fund balance. This was primarily due to other agencies (primarily the Criminal District Courts) expending funds. Of this capital projects fund balance, \$14.5 million is restricted for other criminal justice agencies.

The Debt Service Fund's fund balance increased by \$0.4 million. Ad valorem taxes of \$4.8 million (\$4.1 million for 2019) were collected for debt service. The increase in ad valorem tax revenue in 2020 was offset by \$4.4 million that was expended from the Debt Service Fund to pay fees and interest and to retire debt. For 2020, 1.26 mills (1.6 for 2019) are for operations/General Fund and 1.54 mills (1.2 for 2019) are for debt service.

BUDGETARY HIGHLIGHTS

The General Fund

The number of inmates held at the detention facilities at any given time is determined by the number of arrests made by law enforcement authorities and the length of stay, which is affected by sentences imposed by the courts or the ability to make bond. Other factors include that the classification of the inmate may restrict the type of bed that can be used. Another limiting factor is the staffing that is available.

The original budget for the General Fund included anticipated revenues of approximately \$91 million. The budget was amended to reflect a decrease to \$67 million primarily due to decreases in City of New Orleans revenue and civil fees and commissions. These decreased revenues are attributed to City of New Orleans making direct payments to the third-party medical contractor and cancellation of public auctions due to the COVID-19 pandemic. The City of New Orleans underestimated revenues are offset by underestimated inmate expenses. The civil fees and commissions underestimated revenues are offset by underestimated Civil administrative services. The amended budget also adjusted the beginning fund balance from \$4.1 million to the actual 2019 ending balance of \$5.7 million.

The actual revenues were \$2.6 million higher than the final budget. Grant revenues and State of Louisiana charges exceeded expectations of the amended budget.

The initial 2020 budget expected federal and state grants of \$2.1 million. FEMA revenues are recognized on a reimbursement basis. The amended budget decreased federal and state grant revenues to \$1.1 million, and actual federal and state grants were \$3.1 million. FEMA processing of requests for versions has slowed and FEMA is trying to only write versions at close-out. Grant revenues were higher than budgeted due to the receipt of federal Coronavirus Relief Funds for payroll reimbursements related to the COVID-19 pandemic.

ORLEANS PARISH SHERIFF'S OFFICE
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2020

BUDGETARY HIGHLIGHTS (continued)

The General Fund (continued)

The final expenditures were in line with the final budget except for inmate services. Inmate services were under-budgeted by \$1.6 million. This is the result of the City of New Orleans making direct payments to the inmate medical vendor. Debt retirement exceeded the budget by \$0.9 million. This is a result of the new capital leases that were recognized in 2020.

The original budget expected a decrease of \$1.4 million in fund balance. The amended budget expected a decrease of \$1.0 million in fund balance. Actual results were a \$0.9 million increase in fund balance.

The Debt Service Fund

The 2020 debt service budget had minimal changes in revenues and expenditures. Ad valorem tax originally budgeted at \$5.0 million were reduced to \$4.2 million when collections did not meet expectations. Actual ad valorem tax collections totaled \$4.8 million.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The following table provides a comparative summary of capital assets:

	<u>2020</u>	<u>2019</u>	<u>Percentage change</u>
Land	\$ 6,052,681	\$ 6,052,681	0.0%
Depreciable assets:			
Building and improvements	331,005,856	329,654,211	0.4%
Operating equipment	1,263,088	1,263,088	0.0%
Leased operating equipment	1,101,845	1,101,845	100.0%
Furniture and equipment	1,016,709	1,016,709	0.0%
Vehicles including leased	<u>7,751,767</u>	<u>7,183,107</u>	<u>7.9%</u>
Total depreciable assets	<u>342,139,265</u>	<u>340,218,960</u>	<u>0.6%</u>
Less accumulated depreciation	<u>66,490,535</u>	<u>57,512,516</u>	<u>15.6%</u>
Depreciable assets, net	<u>275,648,730</u>	<u>282,706,444</u>	<u>-2.5%</u>
Total assets	<u>\$ 281,701,411</u>	<u>\$ 288,759,125</u>	<u>-2.4%</u>

ORLEANS PARISH SHERIFF'S OFFICE
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2020

CAPITAL ASSETS AND DEBT ADMINISTRATION (continued)

Capital Assets (continued)

The Office's investment in capital assets, net of accumulated depreciation, as of December 31, 2020, is \$281.7 million. This is a 2.4% decrease from 2019. The change consisted of \$2.1 million of capital additions, retirements of \$0.1 million, and depreciation expense of \$9.1 million. Additions to capital assets, funded primarily through capital leases were approximately \$0.7 million.

Long-term Obligations

At the end of the fiscal year, the Office had approximately \$71.5 million in long-term obligations as shown in the table below:

	<u>2020</u>	<u>2019</u>	<u>Percentage change</u>
Public placement debt	\$ 15,785,000	\$ 19,555,000	-19.3%
Private placement debt	1,792,117	3,184,984	-43.7%
Leases payable	3,060,840	3,323,752	-7.9%
Claims and judgments	2,750,166	3,003,666	-8.4%
Compensated absences	2,065,840	2,297,204	-10.1%
Other post-employment benefits	19,274,137	17,073,944	12.9%
Net pension liability	<u>34,568,190</u>	<u>23,072,467</u>	<u>49.8%</u>
Total long-term obligations	<u>\$ 79,296,290</u>	<u>\$ 71,511,017</u>	<u>10.9%</u>

In 2020, the long-term obligations of the Office increased by \$7.8 million. The Office made regularly scheduled principal payments of \$3.7 million on public placement debt. Private placement debt was reduced by \$1.4 million. A number of claims were settled, and case files closed. The claims and judgments, an estimate of future claim payments, decreased by approximately \$0.3 million. Compensated absences decreased \$0.2 million due to employees using higher than normal leave time due to the COVID-19 pandemic. The combination of scheduled payments on capital leases and the addition of new leases reduced leases payable by \$0.3 million. These combined decreases of \$5.9 million were offset by increases in the OPEB liability (\$2.2 million) and the net pension liability (\$11.5 million).

ORLEANS PARISH SHERIFF'S OFFICE
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2020

CAPITAL ASSETS AND DEBT ADMINISTRATION (continued)

Long-term Obligations (continued)

In 2020, the Office has entered into certain capital lease agreements for vehicles to be used in operations. The total amount financed is \$.6 million at implicit interest rates between of 4.25% and 4.4%. The leases are payable monthly over 48-to-60-month periods. These vehicles have certain clauses that based on mileage and resale value could have additional payments due at the end of the lease.

Also in 2019, the Office entered into capital lease agreements to finance the purchase of new radios for use in the detention center and associated centralized equipment and software and GPS locators for vehicle and detention center radios. The total amount financed was \$3 million at interest rates between 3.16% and 3.95%. The leases are payable monthly starting at various dates with final payment due September 1, 2023.

Voters approved General Obligation bonds of \$63.2 million on October 4, 2008. These bonds were issued over several years with the final \$8.2 million of general obligation bonds issued in 2015. The Office's General Obligation bonds have a "BBB+" rating by the national rating agency, Standard & Poor's.

Net Pension Liability and Deferred Inflows and Outflows

On the Statement of Net Position, the Office is also showing a long-term obligation for the net pension liability totaling \$34.6 million. This is the Office's proportionate share of the net pension liability of the Louisiana Sheriffs' Pension & Relief Fund. The net pension liability increased \$11.5 million primarily due to a reduction in the discount rate and increased salaries and number of personnel. Pension-related deferred outflows increased by \$8.1 million to \$4.7 million. Pension-related deferred inflows decreased by \$0.9 million to \$5.8 million.

Other Post-Employments Benefits Liability and Deferred Inflows and Outflows

On the Statement of Net Position, the Office is also showing a long-term obligation for the other post-employment benefits (OPEB) liability totaling \$19.2 million. This is for life insurance for retired employees and health insurance for a closed group of pre-merger Civil employees for health insurance. The OPEB liability increased \$2.2 million primarily due to a reduction in discount rate from 2.74% at the beginning of the year to 2.12% at the end of year. The discount rate is based on the Bond Buyers' 20 Year General Obligation municipal bond index over which the Office has no control. OPEB-related deferred outflows of increased by \$1.7 million to \$4.7 million. OPEB-related deferred inflows increased by \$0.2 million to \$2.7 million.

ORLEANS PARISH SHERIFF'S OFFICE
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2020

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES (continued)

The 2021 budget was adopted in late 2020 and shows an increase of expenses by 18.66%. This increase is attributed to the Office's efforts to battle COVID-19 and increase staffing to pre-pandemic levels. The adopted 2022 budget shows no change in fund balance. Expenses increased by 20% due the Office's continuous efforts to increase staffing levels.

In May 2015, the voters of the Orleans Parish Law Enforcement District (a blended component of the Office) authorized a tax not to exceed 2.8 mills on all property subject to taxation in the District, for a period of 10 years, beginning with the year 2016. The tax's purpose is to provide additional funding for the operation, maintenance and upkeep of the jails and related facilities, the District and the Office, with said millage levied each year to be reduced by the millage rate levied that year for the District's currently outstanding General Obligation Bonds. For 2021, 1.75 mills were levied for operations, and 1.05 mills were levied for debt service. This is a 0.1 mills increase for the General Fund and a 0.1 mills decrease for debt service.

The 2021 General Fund budget showed an increase in fund balance of \$0.2 million. Operating revenues and expenditures are based on staffing levels and the inmate population at the end of 2020. Actual ending fund balance for 2021 is anticipated to be \$6.3 million. Projected ending fund balance for 2022 is \$8.6 million.

Non-Civil revenues for 2021 were expected to be \$75.9 million, and expenditures were expected to be \$75.8 million. Projected Non-Civil revenues for 2022 are \$60.3 million, and expenditures are projected to be \$60.15 million. The decrease is due to the City of New Orleans now paying the inmate medical costs. \$1.4 million of debt was retired and there was no debt renewal in 2021.

Civil revenues for 2021 were expected to be \$4.78 million, and expenses were expected to be \$4.78 million. Projected Civil revenues for 2022 are \$4.2 million.

FEMA cumulative total grants for Katrina are increased to over \$324 million (current obligated funds are \$330.5 million). Additional FEMA revenues will be recognized as FEMA obligates the funds, and the Governor's Office of Homeland Security and Emergency Preparedness reimburses the expenditures. FEMA revenues were budgeted at \$6.91 million for 2021, but no funds were received in 2021. Project worksheet versions that are necessary to request reimbursement in 2021 have not been obligated at this time.

The Courts have an independent Financial Monitor in place to review the financial and budgetary needs of the Office in relation to the Consent Decree. The court appointed Compliance Director was relieved of his post in November 2020.

A consent decree was signed with the Department of Justice in 2013. The provisions of the Consent Decree require increased expenditures for personnel and other compliance matters. The funding of the Consent Decree is under continual review, analysis, and discussion.

In 2020, the short-term impacts of COVID-19 on New Orleans changed inmate levels and personnel levels. New Orleans, with a strong reliance on the hospitality industry, has been disproportionately affected by COVID-19. The inmate population and staffing levels remained low during 2021 due to the introduction of new COVID-19 variants. Monthly mass testing of all employees and inmates remained in place to reduce the risk of outbreaks within the facility. Also, in 2021 the department made vaccination

ORLEANS PARISH SHERIFF'S OFFICE
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2020

mandatory for all employees, contractors, and volunteers. Inmates were offered access to vaccines if desired.

When COVID-19 was identified, the Office actively reduced the inmate population through all available means. Non-essential personnel were furloughed but have since returned. The Orleans Parish Sheriff's Office has a plan in place for illnesses such as pandemic flu, which has been modified to better fit the recommended COVID-19 response procedures. The Office is in regular communication with the New Orleans Department of Health, the Louisiana Office of Public Health and the Centers for Disease Control (CDC) to ensure that the Office is taking the necessary steps to protect the public, inmates and our staff and minimize the spread of COVID-19. The Office remains vigilant in efforts to eradicate the virus from within the facilities and are continuing to take all of the necessary precautions.

The long-term impacts and budgetary impacts are under continual review and analysis. The Office is actively pursuing grant opportunities and other means to pay for the costs related to COVID-19.

CONTACTING THE OFFICE'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the Office's finances, comply with finance-related laws and regulations, and demonstrate the Office's commitment to public accountability. If you have any questions about this report or would like to request additional financial information, contact the Orleans Parish Sheriff's Office, 2800 Perdido Street, New Orleans, Louisiana 70119. The financial report is also available on the Louisiana Legislative Auditor's website at www.la.la.us.

BASIC FINANCIAL STATEMENTS

ORLEANS PARISH SHERIFF'S OFFICE
STATEMENT OF NET POSITION
DECEMBER 31, 2020

	Governmental Activities
<u>ASSETS:</u>	
Cash and cash equivalents	\$ 32,701,355
Intergovernmental receivables	2,428,892
Investments	1,293,589
Internal balances	348,487
Other receivables	941,613
Prepaid expenses	90,984
Inventory	539,987
Capital assets, net of accumulated depreciation	281,701,411
Total assets	320,046,318
<u>DEFERRED OUTFLOWS OF RESOURCES:</u>	
Deferred outflow amounts related to other post-employment benefits	4,662,351
Deferred outflow amounts related to net pension liability	20,679,174
Total deferred outflows of resources	25,341,525
<u>LIABILITIES:</u>	
Accounts payable	15,676,111
Accrued interest	169,220
Internal balances	202,601
Long-term liabilities:	
Due within one year	6,587,480
Due after one year	38,140,620
Net pension liability	34,568,190
Total liabilities	95,344,222
<u>DEFERRED INFLOWS OF RESOURCES:</u>	
Deferred inflow amounts related to other post-employment benefits	2,745,375
Deferred inflow amounts related to net pension liability	5,828,349
Total deferred inflows of resources	8,573,724
<u>NET POSITION (DEFICIT):</u>	
Net investment in capital assets	261,063,454
Restricted net position:	
Debt service	738,173
Capital improvements, net of related debt	2,767,604
Intergovernmental transfers	11,775,069
Unrestricted net position (deficit)	(34,874,403)
Total net position	\$ 241,469,897

The accompanying notes are an integral part of this financial statement.

ORLEANS PARISH SHERIFF'S OFFICE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020

Functions/Programs	<u>Expenses</u>	<u>Fees, Fines and Charges for Services</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Position Primary Government Governmental Activities</u>
<u>Governmental Activities:</u>			<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Custody of inmates	\$ 73,570,639	\$ 53,962,442	\$ 5,466,071	\$ 1,475,060	\$ (12,667,066)
Civil division	6,026,148	3,939,445	435,995	-	(1,650,708)
Interest on long-term debt	784,243	-	-	-	(784,243)
Total governmental activities	<u>\$ 80,381,030</u>	<u>\$ 57,901,887</u>	<u>\$ 5,902,066</u>	<u>\$ 1,475,060</u>	<u>(15,102,017)</u>
General revenues:					
Ad valorem taxes					11,665,949
Investment income					52,795
Loss on disposal of assets					(15,949)
Other income					311,862
Transfers to other governmental agencies					<u>(2,793,930)</u>
Total general revenues, losses and transfers					<u>9,220,727</u>
Change in net position					(5,881,290)
Net position - beginning					<u>247,351,187</u>
Net position - ending					<u>\$ 241,469,897</u>

The accompanying notes are an integral part of this financial statement.

ORLEANS PARISH SHERIFF'S OFFICE
BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2020

	General Fund	Capital Projects	Debt Service	Total Governmental
<u>ASSETS:</u>				
Cash and cash equivalents	\$ 16,742,011	\$ 15,544,147	\$ 415,197	\$ 32,701,355
Investments	1,293,589	-	-	1,293,589
Intergovernmental receivables	2,428,892	-	-	2,428,892
Interfund receivables	1,349,961	-	430,578	1,780,539
Other receivables	879,995	-	61,618	941,613
Prepaid expenses	90,984	-	-	90,984
Inventory	539,987	-	-	539,987
	<u>23,325,419</u>	<u>15,544,147</u>	<u>907,393</u>	<u>39,776,959</u>
Total assets	<u>\$ 23,325,419</u>	<u>\$ 15,544,147</u>	<u>\$ 907,393</u>	<u>\$ 39,776,959</u>
<u>LIABILITIES:</u>				
Accounts payable	\$ 15,676,111	\$ -	\$ -	\$ 15,676,111
Interfund payables	633,179	1,001,474	-	1,634,653
Total liabilities	<u>16,309,290</u>	<u>1,001,474</u>	<u>-</u>	<u>17,310,764</u>
<u>DEFERRED INFLOWS OF RESOURCES:</u>				
Unavailable revenues	382,887	-	-	382,887
Total deferred inflows of resources	<u>382,887</u>	<u>-</u>	<u>-</u>	<u>382,887</u>
<u>FUND BALANCES:</u>				
Nonspendable amounts:				
Not in spendable form	630,971	-	-	630,971
Restricted	-	14,542,673	907,393	15,450,066
Unassigned	6,002,271	-	-	6,002,271
Total fund balance	<u>6,633,242</u>	<u>14,542,673</u>	<u>907,393</u>	<u>22,083,308</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 23,325,419</u>	<u>\$ 15,544,147</u>	<u>\$ 907,393</u>	<u>\$ 39,776,959</u>

The accompanying notes are an integral part of this financial statement.

ORLEANS PARISH SHERIFF'S OFFICE
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2020

Total fund balances for governmental funds at December 31, 2020	\$ 22,083,308
Total net position reported for governmental activities in the statement of net position is different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Those assets consist of:	
Land	6,052,681
Buildings and improvements, net of \$57,423,416 accumulated depreciation	273,582,440
Operating equipment, net of \$1,084,919 accumulated depreciation	178,169
Leased operating equipment, net of \$371,077 accumulated amortization	730,768
Office furniture and equipment, net of \$999,125 of accumulated depreciation	17,584
Leased vehicles, net of \$364,191 accumulated amortization	902,946
Vehicles, net of \$6,247,807 accumulated depreciation	236,823
	281,701,411
Inflows of resources – Under modified accrual basis of accounting, revenues are not recognized unless they are deemed “available” to finance the expenditures of the current period. Accrual basis recognition is not limited to availability, so cumulative deferred inflows of resources must be recorded.	
	382,887
Deferred outflows related to the pension plan and OPEB are a consumption of net assets that is applicable to a future reporting period and therefore are deferred.	
Pension related	20,679,174
OPEB related	4,662,351
Long-term liabilities applicable to the Office's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Interest on long-term debt is not accrued in government funds, but rather is recognized as an expenditure when due. All liabilities (both current and long-term) are reported in the statement of net position.	
Accrued interest	(169,220)
Bonds and notes payable	(17,577,117)
Other post employment benefits accrual	(19,274,137)
Claims and judgements	(2,750,166)
Accrued compensated absences	(2,065,840)
Leases payable	(3,060,840)
Net pension liability	(34,568,190)
	(79,465,510)
Deferred inflows related to the pension and OPEB plans are an acquisition of net assets that is applicable to a future reporting period and therefore are deferred.	
Pension related	(5,828,349)
OPEB related	(2,745,375)
	(8,573,724)
Total net position of governmental activities at December 31, 2020	\$ 241,469,897

The accompanying notes are an integral part of this financial statement.

ORLEANS PARISH SHERIFF'S OFFICE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

	General Fund	Capital Projects	Debt Service	Total Governmental
REVENUES:				
Custody of inmates:				
City of New Orleans charges	\$ 42,773,360	\$ -	\$ -	\$ 42,773,360
State of Louisiana Department of Corrections charges	2,438,079	-	-	2,438,079
Civil fees and commissions	2,954,230	-	-	2,954,230
Civil security services	985,215	-	-	985,215
Investment income	23,485	28,126	1,184	52,795
On-behalf payments	6,952,062	-	-	6,952,062
Inmate telephone	772,748	-	-	772,748
State supplemental pay	2,014,036	-	-	2,014,036
Federal and state grants	3,129,215	-	-	3,129,215
Restitution/administration	175,224	-	-	175,224
Release processing fees	328,527	-	-	328,527
Commissary	522,442	-	-	522,442
Other income	311,862	-	-	311,862
Ad valorem tax revenue	6,882,910	-	4,783,039	11,665,949
	<u>70,263,395</u>	<u>28,126</u>	<u>4,784,223</u>	<u>75,075,744</u>
Total revenues				
EXPENDITURES:				
Central services	6,780,489	-	-	6,780,489
Court services	3,232,182	-	-	3,232,182
Security services	18,195,160	-	-	18,195,160
Investigative services	3,059,592	-	-	3,059,592
Administrative services	4,885,106	-	-	4,885,106
Records and booking	5,565,936	-	-	5,565,936
Inmate services	10,281,204	-	-	10,281,204
Grants and special programs	396,430	-	-	396,430
Plant and maintenance	8,167,252	-	-	8,167,252
Miscellaneous	-	-	20,927	20,927
Debt retirement (including capital leases)	3,092,723	-	3,770,000	6,862,723
Interest payments (including capital leases)	236,497	-	600,478	836,975
Civil administrative services	2,627,036	-	-	2,627,036
Civil security services	2,223,501	-	-	2,223,501
Capital outlays	2,028,124	175,644	-	2,203,768
	<u>70,771,232</u>	<u>175,644</u>	<u>4,391,405</u>	<u>75,338,281</u>
Total expenditures				
Excess (deficiency) of revenues over expenditures	<u>(507,837)</u>	<u>(147,518)</u>	<u>392,818</u>	<u>(262,537)</u>

(continued)

The accompanying notes are an integral part of this financial statement.

ORLEANS PARISH SHERIFF'S OFFICE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

	General Fund	Capital Projects	Debt Service	Total Governmental
<u>OTHER FINANCING SOURCES (USES), INCLUDING TRANSFERS:</u>				
Proceeds from debt issuance	750,000	-	-	750,000
Capital leases	686,944	-	-	686,944
Transfers to other governmental agencies	-	(2,793,930)	-	(2,793,930)
Total other financing sources (uses), including transfers	1,436,944	(2,793,930)	-	(1,356,986)
Net changes in fund balances	929,107	(2,941,448)	392,818	(1,619,523)
<u>FUND BALANCES, BEGINNING</u>	5,704,135	17,484,121	514,575	23,702,831
<u>FUND BALANCES, ENDING</u>	\$ 6,633,242	\$ 14,542,673	\$ 907,393	\$ 22,083,308

(concluded)

The accompanying notes are an integral part of this financial statement.

ORLEANS PARISH SHERIFF'S OFFICE
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020

Total net changes in fund balances for the year ended December 31, 2020 per Statement of Revenues, Expenditures and Changes in Fund Balances	\$ (1,619,523)
The change in net position reported for governmental activities in the statement of activities is different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense of \$9,094,354 exceeded assets of \$2,052,589 that were capitalized.	(7,041,765)
Net book value of capital assets disposed during the year	(15,949)
New debt issues provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position.	(750,000)
New capital leases provide current financial resources to governmental funds, but leases increase long-term liabilities in the statement of net position.	(686,944)
Repayments of bond, note and capital lease principal are reported as financing uses in governmental funds and thus contribute to the reduction in fund balance. In the statement of net position, however, repayment of debt decreases long-term liabilities and does not affect the statement of activities.	6,862,723
Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when paid. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues.	
Accrued interest on bonds, notes and capital leases	52,732
Accrued claims and judgments	253,500
Accrued compensated absences	231,454
	537,686
Net change in net pension liability and related deferred inflows and deferred outflows of resources	(2,468,511)
Net change in other post-employment benefits liability and related deferred inflows and deferred outflows of resources	(699,007)
Total change in net position for the year ended December 31, 2020 per Statement of Activities	\$ (5,881,290)

The accompanying notes are an integral part of this financial statement.

ORLEANS PARISH SHERIFF'S OFFICE
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2020

	Pension Trust Fund	Custodial Funds
<u>ASSETS:</u>		
Cash and cash equivalents	\$ -	\$ 3,705,539
Interfund receivables	200,153	2,448
Deposits	-	40,000
Investments and interest receivable	1,084,220	-
	<u>1,284,373</u>	<u>3,747,987</u>
Total assets		
<u>LIABILITIES:</u>		
Due to inmates and others	-	3,399,500
Interfund payables	-	348,487
	<u>-</u>	<u>3,747,987</u>
Total liabilities		
<u>NET POSITION:</u>		
Net position held in trust for pension benefits	<u>\$ 1,284,373</u>	<u>\$ -</u>

The accompanying notes are an integral part of this financial statement.

ORLEANS PARISH SHERIFF'S OFFICE
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Pension Trust Fund</u>	<u>Custodial Funds</u>
<u>ADDITIONS:</u>		
Contributions:		
Employer contributions	\$ 26,442	\$ -
Employee contributions	26,442	-
Total contributions	<u>52,884</u>	<u>-</u>
Investment income	40,402	-
Deposits:		
Inmate	-	1,756,621
Escrow	-	7,350
Bond and fines	-	81,985
Litigant	-	14,390,077
Total additions	<u>93,286</u>	<u>16,236,033</u>
<u>DEDUCTIONS:</u>		
Trustee fees	7,240	-
Benefits paid to participants	421,652	-
Inmate disbursements	-	1,588,166
Fees to other entities	-	168,455
Escrow disbursements	-	7,350
Bond and fine disbursements	-	81,985
Litigant disbursements	-	14,390,077
Total deductions	<u>428,892</u>	<u>16,236,033</u>
Change in net position	(335,606)	-
<u>FIDUCIARY NET POSITION, BEGINNING</u>	<u>1,619,979</u>	<u>-</u>
<u>FIDUCIARY NET POSITION, ENDING</u>	<u>\$ 1,284,373</u>	<u>\$ -</u>

The accompanying notes are an integral part of this financial statement.

ORLEANS PARISH SHERIFF'S OFFICE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

1) NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Orleans Parish Sheriff's Office (the Office) was created by the Louisiana Constitution of 1921, Article 7, Section 89.

The Sheriff is elected by qualified electors every four years. The Sheriff is in charge of the direction and supervision of all deputy sheriffs who possess all of the powers and authority granted by law to the Sheriff.

Louisiana Revised Statute 33:1500 provided there is one sheriff for the Parish of Orleans, effective the first Monday in May 2010 following the election. The offices of the Orleans Civil and Criminal Sheriffs were consolidated and the separate offices were abolished. The Sheriff has and exercises all powers, duties, and functions of the former Civil and Criminal Sheriffs of the Parish of Orleans.

Among the powers of the Sheriff are the keeping of the jails, the preservation of the peace and the apprehension of disturbers of the peace and other public offenders. The Sheriff is the executive officer of the District Courts and has the authority to serve citations, summons, subpoenas, notices and other processes, and to execute writs, mandates, orders, and judgments directed to him by the District Courts.

On July 28, 1989, the Orleans Parish Law Enforcement District (the District) was created by Act No. 20 of the 1989 Second Extraordinary Session of the Louisiana Legislature, which the Act amended Chapter 26 of Title 33 of the Louisiana Revised Statutes. The Sheriff of the Parish of Orleans is the Chief Executive Officer of the District. The purpose of the District is to provide financing for the Sheriff through the levying and collection of tax millages. The proceeds of these tax revenues may be used to fund the operations of the Sheriff's Office or fund the repayment of debt depending upon the millage amount and purpose approved in the millage election. The District is considered a blended component unit.

Basis of Presentation

The Office's financial statements are prepared in conformity with generally accepted accounting principles (GAAP) for local governmental units as prescribed by the Governmental Accounting Standards Board (GASB).

Reporting Entity

The Orleans Parish Sheriff's Office is a "primary government" as defined in GASB Section 2100 since the Office is a government, created by State statute that has a separately elected governing body, is legally separate, and fiscally independent of other state or local governments. In evaluating how to define the government, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying criteria set forth in generally accepted accounting principles. The basic, but not the only, criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency.

ORLEANS PARISH SHERIFF'S OFFICE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2020

1) **NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**
(continued)

Reporting Entity (continued)

Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens, or whether the activity is conducted within the geographic boundaries of the government and is generally available to its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financial relationships, regardless of whether the government is able to exercise oversight responsibilities. Based upon the application of these criteria, the Orleans Parish Law Enforcement District is included (blended) within the reporting entity.

Basic Financial Statements – Government-Wide Financial Statements (GWFS)

The Office's basic financial statements include both government-wide (reporting the Office as a whole) and fund financial statements (reporting the Office's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The Office's inmate custody, civil division and related general administrative services are classified as governmental activities.

In the government-wide Statement of Net Position (Exhibit A), the governmental activities are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Office's net position is reported in three parts – net investment in capital assets; restricted net position; and unrestricted net position.

The government-wide Statement of Activities (Exhibit B) reports both gross and net cost of each of the Office's functions (custody of inmates and civil division). The net costs are normally covered by general revenues (ad valorem taxes, investment income, etc.). The Statement of Activities reduces gross expenses by related program revenues, operating and capital grants and contributions. Program revenues must be directly associated with the function (custody of inmates and civil division). Operating grants include operating-specific and discretionary grants, while the capital grant column reflects capital-specific grants.

The Office does not allocate indirect costs.

The effect of interfund transactions has been removed from these statements.

This government-wide focus is more on the long-term sustainability of the Office and the change in the Office's net position resulting from current year's activities. Separate financial statements are provided for fiduciary funds; however, they are excluded from the government-wide financial statements.

ORLEANS PARISH SHERIFF'S OFFICE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2020

1) **NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**
(continued)

Basic Financial Statements – Fund Financial Statements (FFS)

The financial transactions of the Office are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues, and expenditures/expenses.

The following fund types are used by the Office:

Governmental Funds:

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than net income.

The following is a description of the major governmental funds of the Office:

General Fund

The General Fund is the primary operating fund of the Office and it accounts for all financial resources, except those required to be accounted for in other funds. The General Fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according to Office policy. The General Fund includes grants received from the Federal Emergency Management Agency (FEMA), U.S. Department of the Treasury, and other grants.

Capital Projects Fund

The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities by the District and the Office that are not financed through the General Fund.

Debt Service Fund

The Debt Service Fund is used to account for the accumulation of financial resources to be used for the periodic payment of principal and interest on general long-term debt including principal, interest, and related costs of the District and the Office.

Governmental Non-Major Funds:

The Office has no non-major governmental funds.

Fiduciary Funds:

Fiduciary Funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support Office programs. The reporting focus is on net position and changes in net position.

ORLEANS PARISH SHERIFF'S OFFICE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2020

1) **NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**
(continued)

Basic Financial Statements – Fund Financial Statements (FFS) (continued)

Fiduciary Funds (continued):

The following is a description of the fiduciary funds of the Office:

Pension Trust Fund

The Pension Trust Fund reports resources held in trust and the receipts, investments, and distribution of retirement contributions. The Office's Pension Trust Fund is limited to the pension benefits offered through the defined contribution pension plan.

Custodial Funds

The custodial funds account for assets held by the Office as an agent for outside parties including other governments, inmates and for deposits held pending court action. These funds are custodial in nature and are held in a temporary, purely custodial capacity for others.

Basis of Accounting

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

Accrual

Governmental activities in the government-wide financial statements and the fiduciary fund financial statements are presented on the accrual basis of accounting and the economic resources measurement focus. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the Sheriff gives (or receives) value without directly receiving (or giving) equal value in exchange, include ad valorem taxes, grants, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Modified Accrual

All governmental fund financial statements are presented on the modified accrual basis of accounting and the current financial resources measurement focus. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

ORLEANS PARISH SHERIFF'S OFFICE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2020

1) NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(continued)

Revenues

Substantially all governmental fund revenues are accrued except for those revenues related to grants which are not considered available and ad valorem taxes which are not collected within 60 days of year end.

As discussed above, the District can levy ad valorem taxes for operations or repayment of debt. The District receives ad valorem/property taxes that have been levied on real and personal property in Orleans Parish, Louisiana. The taxes are collected by the City of New Orleans and then remitted to the District. The taxes are levied by the City of New Orleans on the assessed value for all real and personal property in Orleans Parish on January 1st of the assessment year based upon the assessed value as of the prior August 15th. Before the taxes can be levied, the tax rolls must be submitted to the State Tax Commission for approval. Taxes are due and payable on January 1st, the date on which an enforceable lien attaches on the property, and are delinquent on February 1st. In May of 2015, the voters of the District authorized a tax not to exceed 2.8 mills on all property subject to taxation in the District, for a period of 10 years, beginning with the year 2016, for the purpose of providing additional funding for the operation, maintenance and upkeep of the jails and related facilities of the District and the Office, with said millage levied each year to be reduced by the millage rate levied that year for the District's currently outstanding General Obligation Bonds. For 2020, 1.65 mills are levied for operations and 1.15 mills are levied for debt service.

The Office is authorized under state law to house inmates for Municipal and State agencies. In accordance with standard operating procedures between the Office and the State agency, the Office bills the agency a per diem amount for the housing of inmates. The City of New Orleans is required under State law to provide funding for the housing of their inmates which is authorized through their budgetary process. Other revenues of the Office include ad valorem taxes, grants, inmate telephone charges, release processing fees, restitution administration fees, and a portion of bail bond fees.

The Civil division's revenue includes: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function; 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function.

Expenditures

Expenditures are recognized when the related fund liability is incurred.

The Office's primary expenditures include salaries and related benefits. Capital expenditures and purchases of various operating supplies are regarded as expenditures at the time purchased.

Other Financing Sources (Uses)

Transfers between funds that are not expected to be repaid (and any other financing source/use) are accounted for as other financing sources (uses).

ORLEANS PARISH SHERIFF'S OFFICE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2020

1) **NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**
(continued)

Deferred Outflows/Inflows of Resources

In addition to assets and liabilities, the statements report separate sections for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources represent a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred inflows of resources represent an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

Deferred Inflows - Intergovernmental grant. In the General Fund, the Office records a deferred inflow for one type of item, which arises under the modified accrual basis of accounting that qualifies for reporting in this category. Unavailable revenue is reported only in the governmental funds balance sheet. The source of the unavailable revenue is from intergovernmental grants. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available. For the accrual basis Statements of Net Position and Activities these revenues are recognized.

Deferred Outflows and Deferred Inflows - Pension. The Orleans Parish Sheriff's Office is a participating employer in the Louisiana Sheriffs' Pension and Relief Fund (Fund) as described in Note 7. For purposes of measuring the Net Pension Liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Fund, and additions to/deductions from the Fund's fiduciary net position have been determined on the same basis as they are reported by the Fund. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments have been reported at fair value within the Plan.

Deferred Outflows and Deferred Inflows – Other Post-Employment Benefits (OPEB). For purposes of measuring the OPEB liability, deferred outflows of resources and deferred inflows of resources related to post-employment benefit expense are determined based on actuarial valuation. The Sheriff reports both deferred outflows of resources and deferred inflows of resources related to the OPEB liability calculation.

Budgets

The Office is required by state law to adopt annual budgets for the General Fund and Debt Service Fund. Each budget is presented on the modified accrual basis of accounting that is consistent with generally accepted accounting principles. Budget amounts included in the accompanying financial statements reflect the originally adopted budget and all subsequent amendments.

The following procedures are followed in establishing the budgetary data reflected in the financial statements:

1. Prior to December 1st, the Office prepares a budget for the next succeeding fiscal year beginning January 1st. The operating budget includes proposed expenditures and the means of financing them.
2. A public hearing is conducted, after proper official public notification, to obtain taxpayer comment.
3. Prior to December 15th, the budget is legally enacted through passage of a resolution by the Sheriff.

ORLEANS PARISH SHERIFF'S OFFICE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2020

1) **NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**
(continued)

Cash and Cash Equivalents

Cash includes amounts on hand, demand deposits, interest-bearing demand deposits, and time deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the Office may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

Investments

Investments are limited by Louisiana Revised Statute (R.S.) 33:2955 and the Office's investment policy. Louisiana Revised Statute (R.S.) 33:2955 authorizes the Office to invest in: (1) direct obligations of the United States Treasury, the principal and interest of which are fully guaranteed by the federal government, (2) bonds, debentures, notes, or other evidence of indebtedness issued or guaranteed by federal agencies or U.S. government instrumentalities, (3) direct security repurchase agreements of any federal book entry only securities, (4) time certificates of deposit of state banks organized under the laws of Louisiana and national banks having their principal offices in the State of Louisiana, savings accounts or shares of savings and loan associations, (5) mutual or trust fund institutions, which are registered with the Securities and Exchange Commission under the Securities Act of 1933 and the Investment Act of 1940, and which have underlying investments consisting solely of and limited to securities of the U.S. government or its agencies, or (6) guaranteed investment contracts issued by a bank, financial institution, insurance company or other entity having one of the two highest short-term rating categories of either Standard & Poor's Corporation or Moody's Investors Service, provided that no such investment may be made except in connection with a financial program approved by the State Bond Commission.

Investments are stated at fair value as determined by quoted market prices.

Short-Term Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as due from other funds or due to other funds on the balance sheet. Short-term interfund loans are classified as interfund receivables/payables. Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net position. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as internal balances.

Inventories

Inventory in the General Fund consists primarily of maintenance and office supplies and uniforms and are carried at weighted average cost. The weighted average cost is recorded as an expenditure at the time of consumption.

ORLEANS PARISH SHERIFF'S OFFICE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2020

1) **NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**
(continued)

Capital Assets

Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Office maintains a threshold level of \$5,000 or more for capitalizing capital assets.

Capital assets are recorded in the Statement of Net Position, and depreciation is recorded in the Statement of Activities. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. All capital assets, other than land and construction in progress, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Buildings and improvements	40 years
Operating equipment	7 years
Office furniture and equipment	5 years
Vehicles	5 years

Compensated Absences

Vacation (annual leave) and sick pay (sick leave) are accrued when earned. Accumulated annual leave and sick leave as of the end of the year is valued using employees' current rates of pay, and the liability for these compensated absences is recorded as a long-term liability in the government-wide financial statements.

Annual leave is accumulated until the employee retires, resigns, or is terminated. Effective January 1, 2008, the maximum amount of annual leave that can be carried forward is 360 hours. Employees with more than 360 hours at January 1, 2008 can carry that amount forward, but cannot increase the amount carried forward. Sick pay accumulation is unlimited. If an employee retires, resigns or is terminated then annual leave is paid at current salary rates. If an employee retires, resigns or is terminated then if sick leave is in excess of 500 hours then it is paid for at 20% of actual accumulated hours at current salary rates. Sick pay is not paid if the employee has less than 500 hours.

Long-Term Debt and Bond Discounts/Premiums

In the government-wide fund financial statements, outstanding debt is reported as a liability. Bond discounts or premiums are capitalized and amortized/accreted over the terms of the respective bonds using a method that approximates the effective interest method. Issuance costs are reported as expenditures.

The governmental fund financial statements recognize the proceeds of debt and premiums as other financing sources of the current period.

ORLEANS PARISH SHERIFF'S OFFICE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2020

1) **NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**
(continued)

Restricted Net Position – Government-Wide and Fiduciary Fund Financial Statements

The statement of net position reports net position as the difference between all other elements in the statement of net position and is displayed in three components:

Net investment in capital assets – consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in this component of net position. Rather, that portion of debt is included in the same component of net position as the unspent proceeds.

Restricted net position – net position with constraints placed on the use either by (a) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or (b) law through constitutional provisions or enabling legislation.

Unrestricted net position – consists of the balance (deficit) of all other elements in a statement of net position remaining after net investment in capital assets and restricted net position.

When both restricted and unrestricted resources are available for use, it is the Sheriff's policy to use restricted resources first, then unrestricted resources as they are needed.

Fund Balance

In the governmental fund financial statements, fund balances are classified as follows:

Nonspendable Funds – amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted Fund Balance – amounts that can be spent only for specific purposes because of state or federal laws, or externally imposed conditions by grantors or citizens.

Committed Fund Balance – amounts that can be used only for specific purposes determined by a formal action by the Sheriff or resolution.

Assigned Fund Balance – amounts that are constrained by the Sheriff's intent that they will be used for specific purposes. The Sheriff is the only body authorized to assign amounts for a specific purpose and is the highest level of decision-making. Therefore, assigned amounts must be reported as committed.

Unassigned Fund Balance – all amounts not included in other spendable classifications.

The Office considers restricted fund balances to be spent for governmental expenditures first when both restricted and unrestricted resources are available. The Office also considers committed fund balances to be spent first when other unrestricted fund balance classifications are available for use.

ORLEANS PARISH SHERIFF'S OFFICE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2020

1) **NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**
(continued)

Interfund Transactions

Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. Reimbursements made in a subsequent year are recorded as transfers. Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transactions are reported as transfers.

Receivables

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

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 revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

Current Year Adoption of New Accounting Standard

The Office implemented GASB Statement No. 84, *Fiduciary Activities*, in 2020. This Statement establishes criteria and designations for reporting fiduciary activities in the financial statement of state and local governments. The Agency Fund title was renamed to Custodial Fund for which the standard specified can only be reported as a fiduciary activity if the government does not have administrative involvement, among other criteria. The adoption of this statement did not require a restatement to fund balance or net position.

2) **CASH AND CASH EQUIVALENTS**

At December 31, 2020, The Office has cash and cash equivalents (book balances) as follows:

Non-interest bearing demand deposits	\$ 13,450,611
Interest-bearing demand deposits	22,937,226
Cash on hand	<u>19,057</u>
Total	<u>\$ 36,406,894</u>

ORLEANS PARISH SHERIFF'S OFFICE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2020

2) CASH AND CASH EQUIVALENTS (continued)

Reconciliation to Government-Wide Statement of Net Position:

Per Government-Wide Statement of Net Position:

Cash and cash equivalents	\$ 32,701,355
Fiduciary Funds (not included in Government-Wide Financial Statements)	<u>3,705,539</u>
Total	<u>\$ 36,406,894</u>

These deposits are stated at cost, which approximates market. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Louisiana R.S. 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 Office that the fiscal agent has failed to pay deposited funds upon demand.

At December 31, 2020, the carrying amount of the Office's demand deposits and certificates of deposit were \$36,406,894 and the bank balances were \$38,361,115. The difference between the carrying amount and the bank balances is primarily due to outstanding checks or deposits in transit at December 31, 2020. The Office does not have any custodial credit risk at December 31, 2020.

3) INVESTMENTS

As of December 31, 2020, the Office's investment balances were as follows:

U.S. Treasury Obligations	\$ 996,205
Money Market Funds	1,376,673
Interest Receivable	<u>4,931</u>
Total	<u>\$ 2,377,809</u>

Reconciliation to the financial statements:

Per Government-Wide Statement of Net Position:

Investments	\$ 1,293,589
Fiduciary Funds (not included in Government-Wide Financial Statements)	
Pension Trust	<u>1,084,220</u>
Total	<u>\$ 2,377,809</u>

ORLEANS PARISH SHERIFF'S OFFICE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2020

3) INVESTMENTS (continued)

Investments are recorded at fair value in accordance with GASB Statement No. 72 *Fair Value Measurement and Application*. GASB Statement No. 72 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This statement establishes a hierarchy of valuation inputs based on the extent to which the inputs are observable in the market place. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The Office has the following fair value measurements by hierarchy:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
U.S. Treasury Obligations	\$ 996,205	\$ -	\$ -
Money Market	1,376,673	-	-
	<u>\$ 2,372,878</u>	<u>\$ -</u>	<u>\$ -</u>

Level 1 investments listed in the above table are valued using prices quoted in active markets for those securities. The Office has no investments reported as Level 2 or 3.

Credit Risk

State law limits investments as described in Note 1. The Office's investment policy does not further limit its investment choices. The treasury obligations are fully guaranteed by the federal government. The money market funds are unrated accounts.

Interest Rate Risk

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

As of December 31, 2020 the Office had the following investment types and maturities for investments subject to interest rate risk:

	<u>Fair Value</u>	<u>Remaining Maturity (in Years)</u>	
		<u>Less Than One</u>	<u>1 – 5</u>
U.S. Treasury Obligations	\$ 996,205	\$ 504,923	\$ 491,282

ORLEANS PARISH SHERIFF'S OFFICE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2020

3) INVESTMENTS (continued)

Concentration of Credit Risk

Excluding investments issued or guaranteed by the U.S. Government, the Office has no investments in any single organization that represent five percent or more of the Office's investments.

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Office would not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investments are exposed to custodial credit risk if they are uninsured, are not registered in the in the Office's name, and are held by either the counterparty to the investment purchase or the counterparty's trust department or agent but not held in the Office's name. The investments of the Office at December 31, 2020 were not subject to custodial credit risk.

4) INTERGOVERNMENTAL RECEIVABLES

Intergovernmental receivables at December 31, 2020 are as follows:

Custody of Inmates		
City of New Orleans	\$	88,670
State of Louisiana		337,977
		<u>426,647</u>
Grants		
FEMA Grants		2,002,245
	\$	<u>2,428,892</u>

The Office provides an allowance for uncollectible amounts that is based upon historical collection information, existing economic conditions, and other relevant information. The allowance as of December 31, 2020 was \$0.

5) INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances at December 31, 2020 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Fiduciary Funds	\$ 348,487
General Fund	Capital Projects Fund	1,001,474
Debt Service	General Fund	430,578
Fiduciary Funds	General Fund	202,601

The balances result from the time lag between the dates that reimbursable expenditures occur, interfund goods and services are provided, payments to third parties are made and payments between funds are made.

ORLEANS PARISH SHERIFF'S OFFICE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2020

6) CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended December 31, 2020 are as follows:

	December 31, 2019	Additions	Disposals	December 31, 2020
Capital assets not being depreciated:				
Land	\$ 6,052,681	\$ -	\$ -	\$ 6,052,681
Total non-depreciable assets	<u>6,052,681</u>	<u>-</u>	<u>-</u>	<u>6,052,681</u>
Capital assets being depreciated:				
Buildings and improvements	329,654,211	1,351,645	-	331,005,856
Operating equipment	1,263,088	-	-	1,263,088
Leased operating equipment	1,101,845	-	-	1,101,845
Office furniture and equipment	1,016,709	-	-	1,016,709
Vehicles	6,583,897	14,000	(113,267)	6,484,630
Leased vehicles	599,210	686,944	(19,017)	1,267,137
Total depreciable assets	<u>340,218,960</u>	<u>2,052,589</u>	<u>(132,284)</u>	<u>342,139,265</u>
Total capital assets	<u>346,271,641</u>	<u>2,052,589</u>	<u>(132,284)</u>	<u>348,191,946</u>
Less accumulated depreciation and amortization:				
Buildings and improvements	49,122,065	8,301,351	-	57,423,416
Operating equipment	976,635	108,284	-	1,084,919
Leased operating equipment	128,360	242,717	-	371,077
Office furniture and equipment	991,849	7,276	-	999,125
Vehicles	6,184,315	173,884	(110,392)	6,247,807
Leased vehicles	109,292	260,842	(5,943)	364,191
Total accumulated depreciation and amortization	<u>57,512,516</u>	<u>9,094,354</u>	<u>(116,335)</u>	<u>66,490,535</u>
Capital assets, net	<u>#####</u>	<u>\$ (7,041,765)</u>	<u>\$ (15,949)</u>	<u>#####</u>

Depreciation expense in the amount of \$9,094,354 was charged \$9,043,072 to custody of inmates and \$51,282 to civil division.

ORLEANS PARISH SHERIFF'S OFFICE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2020

7) PENSION PLANS

The Orleans Parish Sheriff's Office provides pension benefits for substantially all of its employees through a defined contribution pension plan, a defined benefit pension plan, and a deferred compensation plan. All eligible employees hired before July 1, 1997 were given the option to remain in the defined contribution pension plan or participate in a new defined benefit plan. Substantially all eligible employees hired on July 1, 1997 or thereafter, are required to participate in the new defined benefit plan. Employee participation in the deferred compensation plan is optional.

a) Defined Contribution Pension Plan (Pension Trust – Fiduciary Fund)

The Pension Trust is a single employer defined contribution pension plan established by the Orleans Parish Sheriff's Office. The Pension Trust provides benefits at retirement to employees of the Office who are not participants in the Louisiana Sheriffs' Pension and Relief Fund. In the defined contribution plan, benefits depend solely on amounts contributed to the Plan plus investment earnings. The Plan requires that both the employees and the Office contribute to the plan.

The Office contributes 9% of each participating employee's wages for those who are employed on the last day of the year or who have withdrawn during the year due to a minimum required distribution, retirement, disability or death. Participating employees are required to contribute 9% of their wages. Employees may also make additional voluntary contributions to the Plan. Such additional amounts are not matched wholly or in part by the Office. The maximum contribution an employee may make, which consists of both required and voluntary amounts, is 19% of the employee's wages. Employees become partially vested in the Office's contributions (and earnings allocated to the employee's account) after completing four years of service.

The vesting percentage increases annually until the employee completes eight years of service at which time they become fully vested. Forfeitures of unvested portions are available to the Office to reduce future contributions.

The Office made contributions during the year ended December 31, 2020 of \$26,442. The employees contributed to the Plan through payroll withholdings a total of \$26,442 for the year ended December 31, 2020, which represents both the required and additional voluntary contributions.

b) Defined Benefit Pension Plan

Effective July 1, 1997, the Office is a member of the Louisiana Sheriffs' Pension and Relief Fund (the "System"), a cost-sharing multiple-employer defined benefit public employee retirement system (PERS). The System is a statewide public retirement system for the benefit of sheriffs and their staffs, which is administered and controlled by a separate board of trustees.

The System issues a publicly available financial report that includes financial statements and required supplementary information for the System. Access to the report can be found on the Louisiana Legislative Auditor's website www.la.gov.

ORLEANS PARISH SHERIFF'S OFFICE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2020

7) **PENSION PLANS (continued)**

b) **Defined Benefit Pension Plan (continued)**

Effective January 1, 2015, the Office implemented Government Accounting Standards Board (GASB) Statement 68 on Accounting and Financial Reporting for Pensions and Statement 71 on Pension Transition for Contributions Made Subsequent to the Measurement Date- an Amendment of GASB 68. These standards require the Office to record its proportional share of the pension plan's Net Pension Liability and report the following disclosures:

Plan Description:

The Louisiana Sheriff's Pension and Relief Fund is the administrator of the cost-sharing, multiple employer defined benefit pension plan. The plan provides retirement, disability and survivor benefits to employees of sheriffs' offices throughout the state of Louisiana, employees of the Louisiana Sheriffs' Association and the Sheriffs' Pension and Relief Fund's office as provided for in LRS 11:2171.

Members who joined the system on or before December 31, 2011, are eligible for regular retirement benefits upon attaining 30 years of creditable service at any age, or 12 years of creditable service and aged 55 years. Retirement benefit is payable monthly for life, equal to three and one-third percent of his final average compensation for each year of creditable service, not to exceed (after reduction for optional payment form) 100% of average final compensation. Active, contributing members with at least 10 years of creditable service may retire at age 60. 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.

Members who joined the system on or after January 1, 2012, who retire at or after age 62 with at least 12 years of creditable service, at or after age 60 with at least 20 years of creditable service, or at 55 with 30 years of creditable service are entitled to a retirement benefit payable monthly for life, equal to three percent. For members with 30 or more years of service; the accrual rate is three and one-third percent. The retirement allowance is equal to the benefit accrual times the member's final average compensation for each year of creditable service. In any case, the retirement benefit cannot exceed 100 percent of their final average salary. Members with 20 or more years of service may retire with a reduced retirement at age 50.

For members who joined the system on or before June 30, 2006, final average compensation is based on the average monthly earnings during the highest 36 consecutive months (60 highest consecutive months for member employed between July 1, 2006 and July 1, 2013) or joined months if service was interrupted. The earnings to be considered for each 12-month period within the 36 month (or 60 month) period shall not exceed 125% of the preceding 12 months. For members joining after July 1, 2013, final compensation is based on the average monthly earnings during the highest 60 consecutive months and the earnings to be considered for each 12-month period within the 60 months shall not exceed 115% of the preceding 12-month period.

ORLEANS PARISH SHERIFF'S OFFICE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2020

7) **PENSION PLANS (continued)**

b) **Defined Benefit Pension Plan (continued)**

Plan Description (continued):

A member is eligible to receive disability benefits if the member has at least 10 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 a sum equal to the greatest of 45% of final average compensation or the members' accrued retirement benefit at the time of termination of employment due to disability, or the retirement benefit which would be payable assuming continued service to the earliest normal retirement age. Members who become partially disabled receive 75% of the amount payable for total disability.

Survivor benefits for death solely as a result of injuries received in the line of duty are based on the following. For a spouse alone, a sum equal to 50% of the member's final average compensation with a minimum of \$150 per month. If a spouse is entitled to benefits and has a child or children under 18 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 4 children. If a member is eligible for normal retirement at the time of death, the surviving spouse receives an automatic Option 2 benefit. The additional benefit payable to children shall be the same as those available for members who die in the line of duty. In lieu of receiving Option 2 benefit, the surviving spouse may receive a refund of the member's accumulated contributions. All benefits payable to surviving children shall be extended through age twenty-two, if the child is a full time student in good standing enrolled at a board approved or accredited school, college, or university.

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.

In lieu of receiving a service retirement allowance, any member of the Fund who has more than sufficient service for a regular service retirement may elect to receive a "Back-DROP" benefit. 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.

ORLEANS PARISH SHERIFF'S OFFICE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2020

7) **PENSION PLANS (continued)**

b) **Defined Benefit Pension Plan (continued)**

Plan Description (continued):

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.

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.

Plan members are required by state statute to contribute 10.25 percent of their annual covered salary and the Office is required to contribute at an actuarially determined rate. For the year ended June 30, 2020 the employer rate is 12.25 percent of annual covered payroll. Effective July 1, 2020 the rate was continued at 12.25 percent of covered payroll. The contribution requirements of plan members and the Office are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Office's contributions to the System, for the years ending December 31, 2020, 2019, and 2018, were \$3,969,459, \$4,493,355, and \$3,850,464 respectively.

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

At December 31, 2020, the Office reported a liability of \$34,568,190 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The office's proportion of the net pension liability was based on a projection of the Office's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2020, the Office proportion was 4.9946%, which was an increase of 0.1169% from its proportion measured as of June 30, 2019.

For the year ended December 31, 2020, the Sheriff recognized pension expense of \$8,671,843.

ORLEANS PARISH SHERIFF'S OFFICE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2020

7) **PENSION PLANS (continued)**

b) **Defined Benefit Pension Plan (continued)**

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued):

At December 31, 2020 the Office 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	\$ -	\$ (4,040,320)
Changes of assumptions	8,496,523	-
Net difference between projected and actual earnings on pension plan investments	8,316,887	-
Changes in proportion	1,868,678	(1,505,619)
Difference between the Office's contributions and its proportionate share of contributions	-	(282,410)
Employer contributions subsequent to the measurement date	1,997,086	-
Total	<u>\$ 20,679,174</u>	<u>\$ (5,828,349)</u>

The Office reported a total of \$1,997,086 as deferred outflow of resources related to pension contributions made subsequent to the measurement date of June 30, 2020 which will be recognized as a reduction in net pension liability in the year ended December 31, 2021.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized as an increase (decrease) in pension expense as follows:

<u>Year</u>	
2021	\$ 1,719,234
2022	3,506,593
2023	3,844,665
2024	3,283,485
2025	499,762
	<u>\$ 12,853,739</u>

ORLEANS PARISH SHERIFF'S OFFICE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2020

7) **PENSION PLANS (continued)**

b) **Defined Benefit Pension Plan (continued)**

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued):

Actuarial Assumptions: A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2020 is as follows:

Valuation Date	June 30, 2020
Actuarial Cost Method	Entry Age Normal Method
Actuarial Assumptions:	
Expected Remaining Service Lives	7 years (2017 and 2016); 6 years (2020,2019, 2018, 2015 and 2014)
Investment Rate of Return	7.00%, net of investment expense
Discount Rate	7.00%
Projected Salary Increases	5.00% (2.5% inflation, 3.00% merit)
Mortality Rates	Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Employees multiplied by 120% for males and 115% for females for active members, each with full generational projection using the appropriate MP2019 scale Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Retirees multiplied by 120% for males and 115% for females for active members, each with full generational projection using the appropriate MP2019 scale Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Safety Disabled Retirees multiplied by 120% for males and 115% for females for active members, each with full generational projection using the appropriate MP2019 scale
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.
Changes in Valuation Methods and Assumptions	The discount rate used to measure pension liability was lowered from 7.10% to 7.00% and the investment rate of return was lowered from 7.10% to 7.00%.

ORLEANS PARISH SHERIFF'S OFFICE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2020

7) **PENSION PLANS (continued)**

b) **Defined Benefit Pension Plan (continued)**

The mortality rate assumptions were set after reviewing an experience study performed over the period of 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 returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Estimates of arithmetic real rates of return for each major asset class based on the System's target asset allocation as of June 30, 2020 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Real Return Arithmetic Basis</u>	<u>Long-term Expected Real Rate of Return</u>
Equity securities	62%	6.80%	4.20%
Fixed income	23%	2.40%	0.60%
Alternative Investments	15%	4.70%	0.70%
Total	<u>100%</u>		<u>5.50%</u>
Inflation			<u>2.40%</u>
Expected Arithmetic Nominal Return			<u>7.90%</u>

Discount Rate

The discount rate used to measure the total pension liability was 7.0%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates, approved by the Public Retirement Systems' Actuarial Committee, taking into consideration the recommendations of the System's actuary. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

ORLEANS PARISH SHERIFF'S OFFICE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2020

7) **PENSION PLANS (continued)**

b) **Defined Benefit Pension Plan (continued)**

Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following table presents the Office's proportionate share of the net pension liability (NPL) using the discount rate of 7.0% as well as what the Office's proportionate share of the NPL 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.

	<u>1.0% Decrease</u>	<u>Current Discount Rate</u>	<u>1.0% Increase</u>
Rates	6.00%	7.00%	8.00%
Office's Share of NPL	\$62,787,827	34,568,190	\$11,034,381

Payables to the Pension Plan

At December 31, 2020, the Office had accrued payables to the Pension Plan of \$146,000.

c) **Deferred Compensation Plan**

Effective September 1, 2001, the Office adopted a deferred compensation plan administered by the Louisiana Deferred Compensation Commission. The Louisiana Public Employees Deferred Compensation Plan (the "Plan") was established pursuant to IRC Section 457 and Louisiana R.S. 43:1301-1308. For 2020, the Plan allowed employees to contribute up to the lesser of \$19,000 for employees 49 years of age or younger; \$25,000 for employees 50 years of age or older (\$38,000 for those eligible for catch-up) or 100% of their salary. The Office has the option to match certain contributions but is not exercising this option currently. Employees contributed through payroll withholdings a total of \$281,649 for the year ended December 31, 2020.

ORLEANS PARISH SHERIFF'S OFFICE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2020

8) LONG-TERM OBLIGATIONS

The following is a summary of long-term obligation transactions for the year ended December 31, 2020:

	Balance at December 31, 2019	Additions	Reductions	Balance at December 31, 2020	Due Within One Year
PUBLIC PLACEMENT					
General Obligation Bonds (Series 2010): \$15,000,000 originally issued with interest rate ranging from 3.0% to 4.0%, maturing September 1, 2011 through September 1, 2024, secured by collections of ad valorem taxes.	\$ 6,525,000	\$ -	\$ (1,170,000)	\$ 5,355,000	\$ 1,235,000
General Obligation Bonds (Series 2011): \$5,000,000 originally issued with interest rate at 2.97% (interest payable beginning March 1, 2012; principal payable beginning September 1, 2012), maturing through September 1, 2026, secured by collections of ad valorem taxes.	2,590,000	-	(335,000)	2,255,000	350,000
General Obligation Bonds (Series 2012): \$5,000,000 originally issued with interest rate at 2.85% (interest payable beginning March 1, 2013; principal payable beginning September 1, 2013), maturing through September 1, 2026, secured by collections of ad valorem taxes.	2,615,000	-	(340,000)	2,275,000	350,000
General Obligation Bonds (Series 2013): \$10,000,000 originally issued with interest rate at 1.95% maturing September 1, 2013 through September 1, 2022, secured by collections of ad valorem taxes.	3,395,000	-	(1,105,000)	2,290,000	1,130,000
General Obligation Bonds (Series 2015): \$8,225,000 originally issued with interest rate at 2.75% maturing September 1, 2015 through September 1, 2024, secured by collections of ad valorem taxes.	4,430,000	-	(820,000)	3,610,000	850,000
Total Public Placement	19,555,000	-	(3,770,000)	15,785,000	3,915,000

ORLEANS PARISH SHERIFF'S OFFICE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2020

8) LONG-TERM DEBT OBLIGATIONS (continued)

	Balance at December 31, 2019	Additions	Reductions	Balance at December 31, 2020	Due Within One Year
PRIVATE PLACEMENT					
Taxable Certificates of Indebtedness (Series 2019): \$1,750,000 originally issued with interest rate at 3.25%, maturing June 30, 2020, secured by revenues of the Office.	1,750,000	-	(1,750,000)	-	-
Taxable Certificates of Indebtedness (Series 2020): \$750,000 originally issued with interest rate at 2.50%, maturing June 30, 2021, secured by revenues of the Office.	-	750,000	-	750,000	750,000
\$2,000,000 note issued April 30, 2018 issued with interest rate at 3.40%, principal payable starting October 30, 2018, maturing June 30, 2023 collateralized by civil tyler software not capitalized and unexpended Chase escrow	1,434,984	-	(392,867)	1,042,117	406,338
Total Private Placement	3,184,984	750,000	(2,142,867)	1,792,117	1,156,338
Total Debt	22,739,984	750,000	(5,912,867)	17,577,117	5,071,338
OTHER LONG-TERM LIABILITIES:					
Leases	3,323,752	686,944	(949,856)	3,060,840	896,369
Claims and judgments (see note 9)	3,003,666	200,000	(453,500)	2,750,166	125,000
Compensated absences	2,297,294	2,537,581	(2,769,035)	2,065,840	-
Other post employment benefits (see note 15)	17,073,944	2,694,966	(494,773)	19,274,137	494,773
	<u>\$ 48,438,640</u>	<u>\$ 6,869,491</u>	<u>\$ (10,580,031)</u>	<u>\$ 44,728,100</u>	<u>\$ 6,587,480</u>

Following is a maturity summary of publicly offered bond principal and interest expense:

Year Ending	Principal	Interest	Total
2021	\$ 3,915,000	\$ 451,548	\$ 4,366,548
2022	4,070,000	334,745	4,404,745
2023	3,035,000	220,784	3,255,784
2024	3,170,000	117,427	3,287,427
2025	785,000	38,799	823,799
2026	810,000	15,714	825,714
	<u>\$ 15,785,000</u>	<u>\$ 1,179,017</u>	<u>\$ 16,964,017</u>

ORLEANS PARISH SHERIFF'S OFFICE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2020

8) LONG-TERM DEBT OBLIGATIONS (continued)

Following is a maturity summary of private placement bond principal and interest expense:

<u>Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 1,156,338	\$ 29,705	\$ 1,186,043
2022	420,271	15,692	435,963
2023	215,508	2,443	217,951
	<u>\$ 1,792,117</u>	<u>\$ 47,840</u>	<u>\$ 1,839,957</u>

Interest expense on long-term debt for the year ended December 31, 2020 was \$758,799 including interest on capital leases of \$105,507.

On February 15, 2001, the District issued \$27,000,000 of General Obligation Bonds (Series 2001), for repairing, renovating, improving, and constructing facilities for the Orleans Parish Sheriff's Office, District Attorney, District Courts, Clerk of District Court, Juvenile Court, and Municipal and Traffic Court. One half, or \$13.5 million, was allocated to governmental agencies other than the Office. The bonds were paid in full in 2011. The status of the funds allocated to the other agencies is as follows:

<u>Agency</u>	<u>Original Balance</u>	<u>Transferred to other Agencies</u>	<u>Estimated Interest Earned</u>	<u>Remaining Balance at December 31, 2020</u>
Orleans Parish District Attorney	\$ 2,500,000	\$ 2,369,878	\$ 432,663	\$ 562,785
Orleans Parish District Courts	8,500,000	9,498,346	1,471,054	472,708
Orleans Parish Clerk of Criminal District Courts	800,000	800,000	138,452	138,452
Orleans Parish Juvenile Courts	1,000,000	1,157,902	173,065	15,163
Orleans Parish Municipal and Traffic Courts	700,000	700,000	121,146	121,146
	<u>\$13,500,000</u>	<u>\$ 14,526,126</u>	<u>\$ 2,336,380</u>	<u>\$ 1,310,254</u>

On October 4, 2008, the voters of Orleans Parish authorized the District to issue general obligation bonds not exceeding \$63,225,000 for constructing, improving, renovating and repairing jails and other facilities for the Sheriff, District Attorney, Clerk of District Court, Juvenile Court, Municipal and Traffic Court, and New Orleans Forensic Center. The 20-year bonds are payable from ad valorem taxes. There have been seven emissions of the bonds; \$10,000,000 was issued December 1, 2008, \$10,000,000 was issued March 1, 2009, \$15,000,000 was issued March 1, 2010, \$5,000,000 was issued December 2, 2011, \$5,000,000 was issued April 27, 2012, \$10,000,000 was issued June 14, 2013 and \$8,225,000 was issued January 15, 2015. Out of the \$63,225,000 issue, \$22,335,000 was allocated to governmental agencies other than the Office.

ORLEANS PARISH SHERIFF'S OFFICE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2020

8) LONG-TERM DEBT OBLIGATIONS (continued)

The status of the funds allocated to the other agencies is as follows:

<u>Agency</u>	<u>Original Balance</u>	<u>Transferred to other Agencies</u>	<u>Estimated Interest Earned</u>	<u>Remaining Balance at December 31, 2020</u>
Orleans Parish District Attorney	\$ 3,290,000	\$ 665,951	\$ 57,744	\$ 2,681,793
New Orleans Forensic Center	5,000,000	5,000,000	87,757	87,757
Orleans Parish Clerk of Criminal District Courts	2,825,000	121,650	49,583	2,752,933
Orleans Parish Juvenile Courts	3,720,000	3,720,500	65,291	64,791
Orleans Parish Municipal and Traffic Courts	7,500,000	2,754,095	131,636	4,877,541
	<u>\$22,335,000</u>	<u>\$ 12,262,196</u>	<u>\$ 392,011</u>	<u>\$ 10,464,815</u>

The Office has entered into certain capital lease agreements for vehicles to be used in operations. The total amount financed is \$599,210 at implicit interest rates between of 4.25% and 4.4%. The leases are payable monthly over 48-to-60-month periods. In 2020, the office financed an additional \$686,892 with the same terms as the 2019 financing. These vehicles have certain clauses that based on mileage and resale value could have additional payments due at the end of the lease.

In 2019, the Office has entered into capital lease agreements to finance the purchase of new radios for use in the detention center and associated centralized equipment and software and GPS locators for vehicle and detention center radios. The total amount financed was \$2,931,639 at interest rates between 3.16% and 3.95%. The leases are payable monthly starting at various dates with final payment due September 1, 2023. The individual radios do not meet the \$5,000 fixed asset capitalization policy. Of the \$2,931,639 amount financed, \$1,101,845 has been capitalized and added to the fixed assets. Following is a summary of principal and interest payments to amortize the capitalized leases.

<u>Year Ending</u>	<u>Vehicle leases</u>			<u>Motorola leases</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 148,720	\$ 22,592	\$ 171,312	\$ 747,075	\$ 66,684	\$ 813,759
2022	155,372	15,940	171,313	775,489	38,270	813,759
2023	162,322	8,991	171,313	600,916	9,403	610,319
2024	101,101	2,669	103,770	-	-	-
	<u>\$ 567,516</u>	<u>\$ 50,192</u>	<u>\$ 617,708</u>	<u>\$ 2,123,480</u>	<u>\$ 114,357</u>	<u>\$ 2,237,837</u>

ORLEANS PARISH SHERIFF'S OFFICE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2020

9) RISK MANAGEMENT

The Orleans Parish Sheriff's Office manages some of its risks internally. The General Fund services claims for various risks of loss to which the Office is exposed, including general liability, property and casualty, and environmental. The Office has limited commercial insurance on some heavy equipment and buses and physical damage policies for selected vehicles. The Office has selected flood and property policies, including policies for the kitchen/warehouse, intake and processing, inmate housing, and the administrative building. The City of New Orleans provides workmen's compensation coverage.

Claims and liabilities are recorded in the Statement of Net Position when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Claims liabilities depend on such complex factors as inflation, changes in legal doctrines, and damage awards. Claims liabilities are reevaluated periodically to take into consideration recently settled claims, the frequency of claims, and other economic and social factors. The estimate for claims liability includes an estimate for incurred but not reported (IBNR) liabilities and also includes amounts for selected incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims. Attorney fees are recorded as incurred and are not included in the liability. Estimated recoveries, for example, from salvage or subrogation, are another component of the claims liability estimate.

The Orleans Parish Sheriff's Office is a defendant in various lawsuits pertaining to material matters. Changes in the balances of claims liabilities were as follows:

<u>Fiscal Year</u>	<u>Liability at Beginning</u>	<u>Current-Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Liability at End</u>
2019	\$ 5,700,283	\$ (1,358,759)	\$ (1,337,858)	\$ 3,003,666
2020	\$ 3,003,666	\$ 200,000	\$ (453,500)	\$ 2,750,166

10) ON-BEHALF PAYMENTS

In accordance with generally accepted accounting principles the accompanying basic financial statements do not include certain portions of the Office's expenses paid directly by the City of New Orleans. These expenses include building space, utilities, and gasoline. Hospitalization premiums, unemployment benefits, and workers' compensation premiums paid by the City of New Orleans on behalf of the Office totaled \$6,952,062. These are included in the accompanying financial statements as on-behalf payment revenues and expenditures in the General Fund.

ORLEANS PARISH SHERIFF'S OFFICE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2020

11) TAX ABATEMENTS

The Office is subject to certain property tax abatements granted by the Louisiana State Board of Commerce and Industry (the "State Board"). Abatements to which the Office may be subject include those issued for property taxes under the Restoration Tax Abatement Program ("RTAP"). Under the RTAP, as authorized by Article 7, Section 21(H) of the Louisiana Constitution and Louisiana Revised Statutes 47:4311, companies that expand, restore, improve or develop an existing structure or structures in a downtown, historic, or economic development district can apply to the State Board and the local governing authority (City of New Orleans) for a property tax exemption. The exemptions are granted for a 5-year term and are renewable for an additional 5-year term upon the approval of the State Board and the local governing authority. The property tax abatements have resulted in reductions of property taxes. During the year ended December 31, 2020 ad valorem taxes abated applicable to the Office totaled approximately \$257,000.

12) ECONOMIC DEPENDENCY

The Office derives a material part of its revenues for the housing of state and municipal prisoners. These revenues are received from the City of New Orleans and the State of Louisiana Department of Corrections. For the year ended December 31, 2020, revenues from these sources exceeded \$45 million.

13) CONTINGENCIES

Litigation

The Office is a defendant in various lawsuits. As discussed in note 10, the Office is self-insured with respect to claims. The Office and its attorneys have reviewed these claims and lawsuits in order to evaluate the likelihood of an unfavorable outcome and to provide an estimate of its exposure to potential loss. This estimate could change in the near term due to the litigation environment.

Intergovernmental Assistance

The Office participates in certain local, state and federal financial assistance programs. Amounts received from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the Office expects the amount, if any, to be immaterial.

The Office of Inspector General – OIG has issued reports questioning FEMA's funding of approximately \$6.3 million of costs relating to certain grants from 2005 through 2011 related to Hurricane Katrina. Of the total questioned amounts approximately \$4.9 million have been resolved and \$1.4 million is still disputed. The ultimate outcome of the remainder of the questioned costs is undetermined at this time. In accordance with GASB Codification Section C50, no liability is recorded at this time.

On August 29, 2005, Hurricane Katrina, a major hurricane, struck southeastern Louisiana and the Mississippi and Alabama Gulf Coast. The Office incurred significant hurricane-related expenses and property losses. As of December 31, 2020, the Office has received reimbursements from the Federal Emergency Management Association (FEMA) of \$323,829,935.

ORLEANS PARISH SHERIFF'S OFFICE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2020

14) CONTINGENCIES (continued)

Intergovernmental Assistance (continued)

Included in accounts receivable at December 31, 2020 is \$2,002,245 of reimbursements from FEMA which were considered available (collected within the current period or soon enough thereafter to be used to pay liabilities of the current period). Unobligated FEMA grants, which are awaiting final approval and are expected to be reimbursed for \$914,576 of recorded expenditures, are not recorded in accounts receivable. Advances and receipts for unrecorded expenses of \$2,419,901 are recorded as a payable to the State of Louisiana, the pass-through agency for FEMA funds. FEMA obligated grants with a cumulative total of \$325,210,148 at December 31, 2020.

See Note 18 regarding government funding received related to the Covid-19 pandemic.

Other

A consent judgment was filed on December 12, 2012 in the United States District Court, Eastern District of Louisiana. The purpose of the agreement is to address certain alleged constitutional violations at the Orleans Parish Prison. The Office has taken steps to address the concerns at the housing facilities. The Office has in place certain policies, practices, and procedures, and has plans to adopt certain other policies, practices, and procedures. The consent judgment contemplates that the dispute will be resolved by the continued development and implementation of these measures. The court will determine the funding needed to ensure constitutional conditions of confinement at the housing facilities and the sources responsible for providing the funding.

In September 2013, independent monitors were appointed by the Court and the court ordered that they be funded 50% by the City and 50% by the Office.

In August 2014, the Court ordered that all acute mental health detainees be housed at the Ellyn Hunt's Correctional Facility.

In June 2016 a stipulated order for appointment of an Independent Jail Compliance Director went into effect.

The Office is continuing discussions with the City, monitors, and the Court to adequately finance the Office.

15) POST-EMPLOYMENT BENEFITS

On-Behalf Other Post-Employment Benefits Provided by the City of New Orleans

The City of New Orleans (the City) is responsible for funding other post-employment benefits (OPEB) (health insurance) for retirees of the Criminal Division of the Orleans Parish Sheriff's Office who are under the age of 65 and meet one of the following requirements: member of the Orleans Parish Sheriff's Employees Retirement Plan (defined contribution plan) with ten years of service and age 55 years or older; or member of the Louisiana Sheriffs' Pension & Relief Fund with 30 years of service at any age, 20 years of service at 50 years of age or older, 12 years of service at 55 years of age or older, or 10 years of service at age 60 years of age or older.

ORLEANS PARISH SHERIFF’S OFFICE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2020

15) POST-EMPLOYMENT BENEFITS (continued)

On-Behalf Other Post-Employment Benefits Provided by the City of New Orleans (continued)

These retirees participate in the City’s OPEB plan. Benefits payments are paid directly by the City and are included in on-behalf payments on the financial statements. The amount of on-behalf payments related to health benefits for active and retired employees for the year ended December 31, 2020 was \$4,514,078 and \$967,593, respectively. The proportionate share of the plan’s OPEB liability related to the Office’s retirees is 9.29% and the City’s share of the liability related to the Office’s retirees is \$18,852,633. For additional information on the plan and benefit terms, etc. please refer to the Annual Comprehensive Financial Report for the City of New Orleans. None of the liability and deferrals are allocated to or the responsibility of the Sheriff thus are not recorded on the statement of net position.

The Orleans Parish Sheriff’s OPEB Plan

General Information about the OPEB Plan

Plan description – The Orleans Parish Sheriff (the Office) provides certain continuing health care and life insurance benefits for its retired Civil Department employees. The Orleans Parish Sheriff’s OPEB Plan (the OPEB Plan) is a single-employer defined benefit OPEB plan administered by the Office. The authority to establish and/or amend the obligation of the employer, employees and retirees rests with the Office. 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*.

Benefits Provided – Medical and dental benefits are provided to employees upon actual retirement only in the Civil Division for a closed group (grandfathered employees). For that closed group, the employer pays 100% of the medical and dental coverage for the retiree (not dependents). See the sections below for details on life insurance for the non-grandfathered group. Employees are covered by a retirement system whose retirement eligibility (D.R.O.P. entry) provisions are as follows: 30 years of service at any age; or, age 55 and 12 years of service. For employees hired on and after January 1, 2012, the retirement eligibility (D.R.O.P. entry) provisions are as follows: age 55 and 30 years of service; or age 60 and 20 years of service; or, age 62 and 12 years of service.

Life insurance coverage is continued to retirees by election and is based on a blended rate for active employees and retirees. The employer pays 100% of the cost of life insurance after retirement for the retiree, but it is based on the blended active/retired rate and there is thus an implied subsidy. Life insurance coverage is reduced to \$10,000 upon retirement for non-grandfathered retirees and further reduced to \$6,500 at age 65 and \$5,000 at age 70. For grandfathered retirees, insurance coverage amounts at retirement remain the same but the amounts are reduced to 75% of the original amount at age 65 and to 50% of the original amount at age 70.

Employees covered by benefit terms – At December 31, 2020, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	221
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	752
	<hr style="border-top: 1px solid black; border-bottom: 3px double black;"/>
	973

ORLEANS PARISH SHERIFF'S OFFICE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2020

15) POST-EMPLOYMENT BENEFITS (continued)

Total OPEB Liability

The Office's total OPEB liability of \$19,274,137 was measured as of December 31, 2020 and was determined by an actuarial valuation as of January 1, 2020.

Actuarial Assumptions and other inputs – The total OPEB liability in the December 31, 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	2.0%
Salary increases	3.0%, including inflation
Discount rate	2.74%, annually (Beginning of Year to Determine ADC)
	2.12%, annually (As of End of Year Measurement Date)
Healthcare cost trend rates	5.5% annually until year 2030, then 4.5%
Mortality	SOA RP-2014 Table
Average remaining service life	6 years

The discount rate was based on the average of the Bond Buyers' 20 Year General Obligation municipal bond index as of December 31, 2020, the end of the applicable measurement period.

The actuarial assumptions used in the December 31, 2020 valuation were based on the results of ongoing evaluations of the assumptions from January 1, 2009 to December 31, 2020.

Changes in the Total OPEB Liability

Balance at December 31, 2019	\$17,073,944
Changes for the year:	
Service cost	370,960
Interest	472,908
Differences between expected and actual experience	(421,686)
Changes in assumptions	2,272,784
Benefit payments and net transfers	<u>(494,773)</u>
Net changes	<u>2,200,193</u>
Balance at December 31, 2020	<u>\$19,274,137</u>

ORLEANS PARISH SHERIFF'S OFFICE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2020

15) POST-EMPLOYMENT BENEFITS (continued)

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

	1.0% Decrease (1.12%)	Current Discount Rate (2.12%)	1.0% Increase (3.12%)
Total OPEB liability	\$ 22,601,478	\$ 19,274,137	\$ 16,626,731

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

	1.0% Decrease (4.5%)	Current Trend (5.5%)	1.0% Increase (6.5%)
Total OPEB liability	\$ 17,381,271	\$ 19,274,137	\$ 21,620,931

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

For the year ended December 31, 2020, the Office recognized OPEB expense of \$1,193,782. At December 31, 2020, the Office reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ (1,763,771)
Changes in assumptions	4,662,351	(981,604)
Total	\$ 4,662,351	\$ (2,745,375)

ORLEANS PARISH SHERIFF'S OFFICE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2020

15) POST-EMPLOYMENT BENEFITS (continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (continued)

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

Years ending December 31		
2021	\$	349,914
2022		349,914
2023		349,914
2024		349,914
2025		349,914
Thereafter		167,406
	\$	1,916,976

16) ACCOUNTING STANDARD TO BE IMPLEMENTED IN FUTURE YEAR

GASB Statement No. 87 *Leases*, was in June 2017. The new standard requires recognition of certain lease assets and liabilities that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the contract terms. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The amount of the effect of this standard on the Office's net position is unknown at this time. The Office will implement the new standard for 2022.

17) COVID-19

In early 2020, an outbreak of a novel strain of coronavirus (COVID-19) emerged globally, including the United States. In March 2020, the World Health Organization made the assessment that the outbreak COVID-19 can be characterized as a pandemic. As a result, uncertainties have arisen that may have a negative impact on the operating activities of the Office. The occurrence and extent of such impact will depend on future development including (i) the duration and the spread of the virus, (ii) government response measures, (iii) voluntary or required precautionary limitations on travel or business operations, (iv) the effects on the financial markets, and (v) the effects on the overall economy, all of which are uncertain. At this time, it is not possible to reliably estimate the length or severity of this outbreak and hence its potential financial impact if any. The Office has a plan in place for illnesses such as pandemic flu, which has been modified to better fit the recommended COVID-19 response procedures. The Office responded by actively reducing inmate levels by all available means, furloughing non-essential personnel, purchasing personnel protective gear, and testing inmates and personnel. The Office received \$1,157,935 of Coronavirus Relief Funds for the reimbursement of payroll-related expenditures in August and November of 2020, \$225,000 of Coronavirus Emergency Supplemental Funding (CESF) from the Commission on Law Enforcement used for the purchase of radios in March of 2021, and repurposed Justice Assistance Grant (JAG) funds of \$125,027 for the purchase of medical and sanitary supplies and protective equipment in April of 2021. In addition, the Office has applied for \$310,100 of additional CESF awards. In 2021, the office continued mass testing of all inmates and personnel and trended at a lower inmate population.

ORLEANS PARISH SHERIFF'S OFFICE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2020

18) SUBSEQUENT EVENTS

In June 2021, the Revenue Anticipation Note Series 2020 balance of \$750,000 was paid off and not renewed. In September 2021, the Office refinanced the balance of the 2010 General Obligation Bond Series reducing the interest rate from 3.95% to 3.5%. This resulted in an estimated savings of \$294,492 in interest payments between March 2022 and September 2024.

**REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN
MANAGEMENT'S DISCUSSION AND ANALYSIS**

ORLEANS PARISH SHERIFF'S OFFICE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	Budgeted Amounts		Actual Amounts	Variance With Final Budget - Over (Under)
	Original	Final		
<u>REVENUES:</u>				
Custody of prisoners:				
City of New Orleans charges	\$ 63,165,738	\$ 42,747,510	\$ 42,773,360	\$ 25,850
State of Louisiana Department of Corrections charges	2,633,600	2,147,484	2,438,079	290,595
Civil fees and commissions	4,250,000	2,963,020	2,954,230	(8,790)
Civil security services	1,024,773	1,107,919	985,215	(122,704)
On-behalf payments	6,453,284	6,293,717	6,952,062	658,345
Other income	2,037,000	1,834,632	2,134,288	299,656
State supplemental pay	2,088,000	1,991,950	2,014,036	22,086
Federal and state grants	2,100,000	1,152,436	3,129,215	1,976,779
Ad valorem tax revenue	7,287,347	7,370,087	6,882,910	(487,177)
	<u>91,039,742</u>	<u>67,608,755</u>	<u>70,263,395</u>	<u>2,654,640</u>
<u>EXPENDITURES:</u>				
Central services	7,903,765	6,709,904	6,780,489	70,585
Court services	5,048,995	3,066,673	3,232,182	165,509
Security services	25,057,697	17,937,388	18,195,160	257,772
Investigative services	3,595,673	2,925,411	3,059,592	134,181
Administrative services	6,151,447	4,925,978	4,885,106	(40,872)
Records and booking	6,047,307	5,377,234	5,565,936	188,702
Inmate services	20,005,272	11,972,305	10,281,204	(1,691,101)
Interest	75,000	82,460	236,497	154,037
Debt retirement	1,750,000	2,142,867	3,092,723	949,856
Grants and special programs	415,473	375,165	396,430	21,265
Civil administrative services	3,019,279	2,402,373	2,627,036	224,663
Civil security services	2,246,562	2,310,859	2,223,501	(87,358)
Plant and maintenance	9,064,341	8,413,258	8,167,252	(246,006)
Capital outlays	3,085,000	1,308,033	2,028,124	720,091
	<u>93,465,811</u>	<u>69,949,908</u>	<u>70,771,232</u>	<u>821,324</u>
Excess (deficiency) of revenues over expenditures	<u>(2,426,069)</u>	<u>(2,341,153)</u>	<u>(507,837)</u>	<u>1,833,316</u>
<u>OTHER FINANCING SOURCES (USES):</u>				
Proceeds from note issuance	1,000,000	750,000	750,000	-
Capital leases proceeds	-	-	686,944	686,944
Transfers out	-	498,113	-	(498,113)
	<u>1,000,000</u>	<u>1,248,113</u>	<u>1,436,944</u>	<u>188,831</u>
Net change in fund balance	(1,426,069)	(1,093,040)	929,107	2,022,147
<u>FUND BALANCES, BEGINNING</u>	<u>4,108,611</u>	<u>5,704,135</u>	<u>5,704,135</u>	<u>-</u>
<u>FUND BALANCES, ENDING</u>	<u>\$ 2,682,542</u>	<u>\$ 4,611,095</u>	<u>\$ 6,633,242</u>	<u>\$ 2,022,147</u>

ORLEANS PARISH SHERIFF'S OFFICE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - DEBT SERVICE FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget - Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Investment income	\$ 6,000	\$ 1,545	\$ 1,184	\$ (361)
Ad valorem tax revenue	5,079,060	4,270,272	4,783,039	512,767
Total revenues	<u>5,085,060</u>	<u>4,271,817</u>	<u>4,784,223</u>	<u>512,406</u>
<u>EXPENDITURES:</u>				
Miscellaneous		20,927	20,927	-
Debt retirement	3,770,000	3,777,000	3,770,000	(7,000)
Interest payments	600,478	600,478	600,478	-
Total expenditures	<u>4,370,478</u>	<u>4,398,405</u>	<u>4,391,405</u>	<u>(7,000)</u>
Net change in fund balance	714,582	(126,588)	392,818	519,406
<u>FUND BALANCES, BEGINNING</u>	<u>527,544</u>	<u>514,575</u>	<u>514,575</u>	<u>-</u>
<u>FUND BALANCES, ENDING</u>	<u>\$ 1,242,126</u>	<u>\$ 387,987</u>	<u>\$ 907,393</u>	<u>\$ 519,406</u>

ORLEANS PARISH SHERIFF'S OFFICE
SCHEDULE OF THE THE EMPLOYER'S CONTRIBUTIONS
LOUISIANA SHERIFFS' PENSION AND RELIEF FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	2020	2019	2018	2017	2016	2015	2014
Contractually Required Contribution ¹	\$ 3,969,459	\$ 4,493,355	\$ 3,850,464	\$ 3,860,617	\$ 4,142,653	\$ 4,631,826	\$ 4,638,581
Contributions in Relation to Contractually Required Contribution ²	3,969,459	4,493,555	3,850,464	3,860,617	4,142,653	4,631,826	4,638,581
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's Covered Employee Payroll ³	\$ 32,603,162	\$ 36,680,454	\$ 30,797,138	\$ 29,800,828	\$ 30,684,669	\$ 33,132,022	\$ 32,947,249
Contractually Required Contributions as a % of Covered Employee Payroll ⁴	12.25%/12.25%	12.25%/12.25%	12.75%/12.25%	13.25%/12.75%	13.75%/13.25%	14.25%/13.75%	13.89%/14.25%

This schedule is to be built prospectively. Until a full 10-year trend is compiled, the schedule will show information for those years for which data is available, beginning with 2014.

For reference only:

¹ *Employer contribution rate multiplied by employer's covered employee payroll*

² *Actual employer contributions remitted to the Sheriffs' Pension and Relief Fund*

³ *Employer's covered employee payroll amount for the LSPRF fiscal years ended December 31*

⁴ *Employer's required contribution rate for January-June/July-December*

ORLEANS PARISH SHERIFF'S OFFICE
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
LOUISIANA SHERIFFS' PENSION AND RELIEF FUND
FOR THE YEAR ENDED DECEMBER 31, 2020 (*)

	2020	2019	2018	2017	2016	2015	2014
Employer's Proportion of the Net Pension Liability	4.9946%	4.8777%	4.5193%	4.2820%	4.9902%	5.0016%	4.6837%
Employer's Proportionate Share of the Net Pension Liability	\$ 34,568,190	\$ 23,072,467	\$ 17,329,809	\$ 18,542,423	\$ 31,672,341	\$ 22,294,701	\$ 18,547,520
Employer's Covered-Employee Payroll	\$ 32,603,162	\$ 33,337,074	\$ 30,367,746	\$ 28,896,806	\$ 33,284,433	\$ 32,514,467	\$ 28,908,589
Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	106.03%	69.21%	57.07%	64.17%	95.16%	68.57%	64.16%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	84.73%	88.91%	90.41%	88.49%	82.10%	86.61%	87.34%

This schedule is to be built prospectively. Until a full 10-year trend is compiled, the schedule will show information for those years for which data is available, beginning with 2014.

* The amounts presented have a measurement date of June 30 the LSPRF fiscal year end.

Change of assumptions:

2017

- (1) The investment rate of return was changed from 7.5% to 7.25%.
- (2) The discount rate was changed from 7.4% to 7.25%.
- (3) The expected remaining service life was changed from 7 years to 6 years.

2018

- (1) The investment rate of return was changed from 7.25% to 7.10%
- (2) The discount rate was changed from 7.25% to 7.10%.

2019

- (1) The investment rate of return was changed from 7.10% to 7.00%
- (2) The discount rate was changed from 7.10% to 7.00%.

ORLEANS PARISH SHERIFF'S OFFICE
 SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
 AS OF DECEMBER 31, 2020

Financial statement reporting date	Measurement date	Service cost	Interest	Difference between expected and actual experience	Changes of assumptions	Benefit payments	Net change in total OPEB liability	Total OPEB liability - beginning	Total OPEB liability - ending	Covered payroll	Total OPEB liability as a percentage of covered payroll
12/31/2018	1/31/2018	\$ 303,916	\$ 538,163	\$ (749,991)	\$ (1,208,126)	\$ (331,373)	\$ (1,447,411)	\$ 15,809,974	\$ 14,362,563	\$ 28,206,847	50.92%
12/31/2019	1/31/2019	225,138	580,919	(936,839)	3,229,762	(387,599)	2,711,381	14,362,563	17,073,944	29,335,121	58.20%
12/31/2020	1/31/2020	370,960	472,908	(421,686)	2,272,784	(494,773)	2,200,193	17,073,944	19,274,137	28,399,841	67.87%

Notes to Schedule:

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

There are no assets accumulated in a trust that meets the criteria of paragraph 4 of GASB 75 for this OPEB plan

Benefit Changes

There were no changes in benefits.

Changes of Assumptions

Measurement Date	Discount Rate	Inflation Rate	Medical Cost Trend Rate	Mortality	Average Remaining Service Life
12/31/2018	4.10%	2.50%	5.50% Annually	SOA RP-2000 Combined Mortality Table	10 years
12/31/2019	2.74%	2.50%	5.50% Annually	SOA RP-2000 Combined Mortality Table	10 years
12/31/2020	2.12%	2.00%	5.5% Annually until 2030, then 4.50%	SOA RP-2014 Combined Mortality Table	6 years

ORLEANS PARISH SHERIFF'S OFFICE
SCHEDULE OF PROPORTIONATE SHARE OF TOTAL OPEB LIABILITY
OPEB BENEFITS PROVIDED BY THE CITY OF NEW ORLEANS
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Employer's proportion of the total OPEB liability	9.29%	7.98%	7.98%
Employer's proportionate share of the collective total OPEB liability	\$ -	\$ -	\$ -
Nonemployer contributing entity's total proportionate share of the collective total OPEB liability that is associated with the employer	<u>18,852,633</u>	<u>16,143,648</u>	<u>11,543,330</u>
Total	<u>\$ 18,852,633</u>	<u>\$ 16,143,648</u>	<u>\$ 11,543,330</u>
Employer's covered payroll	<u>\$ 26,624,922</u>	<u>\$ 21,262,632</u>	<u>\$ 20,444,839</u>
Employer's proportionate share of the total OPEB liability as a percentage of its covered payroll	70.81%	75.92%	56.46%
Plan fiduciary net position as a Percentage of the total OPEB liability	0.00%	0.00%	0.00%

Notes to Schedule:

1. This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.
2. There are no assets accumulated in a trust that meets the criteria of paragraph 4 of GASB 75 for this OPEB plan
3. *Benefit changes* : There were no changes of benefit terms for the 2018 through 2020.
4. *Changes of Assumptions* :

The changes in assumptions balance was a result of changes in the discount rate. The following are the discount rates used for in each measurement of total OPEB liability.

<u>Measurement Date</u>	<u>Discount Rate</u>
12/31/2017	3.44%
12/31/2018	4.10%
12/31/2019	2.74%
12/31/2020	2.12%

OTHER SUPPLEMENTARY INFORMATION

ORLEANS PARISH SHERIFF'S OFFICE
COMBINING STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
DECEMBER 31, 2020

	Fines	Criminal Justice	Inmate Funds	Cash Bonds and Fines	Civil	Total
<u>ASSETS:</u>						
Cash	\$ 4,301	\$ 74	\$ 326,062	\$ 62,047	\$ 3,313,055	\$ 3,705,539
Interfund receivable	-	2,448	-	-	-	2,448
Deposits	-	-	40,000	-	-	40,000
	<u>4,301</u>	<u>2,522</u>	<u>366,062</u>	<u>62,047</u>	<u>3,313,055</u>	<u>3,747,987</u>
Total assets						
	<u>4,301</u>	<u>2,522</u>	<u>366,062</u>	<u>62,047</u>	<u>3,313,055</u>	<u>3,747,987</u>
<u>LIABILITIES:</u>						
Due to inmates and others	2,996	2,522	326,391	15,670	3,051,921	3,399,500
Interfund payable	1,305	-	39,671	46,377	261,134	348,487
	<u>4,301</u>	<u>2,522</u>	<u>366,062</u>	<u>62,047</u>	<u>3,313,055</u>	<u>3,747,987</u>
Total liabilities						
	<u>4,301</u>	<u>2,522</u>	<u>366,062</u>	<u>62,047</u>	<u>3,313,055</u>	<u>3,747,987</u>
<u>NET POSITION</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying Independent Auditors' Report.

ORLEANS PARISH SHERIFF'S OFFICE
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
DECEMBER 31, 2020

	Fines	Criminal Justice	Inmate Funds	Cash Bonds and Fines	Civil	Total
<u>ADDITIONS</u>						
Inmate deposits	\$ -	\$ -	\$ 1,756,621	\$ -	\$ -	\$ 1,756,621
Escrow deposits	-	7,350	-	-	-	7,350
Bond and fine deposits	-	-	-	81,985	-	81,985
Litigant deposits	-	-	-	-	14,390,077	14,390,077
Total additions	<u>-</u>	<u>7,350</u>	<u>1,756,621</u>	<u>81,985</u>	<u>14,390,077</u>	<u>16,236,033</u>
<u>DELETIONS</u>						
Inmate disbursements	-	-	1,588,166	-	-	1,588,166
Fees to other entities	-	-	168,455	-	-	168,455
Escrow disbursements	-	7,350	-	-	-	7,350
Bond and fine disbursements	-	-	-	81,985	-	81,985
Litigant disbursements	-	-	-	-	14,390,077	14,390,077
Total deletions	<u>-</u>	<u>7,350</u>	<u>1,756,621</u>	<u>81,985</u>	<u>14,390,077</u>	<u>16,236,033</u>
Net increase (decrease) in fiduciary net position	-	-	-	-	-	-
<u>NET POSITION, BEGINNING</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>NET POSITION, ENDING</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying Independent Auditors' Report.

ORLEANS PARISH SHERIFF'S OFFICE
COMPARATIVE SCHEDULE OF EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2020, 2019, AND 2018

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Functions/Programs			
<u>Governmental activities:</u>			
Custody of inmates:			
Personnel	\$ 46,140,159	\$ 45,320,775	\$ 39,709,675
Contractual	14,602,844	28,904,288	27,029,789
Materials and supplies	3,784,564	5,552,052	3,481,889
Depreciation	<u>9,043,072</u>	<u>9,181,205</u>	<u>9,131,105</u>
Total custody of inmates	73,570,639	88,958,320	79,352,458
Civil division	6,026,148	6,112,271	5,308,971
Interest on long-term debt	<u>784,243</u>	<u>948,125</u>	<u>996,908</u>
 Total governmental activities	 <u>\$ 80,381,030</u>	 <u>\$ 96,018,716</u>	 <u>\$ 85,658,337</u>

See accompanying Independent Auditors' Report.

ORLEANS PARISH SHERIFF'S OFFICE
COMPARATIVE BALANCE SHEETS - GENERAL FUND
DECEMBER 31, 2020, 2019, AND 2018

	<u>2020</u>	<u>2019</u>	<u>2018</u>
<u>ASSETS:</u>			
Cash and cash equivalents	\$ 16,742,011	\$ 11,938,716	\$ 16,475,245
Investments	1,293,589	1,289,045	1,253,567
Intergovernmental receivables	2,428,892	10,524,345	2,436,700
Interfund receivables	1,349,961	2,739,472	4,919,709
Other receivables	879,995	590,536	470,991
Prepaid expenses	90,984	8,071	-
Inventory	539,987	603,990	400,987
	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 23,325,419</u>	<u>\$ 27,694,175</u>	<u>\$ 25,957,199</u>
<u>LIABILITIES:</u>			
Accounts payable	\$ 15,676,111	\$ 21,457,552	\$ 19,576,577
Interfund payables	633,179	149,601	178,455
	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>16,309,290</u>	<u>21,607,153</u>	<u>19,755,032</u>
<u>DEFERRED INFLOWS OF RESOURCES:</u>			
Unavailable revenues	382,887	382,887	597,443
	<u> </u>	<u> </u>	<u> </u>
Total deferred inflows of resources	<u>382,887</u>	<u>382,887</u>	<u>597,443</u>
<u>FUND BALANCES:</u>			
Nonspendable amounts:			
Not in spendable form	630,971	612,061	426,581
Restricted	-	-	125,551
Unassigned	6,002,271	5,092,074	5,052,592
	<u> </u>	<u> </u>	<u> </u>
Total fund balance	<u>6,633,242</u>	<u>5,704,135</u>	<u>5,604,724</u>
	<u> </u>	<u> </u>	<u> </u>
Total liabilities and fund balances	<u>\$ 23,325,419</u>	<u>\$ 27,694,175</u>	<u>\$ 25,957,199</u>

See accompanying Independent Auditors' Report.

ORLEANS PARISH SHERIFF'S OFFICE
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GENERAL FUND
FOR THE YEARS ENDED DECEMBER 31, 2020, 2019, AND 2018

	<u>2020</u>	<u>2019</u>	<u>2018</u>
<u>REVENUES:</u>			
Custody of inmates:			
City of New Orleans charges	\$ 42,773,360	\$ 59,854,498	\$ 51,518,130
State of Louisiana Department of Corrections charges	2,438,079	2,613,772	2,328,364
Civil fees and commissions	2,954,230	3,971,516	4,263,700
Civil security services	985,215	1,024,733	973,485
Investment income	23,485	145,489	72,024
On-behalf payments	6,952,062	6,293,717	6,453,284
Inmate telephone	772,748	865,168	973,421
State supplemental pay	2,014,036	2,024,856	1,911,760
Federal and state grants	3,129,215	3,596,508	2,889,103
Restitution/administration	175,224	266,345	208,945
Commissary	522,442	477,221	466,450
Release processing fees	328,527	359,171	355,217
Ad valorem tax revenue	6,882,910	5,696,437	6,011,806
Other income	311,862	454,369	436,765
	<u>70,263,395</u>	<u>87,643,800</u>	<u>78,862,454</u>
<u>EXPENDITURES:</u>			
Central services	6,780,489	8,072,900	8,480,342
Court services	3,232,182	5,375,179	4,465,838
Security services	18,195,160	17,714,129	15,262,193
Investigative services	3,059,592	3,473,731	3,244,395
Administrative services	4,885,106	6,037,627	5,059,823
Records and booking	5,565,936	6,225,826	5,972,833
Inmate services	10,281,204	22,821,231	19,724,755
Grants and special programs	396,430	422,495	371,813
Plant and maintenance	8,167,252	8,230,811	7,602,083
Debt retirement	3,092,723	3,086,939	3,185,173
Interest payments	236,497	306,225	134,965
Civil administrative services	2,627,036	3,164,251	3,035,523
Civil security services	2,223,501	2,215,538	1,779,267
Capital outlays	2,028,124	579,360	1,194,977
	<u>70,771,232</u>	<u>87,726,242</u>	<u>79,513,980</u>
Excess (deficiency) of revenues over expenditures	<u>(507,837)</u>	<u>(82,442)</u>	<u>(651,526)</u>
<u>OTHER FINANCING SOURCES (USES):</u>			
Proceeds from notes	750,000	1,750,000	4,500,000
Proceeds from disposal of assets	-	70,318	3,165
Transfers out	-	(1,638,465)	(988,478)
	<u>1,436,944</u>	<u>181,853</u>	<u>3,514,687</u>
Net changes in fund balances	929,107	99,411	2,863,161
<u>FUND BALANCES, BEGINNING</u>	<u>5,704,135</u>	<u>5,604,724</u>	<u>2,741,563</u>
<u>FUND BALANCES, ENDING</u>	<u>\$ 6,633,242</u>	<u>\$ 5,704,135</u>	<u>\$ 5,604,724</u>

See accompanying Independent Auditors' Report.

ORLEANS PARISH SHERIFF'S OFFICE
SCHEDULE OF COMPENSATION, BENEFITS AND
OTHER PAYMENTS TO AGENCY HEAD
FOR THE YEAR ENDED DECEMBER 31, 2020

Agency Head Name: Marlin N. Gusman, Sheriff Orleans Parish

Purpose	Amount
Salary	\$ 191,541
Expense Allowance	19,154
Benefits-insurance ¹	9,327
Benefits-retirement ²	19,633
Membership dues	400

1 - Health Insurance paid in kind by the City of New Orleans,

Life Insurance paid by Orleans Parish Sheriff's Office

2 - Sheriff's Pension and Relief

See accompanying Independent Auditors' Report

ORLEANS PARISH SHERIFF'S OFFICE
JUSTICE SYSTEM FUNDING SCHEDULE - RECEIVING ENTITY
AS REQUIRED BY ACT 87 OF THE 2020 REGULAR LEGISLATIVE SESSION
FOR THE YEAR ENDED DECEMBER 31, 2020

Cash Basis Presentation	First Six Month Period Ended 06/30/20	Second Six Month Period Ended 12/31/20
Receipts From:		
1st Parish Court of Jefferson, civil fees	\$ 1,500	\$ 830
2nd Justice Court, Parish of Ascension, civil fees	60	60
2nd Parish Court of Jefferson, civil fees	1,610	560
5th Justice of The Peace Court Jefferson, civil fees	60	90
6th Justice of The Peace Court, civil fees	30	-
Acadia Parish Clerk of Court, civil fees	370	810
Acadia Parish Sheriff's Office, civil fees	30	
Alexandria City Court, civil fees	240	180
Allen Parish Clerk of Court, civil fees	180	150
Ascension Parish Clerk of Court, civil fees	2,190	2,430
Ascension Parish Sheriff's Office, civil fees	420	196
Assumption Parish Clerk of Court, civil fees	240	460
Avoyelles Parish Clerk of Court, civil fees	810	230
Avoyelles Parish Sheriff's Office, civil fees	60	90
Baton Rouge City Court, civil fees	10	30
Beauregard Parish Clerk of Court, civil fees	240	150
Bienville Parish Clerk of Court, civil fees	180	60
Bossier Parish Clerk of Court, civil fees	750	1,410
Bossier Parish Sheriff's Office, civil fees	240	60
Breaux Bridge City Court of St. Martin Parish, civil fees	90	-
Caddo Parish Clerk of Court, civil fees	2,162	3,130
Caddo Parish Sheriff's Office, civil fees	1,050	1,050
Calcasieu Parish Clerk of Court, civil fees	3,341	3,290
Calcasieu Parish Sheriff's Office, civil fees	30	180
Caldwell Parish Clerk of Court, civil fees	230	-
Cameron Parish Clerk of Court, civil fees	120	180
Catahoula Parish Clerk of Court, civil fees	310	60
City Court of Abbeville, civil fees	30	-
City Court of Baker, civil fees	30	-
City Court of Denham Springs, Ward Two, civil fees	210	90
City Court of East St. Tammany, civil fees	-	30
City Court of Hammond, civil fees	750	540
City Court of Houma, civil fees	1,050	1,340
City Court of Lafayette, civil fees	360	330
City Court of Lake Charles Ward Three, civil fees	-	60
City Court of Morgan City, civil fees	90	180
City Court of Opelousas Ward One, civil fees	-	90
City Court of Plaquemine, civil fees	-	10
City Court of Ruston, civil fees	30	60
City Court of Shreveport, civil fees	30	60
City Court of Slidell, civil fees	90	450
City Court of Sulphur, civil fees	120	90
City Court of Thibodaux, civil fees	-	120
City Court of West Monroe, civil fees	10	180
City of New Orleans, civil fees	7,782	4,922
City of Slidell Civil Service Board, civil fees	30	-
Civil District Court, civil fees	1,300	1,300
Claiborne Parish Clerk of Court, civil fees	60	120

(Continued)

See accompanying Independent Auditors' Report

ORLEANS PARISH SHERIFF'S OFFICE
 JUSTICE SYSTEM FUNDING SCHEDULE - RECEIVING ENTITY
 AS REQUIRED BY ACT 87 OF THE 2020 REGULAR LEGISLATIVE SESSION
FOR THE YEAR ENDED DECEMBER 31, 2020

Cash Basis Presentation	First Six Month Period Ended 06/30/20	Second Six Month Period Ended 12/31/20
Concordia Parish Clerk of Court, civil fees	210	150
Desoto Parish Clerk of Court, civil fees	120	180
Desoto Parish Sheriff's Office, civil fees	150	-
Desoto Parish Sheriff's Office, civil fees	150	-
East Baton Rouge Parish Clerk of Court, civil fees	14,629	6,666
East Baton Rouge Parish Sheriff's Office, civil fees	510	150
East Carroll Parish Clerk of Court, civil fees	150	120
East Feliciana Parish Clerk of Court, civil fees	90	60
Eunice City Court, civil fees	-	150
Evangeline Parish Clerk of Court, civil fees	240	360
Evangeline Parish Sheriff's Office, civil fees	-	30
Franklin Parish Clerk of Court, civil fees	90	210
Iberia Parish Clerk of Court, civil fees	1,470	1,290
Iberville Parish Clerk of Court, civil fees	920	870
Iberville Parish Sheriff's Office, civil fees	150	60
Jackson Parish Clerk of Court, civil fees	-	60
Jackson Parish Sheriff's Office, civil fees	30	39
Jefferson Davis Parish Clerk of Court, civil fees	540	860
Jefferson Davis Parish Sheriff's Office, civil fees	360	-
Jefferson Parish Clerk of Court, civil fees	19,103	10,038
Jefferson Parish Council, civil fees	-	775
Jefferson Parish Sheriff's Office, civil fees	2,540	1,110
Justice of The Peace Court, Ward D, St Bernard Parish, civil fees	-	30
Justice of The Peace District #7 St John The Baptist Parish, civil fees	90	30
Lafayette Parish Clerk of Court, civil fees	3,780	4,143
Lafayette Parish Sheriff's Office, civil fees	89	145
Lafourche Parish Clerk of Court, civil fees	2,150	3,430
Lafourche Parish Sheriff's Office, civil fees	150	-
Lake Charles City Court, civil fees	60	300
Lasalle Parish Clerk of Court, civil fees	340	240
Lincoln Parish Clerk of Court, civil fees	180	120
Livingston Parish Clerk of Court, civil fees	1,380	1,440
Livingston Parish Sheriff's Office, civil fees	210	120
Louisiana Department of Justice, civil fees	3,935	2,132
Louisiana Supreme Court, civil fees	4,049	10,349
Madison Parish Clerk of Court, civil fees	50	120
Monroe City Court, civil fees	180	120
Morehouse Parish Clerk of Court, civil fees	150	90
Natchitoches City Court, civil fees	-	30
Natchitoches Parish Clerk of Court, civil fees	240	300
New Iberia City Court, civil fees	30	-
Orleans Parish Criminal Court, civil fees	-	5,311
Orleans Parish Sheriff's Office, civil fees	12,866	3,937
Ouachita Parish Clerk of Court, civil fees	1,140	300
Ouachita Parish Sheriff's Office, civil fees	30	1,920
Parish of Washington Clerk of Court, civil fees	30	60
Pineville City Court, civil fees	-	60
Plaquemines Parish Clerk of Court, civil fees	1,355	510

(Continued)

See accompanying Independent Auditors' Report

ORLEANS PARISH SHERIFF'S OFFICE
 JUSTICE SYSTEM FUNDING SCHEDULE - RECEIVING ENTITY
 AS REQUIRED BY ACT 87 OF THE 2020 REGULAR LEGISLATIVE SESSION
 FOR THE YEAR ENDED DECEMBER 31, 2020

Cash Basis Presentation	First Six Month Period Ended 06/30/20	Second Six Month Period Ended 12/31/20
Pointe Coupee Parish Clerk of Court, civil fees	360	870
Rapides Parish Clerk of Court, civil fees	1,790	2,670
Rapides Parish Sheriff's Office, civil fees	120	280
Red River Parish Clerk of Court, civil fees	30	30
Richland Parish Clerk of Court, civil fees	100	30
Richland Parish Sheriff's Office, civil fees	-	120
Sabine Parish Clerk of Court, civil fees	60	90
Secretary of State, civil fees	300	200
Shreveport City Court, civil fees	30	-
St. Bernard Parish Clerk of Court, civil fees	4,110	5,520
St. Bernard Parish Sheriff's Office, civil fees	230	90
St. Charles Parish Clerk of Court, civil fees	5,800	-
St. Charles Parish Sheriff's Office, civil fees	-	4,410
St. Helena Parish Clerk of Court, civil fees	90	90
St. James Parish Clerk of Court, civil fees	1,350	1,380
St. John The Baptist Parish Clerk of Court, civil fees	2,075	2,110
St. John The Baptist Parish Sheriff's Office, civil fees	260	30
St. Landry Parish Clerk of Court, civil fees	1,020	2,460
St. Martin Parish Clerk of Court, civil fees	990	1,600
St. Mary Parish Clerk of Court, civil fees	1,140	1,889
St. Tammany Parish Clerk of Court, civil fees	16,419	9,753
St. Tammany Parish Sheriff's Office, civil fees	1,754	1,641
Tangipahoa Parish Clerk of Court, civil fees	4,710	4,256
Tangipahoa Parish Sheriff's Office, civil fees	90	230
Tensas Parish Clerk of Court, Christy C. Lee Clerk of Court, civil fees	-	90
Terrebonne Parish Clerk of Court, civil fees	3,900	4,540
Terrebonne Parish Sheriff's Office, civil fees	30	440
The City of New Orleans, civil fees	10,048	12,325
Union Parish Clerk of Court, civil fees	190	60
Union Parish Sheriff's Office, civil fees	20	150
Vermillion Parish Clerk of Court, civil fees	90	455
Vernon Parish Clerk of Court, civil fees	210	150
Washington Parish Clerk of Court, civil fees	390	570
Webster Parish Clerk of Court, civil fees	230	510
West Baton Rouge Parish Clerk of Court, civil fees	480	210
West Carroll Parish Clerk of Court, civil fees	-	30
West Feliciana Parish Clerk of Court, civil fees	180	125
West Monroe City Court, civil fees	310	-
Winn Parish Clerk of Court, civil fees	90	80
Zachary City Court, civil fees	30	-
City of New Orleans, asset forfeiture/sale	175,679	339,421
Orleans Parish Sheriff's Office, asset forfeiture/sale	2,696	957
St. Tammany Parish Sheriff's Office, asset forfeiture/sale	639	325
Subtotal Receipts	<u>\$ 340,502</u>	<u>\$ 484,261</u>
<i>Ending Balance of Amounts Assessed but Not Received (only applies to those agencies that assess on behalf of themselves, such as courts)</i>	\$ -	\$ -

See accompanying Independent Auditors' Report

ORLEANS PARISH SHERIFF'S OFFICE
 JUSTICE SYSTEM FUNDING SCHEDULE - COLLECTING/DISBURSING ENTITY
 AS REQUIRED BY ACT 87 OF THE 2020 REGULAR LEGISLATIVE SESSION
FOR THE YEAR ENDED DECEMBER 31, 2020

Cash Basis Presentation	First Six Month Period Ended 06/30/20	Second Six Month Period Ended 12/31/20
Beginning Balance of Amounts Collected	\$ 5,247,469	\$ 4,190,326
Add: Collections		
Civil Fees	161,338	143,557
Asset Forfeiture/Sale	179,014	340,704
Other	6,008,001	7,222,783
Subtotal Collections	6,348,353	7,707,043
Less: Disbursements To Governments & Nonprofits: <i>(Must include one agency</i>		
Acadia Parish Sheriff's office, civil fees	138	-
Ascension Parish Clerk of Court, civil fees	460	-
Assumption Parish Clerk of Court, civil fees	35	-
Avoyelles Parish Sheriff's Office, civil fees	194	42
Calcasieu Parish Sheriff's Office, civil fees	460	428
Concordia Parish Clerk of Court, civil fees	50	79
East Baton Rouge Parish Sheriff's Office, civil fees	36,123	38,980
Iberia Parish Sheriff's Office, civil fees	140	266
Jefferson Davis Parish Sheriff's Office, civil fees	162	-
Jefferson Parish Sheriff's Office, civil fees	18,766	29,280
Lafayette Parish Sheriff's Office, civil fees	3,602	4,808
Lasalle Parish Sheriff's Office, civil fees	-	60
Louisiana Department of Justice, civil fees	43,535	19,348
Natchitoches Parish Sheriff's Office, civil fees	249	35
Orleans Parish Sheriff, civil fees	777,132	966,277
Ouachita Parish Sheriff's Office, civil fees	559	44
Pointe Coupee Parish Sheriff's Office, civil fees	36	45
Rapides Parish Sheriff's Office, civil fees	339	343
Secretary of State, civil fees	25,830	25,900
Sheriff, Ascension Parish, civil fees	687	525
Sheriff, Assumption Parish, civil fees	107	-
Sheriff, Bossier Parish, civil fees	112	36
Sheriff, Caddo Parish, civil fees	378	99
Sheriff, East Feliciana Parish, civil fees	69	32
Sheriff, Evangeline Parish, civil fees	127	-
Sheriff, Grant Parish, civil fees	22	-
Sheriff, Iberville Parish, civil fees	146	34
Sheriff, La Fourche Parish, civil fees	558	575
Sheriff, Lincoln Parish, civil fees	194	37
Sheriff, Livingston Parish, civil fees	749	173
Sheriff, Morehouse Parish, civil fees	-	30
Sheriff, Plaquemines Parish, civil fees	330	390
Sheriff, Red River Parish, civil fees	43	-
Sheriff, St Bernard Parish, civil fees	4,732	4,022
Sheriff, St James Parish, civil fees	396	82
Sheriff, St Martin Parish, civil fees	-	90
Sheriff, Tangipahoa Parish, civil fees	734	1,833
Sheriff, Vermilion Parish, civil fees	72	-
Sheriff, Vernon Parish, civil fees	5	-
Sheriff, West Feliciana Parish, civil fees	167	-

(Continued)

See accompanying Independent Auditors' Report

ORLEANS PARISH SHERIFF'S OFFICE
 JUSTICE SYSTEM FUNDING SCHEDULE - COLLECTING/DISBURSING ENTITY
 AS REQUIRED BY ACT 87 OF THE 2020 REGULAR LEGISLATIVE SESSION
FOR THE YEAR ENDED DECEMBER 31, 2020

Cash Basis Presentation	First Six Month Period Ended 06/30/20	Second Six Month Period Ended 12/31/20
Sheriff, West Baton Rouge, civil fees	-	204
St Bernard Parish Clerk of Court, civil fees	30	-
St Charles Parish Sheriff's Office, civil fees	1,944	1,259
St Helena Parish Sheriff's Office, civil fees	141	-
St John Parish Sheriff's Office, civil fees	1,543	751
St Landry Parish Sheriff's Office, civil fees	-	53
St Mary Parish Sheriff's Office, civil fees	735	157
St Tammany Parish Sheriff's Office, civil fees	3,731	6,992
Terrebonne Parish Sheriff's Office, civil fees	405	304
Washington Parish Sheriff's Office, civil fees	321	168
Winn Parish Sheriff's Office, civil fees	44	-
Calcasieu Parish Sheriff's Office, asset forfeiture/sale	-	7
City of New Orleans, asset forfeiture/sale	7,698	240,043
Clerk of Civil District Court, asset forfeiture/sale	783,236	478,907
Department of Public Safety M.V.D, asset forfeiture/sale	248	328
East Baton Rouge Parish Sheriff's Office, asset forfeiture/sale	1,136	1,214
Jefferson Parish Clerk of Court, asset forfeiture/sale	105	55
Orleans Parish District Attorney's Office, asset forfeiture/sale	-	57,502
Orleans Parish Sheriff, asset forfeiture/sale	736,257	563,610
Ouachita Parish Sheriff's Office, asset forfeiture/sale	282	534
Secretary of State, asset forfeiture/sale	100	450
Sheriff, Ascension Parish, asset forfeiture/sale	43	-
Sheriff of Jefferson Davis, asset forfeiture/sale	-	60
Sheriff, Jefferson Parish, asset forfeiture/sale	1,760	2,430
Sheriff, Lafayette Parish, asset forfeiture/sale	-	35
Sheriff, Livingston Parish, asset forfeiture/sale	37	37
Sheriff, Plaquemines Parish, asset forfeiture/sale	30	60
Sheriff, St Bernard Parish, asset forfeiture/sale	-	33
Sheriff, St James Parish, asset forfeiture/sale	43	-
Sheriff, St. John Parish, asset forfeiture/sale	11	-
Sheriff, St Mary Parish, asset forfeiture/sale	-	29
St Tammany Parish Sheriff's Office, asset forfeiture/sale	163	300
State of Louisiana, asset forfeiture/sale	-	4,902
Less: Disbursements to Individuals/3rd Party Collection or Processing Agencies		
Other Disbursements to Individuals (additional detail is not required)	4,948,012	6,088,301
Subtotal Disbursements/Retainage	<u>7,405,496</u>	<u>8,542,617</u>
Total: Ending Balance of Amounts Collected but not Disbursed/Retained	<u>\$ 4,190,326</u>	<u>\$ 3,354,752</u>
Ending Balance of "Partial Payments" Collected but not Disbursed	<u>\$ 204,787</u>	<u>\$ 139,781</u>
Other Information:		
Ending Balance of Total Amounts Assessed but not yet Collected	<u>\$ -</u>	<u>\$ -</u>
Total Waivers During the Fiscal Period	<u>\$ -</u>	<u>\$ -</u>

See accompanying Independent Auditors' Report

SINGLE AUDIT SECTION

ORLEANS PARISH SHERIFF'S OFFICE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2020

<u>Funding Agencies/ Program Title</u>	<u>Assistance Listing Number</u>	<u>Grant Number</u>	<u>Disbursements/ Expenditures</u>
<u>U.S. Department of Justice</u>			
<u>Direct Award:</u>			
United States Marshals Service Regional Task Force	16.unk	AFF-BOP	\$ 8,346
<u>Pass-Through Awards:</u>			
Office of Justice Programs, Bureau of Justice Assistance, State of Louisiana Commission for Law Enforcement (LCLE), City of New Orleans Mayor's Office of Criminal Justice Coordination:			
COVID-19 - Coronavirus Emergency Supplemental Funding	16.034	2020-BJ-01 5482	225,000
Office of Justice Programs, Bureau of Justice Assistance, State of Louisiana Commission for Law Enforcement (LCLE), City of New Orleans Mayor's Office of Criminal Justice Coordination:			
Victims of Crime Act	16.807	4858	27,798
Victims of Crime Act	16.807	5447	9,692
			<u>37,490</u>
Total U.S. Department of Justice			<u>270,836</u>
<u>U.S. Department of Treasury</u>			
<u>Pass-Through Awards:</u>			
Department of the Treasury, State of Louisiana Division of Administration:			
COVID-19 - Coronavirus Relief Fund	21.019	LA-CARES	1,157,935 (M)
City of New Orleans			
COVID-19 - Coronavirus Relief Fund	21.019	LA-CARES	3,831,480 (M)
Total U.S. Department of Treasury			<u>4,989,415</u>
<u>U.S. Executive Office of the President</u>			
<u>Pass-Through Awards:</u>			
Drug Enforcement Administration, Jefferson Parish Sheriff's Office			
Gulf Coast High Intensity Drug Trafficking Area Program	95.001	G20GC001A	6,632
Total U.S. Executive Office of the President			<u>6,632</u>
<u>U.S. Department of Homeland Security</u>			
<u>Pass-Through Awards:</u>			
Louisiana Office of Homeland Security and Emergency Preparedness			
Disaster Grants - Public Assistance	97.036	FEMA	\$ 420,412
Total U.S. Department of Homeland Security			<u>420,412</u>
Total Federal Awards			<u>\$ 5,687,295</u>

(M) - Represents a "Major" program under the Uniform Guidance

Notes to the Schedule of Expenditures of Federal Awards

Note 1

This schedule of expenditures of federal awards includes the federal grant activity of the Orleans Parish Sheriff's Office and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in preparation of, the basic financial statements.

Note 2

During the year ended December 31, 2020 the Orleans Parish Sheriff's Office did not elect to use the 10% de minimus cost rate as covered in Section 200.414 of the Uniform Guidance.

Note 3

Federal revenues are included as state and federal grants in the Office's financial statements.

In 2020, the Office submitted a request for reimbursement through the City of New Orleans for \$3,909,240 for the Coronavirus Relief Fund grant. A reimbursement of \$3,831,480 was made to the City of New Orleans. That amount was not remitted to the Office, and as a result is not recorded as revenue on the Office's financial statements. This amount is included in the above schedule for Assistance Listing Number 21.019.

See accompanying Independent Auditors' Report.

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

The Honorable Susan Hutson
Orleans Parish Sheriff's Office:

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, each major fund, and the aggregate remaining fund information of the Orleans Parish Sheriff's Office (the Office) as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Office's basic financial statements, and have issued our report thereon dated December 23, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Office's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Office's internal control. Accordingly, we do not express an opinion on the effectiveness of the Office'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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses and significant deficiencies may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Office’s internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Office’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Postlethwaite & Netterville

Metairie, Louisiana
December 23, 2022

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM
GUIDANCE**

The Honorable Susan Hutson
Orleans Parish Sheriff's Office:

Report on Compliance for the Major Federal Program

We have audited the Orleans Parish Sheriff's Office's (the Office) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the Office's major federal program for the year ended December 31, 2020. The Office's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for the Office's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Office's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the Office's compliance.

Opinion on the Major Federal Program

In our opinion, the Office complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2020.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2020-001. Our opinion on the major federal program is not modified with respect to this matter.

The Office's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The Office's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of the Office is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Office's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Office's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Postlethwaite & Netterville

Metairie, Louisiana
December 23, 2022

ORLEANS PARISH SHERIFF'S OFFICE

Schedule of Findings and Questioned Costs

Year ended December 31, 2020

(1) Summary of Auditors' Results

- (a) The type of report issued on the basic financial statements: unmodified opinion
- (b) Significant deficiencies in internal control were disclosed by the audit of the financial statements: none reported; Material weaknesses were identified: no
- (c) Noncompliance which is material to the financial statements: none reported
- (d) Significant deficiencies in internal control over major program were identified: none reported; Material weaknesses were identified: no
- (e) The type of report issued on compliance for major program: unmodified opinion
- (f) Any audit findings which are required to be reported under 2 CFR Section 200.516(a): Yes
- (g) Major programs:
 - United States Department of Homeland Security
 - CFDA No. 21.019 Coronavirus Relief Fund – Covid 19
- (h) Dollar threshold used to distinguish between Type A and Type B programs: \$750,000
- (i) Auditee qualified as a low-risk auditee: no

(2) Findings Relating to the Financial Statements Reported in accordance with *Government Auditing Standards*

none

(3) Findings and Questioned Costs relating to Federal Awards

2020-001 Timely Submission of Audit to the Federal Audit Clearinghouse

Criteria: In accordance the Uniform Guidance, the Office is required to submit the annual audit reporting package and Data Collection Form to the Federal Audit Clearinghouse within the earlier of 30 calendar days after receipt of the auditors' reports or nine months after the end of the audit period.

In March 2021, the Office of Management and Budget issued Memorandum M-21-20, which states that awarding agencies should allow recipients and subrecipients with fiscal year ends through June 30, 2021, that have not yet filed their single audits with the Federal Audit Clearinghouse to delay the completion and submission of the single audit reporting package to six months beyond the normal due date. As the Office's normal due date was September 30, 2021, the allowed extension was through March 31, 2022.

ORLEANS PARISH SHERIFF'S OFFICE

Schedule of Findings and Questioned Costs

Year ended December 31, 2020

(3) Findings and Questioned Costs relating to Federal Awards (continued)

2020-001 Timely Submission of Audit to the Federal Audit Clearinghouse (continued)

Condition: The Office did not meet the extended March 31, 2022 deadline for reporting to the Federal Audit Clearinghouse.

Context/Cause: When the Covid-19 outbreak began in 2020, the Office put all non-essential employees on furlough, including most administrative, accounting, and financial personnel. Accounting and financial personnel were gradually brought back, however some remained on a part time basis throughout most of 2020. In addition, the Office also lost some key middle management personnel who were responsible for certain financial information needed for the audit. The lack of staff significantly impacted the completion of schedules provided to the auditors. There were also delays in receiving certain information from third parties that were also impacted by Covid-19.

Effect: The Office is non-compliant the Uniform Guidance requirement to submit the audit to the Federal Audit Clearinghouse by March 31, 2022.

Questioned Costs: For the purposes of this finding, there were no questioned costs.

Indication of a repeat finding: This is a repeat finding from the previous audit, 2019-001.

Recommendations: The Office should implement procedures to ensure that the 2022 audit is submitted by the deadline.

Views of responsible officials and planned corrective actions: Due to a material staffing furlough and administrative restrictions by the Office due to the COVID pandemic, the 2019 financial audit was not filed until July 2021. This delayed the commencement of the 2020 audit until after the filing deadline. During this period, the Office's internal auditor, who was integral in compiling the audit, retired. This resignation and departure left the Accounting Department with one full-time accountant and the Comptroller who absorbed the Internal Auditor's duties. This unexpected staffing issue left the Office significantly delayed in compiling the necessary information for the 2020 audit. As of October 2022, two full time Accountants have been added to the Accounting Staff and the Office has engaged the external auditors to prepare the Office's future financial statements as opposed to the Office preparing the financial statements.

ORLEANS PARISH SHERIFF'S OFFICE

Summary Schedule of Prior Audit Findings

Year ended December 31, 2020

2019-001 Timely Submission of Audit to the Federal Audit Clearinghouse

- Criteria:** In accordance the Uniform Guidance, the Office is required to submit the annual audit reporting package and Data Collection Form to the Federal Audit Clearinghouse within the earlier of 30 calendar days after receipt of the auditors' reports or nine months after the end of the audit period.
- In March 2021, the Office of Management and Budget issued Memorandum M-21-20, which states that awarding agencies should allow recipients and subrecipients with fiscal year ends through June 30, 2021, that have not yet filed their single audits with the Federal Audit Clearinghouse to delay the completion and submission of the single audit reporting package to six months beyond the normal due date. As the Office's normal due date was September 30, 2020, the allowed extension was through March 31, 2021.
- Condition:** The Office did not meet the extended March 31, 2021 deadline for reporting to the Federal Audit Clearinghouse for the 2019 audit.
- Recommendations:** The Office should implement procedures to ensure that the 2020 audit is submitted by the deadline.
- Status:** Not resolved. See repeat finding 2020-001 related to the timely submission of the 2020 audit.



SUSAN HUTSON
Sheriff



OFFICE OF THE SHERIFF
Parish of Orleans • State of Louisiana

Postlethwaite & Netterville
1 Galleria Blvd
Suite 2100
Metairie, LA 70001

Re: Finding 2020-001 Timely Submission of Audit to the Federal Audit Clearinghouse

Below is the Orleans Parish Sheriff's Office's response to and submission of a Corrective Action Plan related to the 2020 Audit:

The Orleans Parish Sheriff's Office has a late filing audit finding in connection with our 2020 audit and 2020 single audit. These audits were due to be filed June 30, 2021. Due to a material staffing furlough and administrative restrictions by the Office due to the COVID pandemic, the 2019 financial audit was not filed until July 2021. This delayed the commencement of the 2020 audit until after the filing deadline. During this period, the Office's internal auditor, who was integral in compiling the audit, retired. This resignation and departure left the Accounting Department with one full-time accountant and the Comptroller who absorbed the Internal Auditor's duties. This unexpected staffing issue left the Office significantly delayed in compiling the necessary information for the 2020 audit. As of October 2022, two full time Accountants have been added to the Accounting Staff and the Office has engaged Postlethwaite & Netterville to prepare OPSO's future financial statements as opposed to the Office preparing the financial statements. We anticipate this will ensure that the 2021 statements are completed expeditiously and the 2022 financial statements are filed by June 30, 2023. For further information related to this Corrective Action Plan, please contact Dr. David Trautenberg, Chief Financial Officer, at 504-493-2125 or by email at trautenberg@opso.us.

Respectfully,

Dr. David Trautenberg

Cc:

Sheriff Susan Hutson
Elizabeth Boyer, Finance Director