
ANNUAL FINANCIAL REPORT
ORLEANS PARISH SHERIFF'S OFFICE
NEW ORLEANS, LOUISIANA
FOR THE YEAR ENDED
DECEMBER 31, 2021

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Independent Auditors' Report

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

Report on the Audit of the Financial Statements

Opinions

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, 2021, and the related notes to the financial statements, which collectively comprise the Office's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Orleans Parish Sheriff's Office as of December 31, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis 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, and the schedule of changes in total OPEB liability and related ratios on page 48 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.

Supplementary 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 justice system funding schedules are presented for purposes of additional analysis and are 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; and justice system funding schedules 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; and the justice system funding schedules 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, 2020 and 2019, 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, 2020 and 2019, 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 2020 and 2019 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 2020 and 2019 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 June 30, 2023, 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
June 30, 2023

REQUIRED SUPPLEMENTARY INFORMATION

ORLEANS PARISH SHERIFF'S OFFICE
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2021

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, 2021. 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, 2021 by \$231.9 million (presented as "net position"). Net position is comprised of the following: (1) net investment in capital assets of \$258.8 million, (2) restricted for future intergovernmental transfers of \$7.7 million, (3) restricted for debt service of \$0.4 million, (4) restricted for capital improvements of \$2.8 million, (5) restricted for pension benefit of \$2.1 million, and (6) a deficit in unrestricted net position of \$40.0 million.

The Office's net position at December 31, 2021 decreased by \$9.6 million, or 4.0%, from December 31, 2020. For the year ended December 31, 2021 total expenses of approximately \$76.3 million exceeded total revenues of \$66.7 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 decreased by \$10.9 million and pension-related deferred inflows increased by \$20.0 million. The Office's net pension liability decreased to \$0 and is now recorded as a net pension asset of \$2.1 million. More information is included in Note 7 to the financial statements.

Fund Level

At December 31, 2021, the Office's governmental funds reported combined ending fund balances of \$17.4 million, a decrease of \$4.7 million from the prior year. The Debt Service Fund's fund balance decreased by \$0.4 million to a total fund balance of \$0.5 million. The General Fund's fund balance decreased by \$0.2 million to a fund balance of \$6.4 million. The Capital Projects Fund's fund balance decreased by \$4.0 million to a total fund balance of \$10.5 million.

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.

ORLEANS PARISH SHERIFF'S OFFICE
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2021

The first of these government-wide statements is the Statement of Net Position. The 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.

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.

ORLEANS PARISH SHERIFF'S OFFICE
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2021

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.

ADDITIONAL 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 48, 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 49 through 53. 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 54. 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 55 through 59.

ORLEANS PARISH SHERIFF'S OFFICE
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2021

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>2021</u> | <u>2020</u> | <u>\$</u> | <u>%</u> |
| Assets: | | | | |
| Current and other | \$ 34,131,880 | \$ 38,344,907 | \$ (4,213,027) | -11.0% |
| Capital | 273,444,645 | 281,701,411 | (8,256,766) | -2.9% |
| Net pension asset | 2,108,207 | - | 2,108,207 | 0.0% |
| Total | <u>309,684,732</u> | <u>320,046,318</u> | <u>(10,361,586)</u> | <u>-3.2%</u> |
| Deferred outflows: | | | | |
| Deferred outflows- OPEB related | 4,052,855 | 4,662,351 | (609,496) | -13.1% |
| Deferred outflows- pension related | 9,774,374 | 20,679,174 | (10,904,800) | -52.7% |
| | <u>13,827,229</u> | <u>25,341,525</u> | <u>(11,514,296)</u> | <u>-45.4%</u> |
| Liabilities: | | | | |
| Current | 16,111,825 | 16,047,932 | 63,893 | 0.4% |
| Long-term | | | | |
| Due within one year | 6,400,905 | 6,587,480 | (186,575) | -2.8% |
| Due after one year | 39,873,488 | 38,140,620 | 1,732,868 | 4.5% |
| Net pension liability | - | 34,568,190 | (34,568,190) | -100.0% |
| Total | <u>62,386,218</u> | <u>95,344,222</u> | <u>(32,958,004)</u> | <u>-34.6%</u> |
| Deferred inflows: | | | | |
| Deferred inflows-OPEB related | 3,425,716 | 2,745,375 | 680,341 | 24.8% |
| Deferred inflows-pension related | 25,849,569 | 5,828,349 | 20,021,220 | 343.5% |
| Total | <u>29,275,285</u> | <u>8,573,724</u> | <u>20,701,561</u> | <u>241.5%</u> |
| Net Position: | | | | |
| Net investment in capital assets | 258,799,665 | 261,063,454 | (2,263,789) | -0.9% |
| Restricted for: | | | | |
| Debt service | 426,892 | 738,173 | (311,281) | -42.2% |
| Capital improvements | 2,772,712 | 2,767,604 | 5,108 | 0.2% |
| Intergovernmental transfers | 7,732,427 | 11,775,069 | (4,042,642) | -34.3% |
| Pension benefits | 2,108,207 | - | 2,108,207 | 100.0% |
| Unrestricted (deficit) | (39,989,445) | (34,874,403) | (5,115,042) | 14.7% |
| Total net position | <u>\$ 231,850,458</u> | <u>\$ 241,469,897</u> | <u>\$ (9,619,439)</u> | <u>-4.0%</u> |

ORLEANS PARISH SHERIFF'S OFFICE
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2021

GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)

There are several components to net position. Net investment in capital assets decreased by \$2.3 million as a result of depreciation expense, offset by capital additions, and decreases in bonds and leases payable. Net position restricted for debt service decreased \$0.3 million due to the \$4.0 million of ad valorem tax revenue dedicated to debt retirement falling short of the debt retirement principal and interest payments of \$4.4 million. Net position restricted for intergovernmental transfers decreased by \$4.0 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 went from a deficit of \$34.9 million in 2020 to a deficit of \$40.0 million in 2021. The restricted net position includes \$0.4 million set aside to liquidate debt. There is approximately \$12.5 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 \$7.7 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 at December 31, 2021. The office has \$2.1 million held for pension benefit at December 31, 2021.

Current liabilities increased by \$0.1 million (0.4%). Current and other assets decreased by \$4.2 million (11.0%) due to the reduction of cash and cash equivalents. Capital assets decreased by \$8.3 million primarily due to depreciation. Net pension assets increased by \$2.1 million.

Long-term liabilities decreased by \$33.0 million due primarily to net pension liability decreasing \$34.6 million. This decrease can largely be attributed to increases in the value of investments held in the pension trust fund. Reductions in long-term liabilities also included \$2.6 million of regularly scheduled principal payments for general obligation bonds and principal payments of \$1.2 million on private placement debt. The 2010 general obligation bonds were refunded to reduce the interest rate from 4.0% to 0.5%.

Deferred outflows of resources decreased by \$11.5 million (45.4%), and deferred inflows of resources increased by \$20.7 million (241.5%). These deferred outflows and inflows are related to pension and other-postemployment benefits and are actuarially determined.

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MANAGEMENT'S DISCUSSION AND ANALYSIS
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GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)

The Office is responsible for one of the core components of the local criminal justice system: 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 | |
| | 2021 | 2020 | \$ | % |
| Revenues: | | | | |
| Program: | | | | |
| Charges for custody of inmates services | \$ 45,981,201 | \$ 53,962,442 | \$ (7,981,241) | -14.8% |
| Charges for civil division services | 3,953,718 | 3,939,445 | 14,273 | 0.4% |
| Operating grants | 4,801,819 | 5,902,066 | (1,100,247) | -18.6% |
| Capital grants | 313,828 | 1,475,060 | (1,161,232) | -78.7% |
| General: | | | | |
| Ad-valorem taxes | 10,814,465 | 11,665,949 | (851,484) | -7.3% |
| Other | 788,140 | 364,657 | 423,483 | 116.1% |
| Total revenues and other | <u>66,653,171</u> | <u>77,309,619</u> | <u>(10,656,448)</u> | <u>-13.8%</u> |
| Expenses: | | | | |
| Program expenses: | | | | |
| Custody of prisoners | 66,643,063 | 73,570,639 | (6,927,576) | -9.4% |
| Civil division | 5,040,789 | 6,026,148 | (985,359) | -16.4% |
| Interest | 541,176 | 784,243 | (243,067) | -31.0% |
| General: | | | | |
| Loss on disposal of assets | - | 15,949 | (15,949) | -100.0% |
| Transfers to other governmental agencies | 4,047,582 | 2,793,930 | 1,253,652 | 44.9% |
| Total expenses and other | <u>76,272,610</u> | <u>83,190,909</u> | <u>(6,918,299)</u> | <u>-8.3%</u> |
| Change in net position | (9,619,439) | (5,881,290) | (3,738,149) | 63.6% |
| Beginning net position | <u>241,469,897</u> | <u>247,351,187</u> | <u>(5,881,290)</u> | <u>-2.4%</u> |
| Ending net position | <u>\$ 231,850,458</u> | <u>\$ 241,469,897</u> | <u>\$ (9,619,439)</u> | <u>-4.0%</u> |

ORLEANS PARISH SHERIFF'S OFFICE
MANAGEMENT'S DISCUSSION AND ANALYSIS
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Charges for custody of inmates, the primary funding source, decreased by \$8.0 million from 2020 to 2021 due to the decline in the population of those in custody. The Civil Division-generated fees decreased 0.4% in 2021 due to the suspension of foreclosures due to the COVID-19 pandemic. Ad-valorem tax revenues decreased by \$0.9 million (7.3%), due to a lower collection rate.

Program expenses of the Office decreased by 10.1% primarily related to lower population of those in custody in 2021 as described above. Also, the decrease is also attributed in the reduced workforce effectively reducing the total personnel expenses. The loss on disposal of assets decreased by \$16 thousand in 2021 due to no auctions being held in 2021.

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, 2021, the Office's governmental funds reported combined ending fund balances of \$17.4 million. This is a decrease of \$4.7 million (22.2%), from the prior year. Unassigned fund balance is \$5.8 million.

Major Governmental Funds

The General Fund is the Office's primary operating fund. The General Fund's fund balance decreased by \$0.2 million in 2021 for an ending fund balance of \$6.4 million.

Revenues for the General Fund decreased by \$9.9 million (14.1%). This is primarily attributable to a \$7.5 million decrease in City of New Orleans revenue due to the decrease in the population of persons in custody and the decrease in FEMA grant funding due to the closeout of projects. Ad valorem tax millage decreased by \$0.1 million due to a lower tax collection. The Debt Service Fund had a \$0.8 million decrease in ad valorem tax millages, as well as a lower allocation of the 2.8 mills.

Operating expenditures for the General Fund decreased by \$10.1 million (14.3%), from \$70.8 million in 2020 to \$60.6 million in 2021. Most departments had decreases in overall expenditures due to reduced personnel cost attributed to a workforce shortage. Inmate services decreased \$6.2 million (60.0%), primarily due to the reduced population of persons in custody.

ORLEANS PARISH SHERIFF'S OFFICE
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2021

FINANCIAL ANALYSIS OF THE OFFICE'S FUNDS (continued)

Major Governmental Funds (continued)

The following schedule shows General Fund revenues and expenditures:

| | General Fund | | | |
|--|---------------------|---------------------|---------------------|---------------|
| | 2021 | 2020 | \$ change | % change |
| REVENUES: | | | | |
| City of New Orleans charges | \$ 35,246,305 | \$ 42,773,360 | \$ (7,527,055) | -17.6% |
| State of Louisiana DOC charges | 1,971,570 | 2,438,079 | (466,509) | -19.1% |
| Civil fees and commissions | 2,875,415 | 2,954,230 | (78,815) | -2.7% |
| Civil security services | 1,078,303 | 985,215 | 93,088 | 9.4% |
| Investment income | 12,021 | 23,485 | (11,464) | -48.8% |
| On-behalf payments | 6,897,097 | 6,952,062 | (54,965) | -0.8% |
| Inmate telephone | 838,539 | 772,748 | 65,791 | 8.5% |
| Release processing fees | 351,348 | 328,527 | 22,821 | 6.9% |
| State supplemental pay | 1,823,924 | 2,014,036 | (190,112) | -9.4% |
| Federal and state grants | 1,012,777 | 3,129,215 | (2,116,438) | -67.6% |
| Restitution/administration | 146,067 | 175,224 | (29,157) | -16.6% |
| Commissary | 530,275 | 522,442 | 7,833 | 1.5% |
| Other income | 764,792 | 311,862 | 452,930 | 145.2% |
| Ad valorem tax revenue | 6,813,113 | 6,882,910 | (69,797) | -1.0% |
| Total revenues | 60,361,546 | 70,263,395 | (9,901,849) | -14.1% |
| EXPENDITURES: | | | | |
| Central services | 7,732,742 | 6,780,489 | 952,253 | 14.0% |
| Court services | 2,489,222 | 3,232,182 | (742,960) | -23.0% |
| Security services | 16,834,512 | 18,195,160 | (1,360,648) | -7.5% |
| Investigative services | 2,916,696 | 3,059,592 | (142,896) | -4.7% |
| Administrative services | 5,443,928 | 4,885,106 | 558,822 | 11.4% |
| Records and booking | 3,832,742 | 5,565,936 | (1,733,194) | -31.1% |
| Inmate services | 4,111,797 | 10,281,204 | (6,169,407) | -60.0% |
| Grants and special programs | 389,265 | 396,430 | (7,165) | -1.8% |
| Plant and maintenance | 8,815,167 | 8,167,252 | 647,915 | 7.9% |
| Debt retirement | 2,199,596 | 3,092,723 | (893,127) | -28.9% |
| Interest payments | 146,864 | 236,497 | (89,633) | -37.9% |
| Civil administrative services | 2,449,506 | 2,627,036 | (177,530) | -6.8% |
| Civil security services | 2,458,352 | 2,223,501 | 234,851 | 10.6% |
| Capital outlays | 824,709 | 2,028,124 | (1,203,415) | -59.3% |
| Total expenditures | 60,645,098 | 70,771,232 | (10,126,134) | -14.3% |
| Deficiency of revenues over expenditures | (283,552) | (507,837) | 224,285 | -44.2% |
| OTHER FINANCING SOURCES | 41,619 | 1,436,944 | (1,395,325) | -97.1% |
| Net changes in fund balances | (241,933) | 929,107 | (1,171,040) | -126.0% |
| FUND BALANCES, BEGINNING | 6,633,242 | 5,704,135 | 929,107 | 16.3% |
| FUND BALANCES, ENDING | \$ 6,391,309 | \$ 6,633,242 | \$ (241,933) | -3.6% |

ORLEANS PARISH SHERIFF'S OFFICE
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2021

FINANCIAL ANALYSIS OF THE OFFICE'S FUNDS (continued)

Major Governmental Funds (continued)

The decrease in the fund balance of the Capital Projects Fund was \$4.0 million from \$14.5 million to \$10.5 million of restricted fund balance. This was attributable to other agencies (primarily the Criminal District Courts) expending funds. Of this capital projects fund balance, \$7.7 million is restricted for other criminal justice agencies.

The Debt Service Fund's fund balance decreased by \$0.4 million. Ad valorem taxes of \$4.0 million (\$4.7 million for 2020) were collected for debt service. The decrease in fund balance in 2021 was due to the \$4.4 million that was expended from the Debt Service Fund to pay fees and interest and to retire debt in excess of ad valorem tax revenues. For 2021, 1.75 mills (1.26 for 2020) were for operations/General Fund and 1.05 mills (1.54 for 2020) were 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 \$87.7 million. The budget was amended to reflect a decrease to \$60.5 million primarily due to decreases in City of New Orleans revenue and Department of Corrections revenue, as well as reduced Civil revenue. These decreased revenues are attributed to reduced population of persons in custody. 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 \$4.6 million to the actual 2020 ending balance of \$5.7 million.

The actual revenues were \$0.2 million lower than the final budget. There are no material differences in the amended revenues and the actual revenues.

The initial 2021 budget expected federal and state grants of \$7.4 million. FEMA revenues are recognized on a reimbursement basis. The amended budget decreased federal and state grant revenues to \$1.0 million, and actual federal and state grants were \$1.0 million. FEMA processing of requests for versions has slowed and FEMA is trying to only write versions at close-out.

ORLEANS PARISH SHERIFF'S OFFICE
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2021

BUDGETARY HIGHLIGHTS (continued)

The General Fund (continued)

The final expenditures were anticipated to be \$57.6 million. Actual expenditures are \$60.6 million. Central Services exceeded the budget by \$2.0 million. This is due to liability that was paid in 2022 recognized in 2021, specifically a repayment to GOHSEP. Debt retirement exceeded the budget by \$1.0 million. This is a result new debt in 2020 receiving a full year of debt retirements.

The original budget expected an increase of \$0.2 million in fund balance. The amended budget expected an increase of \$2.9 million in fund balance. Actual results were a \$0.2 million decrease in fund balance.

The Debt Service Fund

The 2021 debt service budget had minimal changes in revenues and expenditures. Ad valorem tax was budgeted at \$4.5 million. Actual ad valorem tax collections totaled \$4.0 million.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The following table provides a comparative summary of capital assets:

| | 2021 | 2020 | Percentage change |
|-------------------------------|------------------------------|------------------------------|----------------------|
| Land | \$ 6,052,681 | \$ 6,052,681 | 0.0% |
| Depreciable assets: | | | |
| Building and improvements | 331,788,942 | 331,005,856 | 0.2% |
| Operating equipment | 1,263,088 | 1,263,088 | 0.0% |
| Leased operating equipment | 1,101,845 | 1,101,845 | 0.0% |
| Furniture and equipment | 1,016,709 | 1,016,709 | 0.0% |
| Vehicles including leased | 7,793,390 | 7,751,767 | 0.5% |
| Total depreciable assets | <u>342,963,974</u> | <u>342,139,265</u> | <u>0.2%</u> |
| Less accumulated depreciation | <u>75,572,010</u> | <u>66,490,535</u> | <u>13.7%</u> |
| Depreciable assets, net | <u>267,391,964</u> | <u>275,648,730</u> | <u>-3.0%</u> |
| Total assets | <u><u>\$ 273,444,645</u></u> | <u><u>\$ 281,701,411</u></u> | <u><u>-2.9%</u></u> |

ORLEANS PARISH SHERIFF'S OFFICE
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2021

CAPITAL ASSETS AND DEBT ADMINISTRATION (continued)

Capital Assets (continued)

The Office's investment in capital assets, net of accumulated depreciation, as of December 31, 2021, is \$273.4 million. This is a 2.9% decrease from 2020. The change consisted of \$0.8 million of capital additions, no retirements, and depreciation expense of \$9.1 million. Additions to capital assets, funded primarily through capital outlay were approximately \$0.8 million.

Long-term Obligations

At the end of the fiscal year, the Office had approximately \$46.3 million in long-term obligations as shown in the table below:

| | <u>2021</u> | <u>2020</u> | <u>Percentage change</u> |
|--------------------------------|----------------------|----------------------|------------------------------|
| Public placement debt | \$ 11,950,000 | \$ 15,785,000 | -24.3% |
| Private placement debt | 639,203 | 1,792,117 | -64.3% |
| Leases payable | 2,055,777 | 3,060,840 | -32.8% |
| Claims and judgments | 10,891,006 | 2,750,166 | 296.0% |
| Compensated absences | 2,303,475 | 2,065,840 | 11.5% |
| Other post-employment benefits | 18,434,932 | 19,274,137 | -4.4% |
| Net pension liability | - | 34,568,190 | -100.0% |
| Total long-term obligations | <u>\$ 46,274,393</u> | <u>\$ 79,296,290</u> | <u>-41.6%</u> |

In 2021, the long-term obligations of the Office decreased by \$33.0 million. The Office made regularly scheduled principal payments of \$2.7 million on public placement debt. Private placement debt was reduced by \$1.2 million. A number of claims were settled, and case files closed. The claims and judgments, an estimate of future claim payments, increased by approximately \$8.1 million, this is attributed to a pending settlement involving the construction of the Orleans Justice Center. Compensated absences increased \$0.2 million due to employees not utilizing leave time due to a workforce shortage. The combination of scheduled payments on capital leases and the addition of new leases reduced leases payable by \$1.0 million. These long-term liabilities decreased approximately \$33.0 million in total from December 31, 2020 primarily as a result of changes in actuarial assumptions and investment performance which resulted in a net pension asset of \$2.1 million at December 31, 2021 from net pension liability of \$34.6 million at December 31, 2020.

ORLEANS PARISH SHERIFF'S OFFICE
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2021

CAPITAL ASSETS AND DEBT ADMINISTRATION (continued)

Long-term Obligations (continued)

In 2020, the Office entered into certain capital lease agreements for vehicles to be used in operations. The total amount financed is \$0.6 million at implicit interest rates between of 4.25% and 4.40%. 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. In 2021, the Office acquired additional leased vehicles increasing the amount financed by \$0.04 million.

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, software, and GPS locators for vehicle and detention center radios. The total amount financed was \$3.0 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 (Asset) and Deferred Inflows and Outflows

On the Statement of Net Position, the Office is also showing an asset for net pension totaling \$2.1 million. This is the Office's proportionate share of the net pension asset of the Louisiana Sheriffs' Pension & Relief Fund. The net pension liability decreased \$34.6 million. Pension-related deferred outflows decreased by \$10.9 million to \$9.8 million. Pension-related deferred inflows increased by \$20.0 million to \$25.8 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 \$18.4 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 decreased \$0.8 million primarily due to a reduction in discount rate from 2.12% at the beginning of the year to 2.06% 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 decreased by \$0.6 million to \$4.1 million. OPEB-related deferred inflows increased by \$0.7 million to \$3.4 million.

ORLEANS PARISH SHERIFF'S OFFICE
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2021

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

The 2022 budget was adopted in late 2021 and shows an increase of expenses by 7.62%. This increase is attributed to the Office's efforts to increase staffing to pre-pandemic levels. The adopted 2022 budget shows no change in fund balance. Revenues increase by 1% due the Office's continuous efforts to increase staffing levels funded by the City of New Orleans, offset by lower revenues due to the reduction of the housing of Department of Corrections inmates and FEMA funding.

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 2022, 1.54 mills were levied for operations, and 1.26 mills were levied for debt service. This is 0.21 mills decrease for the General Fund and 0.21 mills increase for debt service.

Operating revenues and expenditures are based on staffing levels and the inmate population at the end of 2021. Actual ending fund balance for 2022 is anticipated to be \$9.2 million. Projected ending fund balance for 2023 is \$9.5 million.

Non-Civil revenues for 2022 are expected to be \$51.6 million, and expenditures are expected to be \$48.9 million. Projected Non-Civil revenues for 2023 are \$71.7 million, and expenditures are projected to be \$71.7 million. The increase is due to the City of New Orleans funding a pay increase to a starting hourly rate of \$18.00 and funding IT infrastructure improvements

Civil revenues for 2022 are expected to be \$4.0 million, and expenses are expected to be \$3.9 million. Projected Civil revenues for 2023 are \$4.0 million and Civil expenses are projected to be \$3.7 million.

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 are budgeted at \$.5 million for 2022, funds that are received in 2022 are used to satisfy overpayment repayments to GOHSEP. Project worksheet versions that are necessary to request reimbursement in 2022 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 2022 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 mandatory for all employees, contractors, and volunteers. Inmates were offered access to vaccines if desired.

ORLEANS PARISH SHERIFF'S OFFICE
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2021

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, 2021

| | Governmental Activities |
|---|----------------------------|
| <u>ASSETS:</u> | |
| Cash and cash equivalents | \$ 29,425,269 |
| Intergovernmental receivables | 1,607,140 |
| Investments | 1,293,674 |
| Internal balances | 249,485 |
| Other receivables | 923,801 |
| Prepaid expenses | 90,984 |
| Inventory | 541,527 |
| Capital assets, net of accumulated depreciation | 273,444,645 |
| Net pension asset | 2,108,207 |
| Total assets | 309,684,732 |
| <u>DEFERRED OUTFLOWS OF RESOURCES:</u> | |
| Deferred outflow amounts related to total other post-employment liability | 4,052,855 |
| Deferred outflow amounts related to net pension liability | 9,774,374 |
| Total deferred outflows of resources | 13,827,229 |
| <u>LIABILITIES:</u> | |
| Accounts payable | 15,605,479 |
| Accrued interest | 73,591 |
| Internal balances | 432,755 |
| Long-term liabilities: | |
| Due within one year | 6,400,905 |
| Due after one year | 39,873,488 |
| Total liabilities | 62,386,218 |
| <u>DEFERRED INFLOWS OF RESOURCES:</u> | |
| Deferred inflow amounts related to total other post-employment liability | 3,425,716 |
| Deferred inflow amounts related to net pension liability | 25,849,569 |
| Total deferred inflows of resources | 29,275,285 |
| <u>NET POSITION (DEFICIT):</u> | |
| Net investment in capital assets | 258,799,665 |
| Restricted net position: | |
| Debt service | 426,892 |
| Capital improvements, net of related debt | 2,772,712 |
| Intergovernmental transfers | 7,732,427 |
| Pension benefits | 2,108,207 |
| Unrestricted net position (deficit) | (39,989,445) |
| Total net position | \$ 231,850,458 |

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, 2021

| Functions/Programs | Program Revenues | | | | Net (Expense) Revenue and Changes in Net Position Primary Government Governmental Activities |
|--|--|--|--|-------------------|---|
| <u>Governmental Activities:</u> | Fees, Fines and Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | | |
| Custody of inmates | \$ 66,643,063 | \$ 45,981,201 | \$ 4,392,707 | \$ 313,828 | \$ (15,955,327) |
| Civil division | 5,040,789 | 3,953,718 | 409,112 | - | (677,959) |
| Interest on long-term debt | 541,176 | - | - | - | (541,176) |
| Total governmental activities | <u>\$ 72,225,028</u> | <u>\$ 49,934,919</u> | <u>\$ 4,801,819</u> | <u>\$ 313,828</u> | <u>(17,174,462)</u> |
| General revenues: | | | | | |
| Ad valorem taxes | | | | | 10,814,465 |
| Investment income | | | | | 23,348 |
| Other income | | | | | 764,792 |
| Transfers to other governmental agencies | | | | | <u>(4,047,582)</u> |
| Total general revenues, losses and transfers | | | | | <u>7,555,023</u> |
| Change in net position | | | | | (9,619,439) |
| Net position - beginning | | | | | <u>241,469,897</u> |
| Net position - ending | | | | | <u>\$ 231,850,458</u> |

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

ORLEANS PARISH SHERIFF'S OFFICE
BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2021

| | General Fund | Capital Projects | Debt Service | Total Governmental |
|--|----------------------|----------------------|-------------------|-----------------------|
| <u>ASSETS:</u> | | | | |
| Cash and cash equivalents | \$ 17,746,134 | \$ 11,509,876 | \$ 169,259 | \$ 29,425,269 |
| Investments | 1,293,674 | - | - | 1,293,674 |
| Intergovernmental receivables | 1,607,140 | - | - | 1,607,140 |
| Interfund receivables | 1,254,222 | - | 307,199 | 1,561,421 |
| Other receivables | 899,776 | - | 24,025 | 923,801 |
| Prepaid expenses | 90,984 | - | - | 90,984 |
| Inventory | 541,527 | - | - | 541,527 |
| | <u>\$ 23,433,457</u> | <u>\$ 11,509,876</u> | <u>\$ 500,483</u> | <u>\$ 35,443,816</u> |
| <u>LIABILITIES:</u> | | | | |
| Accounts payable | 15,605,479 | - | \$ - | \$ 15,605,479 |
| Interfund payables | 739,954 | 1,004,737 | - | 1,744,691 |
| Total liabilities | <u>16,345,433</u> | <u>1,004,737</u> | <u>-</u> | <u>17,350,170</u> |
| <u>DEFERRED INFLOWS OF RESOURCES:</u> | | | | |
| Unavailable revenues | 696,715 | - | - | 696,715 |
| Total deferred inflows of resources | <u>696,715</u> | <u>-</u> | <u>-</u> | <u>696,715</u> |
| <u>FUND BALANCES:</u> | | | | |
| Nonspendable amounts: | | | | |
| Not in spendable form | 632,511 | - | - | 632,511 |
| Restricted | - | 10,505,139 | 500,483 | 11,005,622 |
| Unassigned | 5,758,798 | - | - | 5,758,798 |
| Total fund balance | <u>6,391,309</u> | <u>10,505,139</u> | <u>500,483</u> | <u>17,396,931</u> |
| Total liabilities, deferred inflows, and fund balances | <u>\$ 23,433,457</u> | <u>\$ 11,509,876</u> | <u>\$ 500,483</u> | <u>\$ 35,443,816</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, 2021

| | |
|--|----------------|
| Total fund balances for governmental funds at December 31, 2021 | \$ 17,396,931 |
| 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 \$65,734,986 accumulated depreciation | 266,051,474 |
| Operating equipment, net of \$1,193,066 accumulated depreciation | 70,022 |
| Leased operating equipment, net of \$613,794 accumulated amortization | 488,051 |
| Office furniture and equipment, net of \$1,006,401 of accumulated depreciation | 10,308 |
| Leased vehicles, net of \$665,054 accumulated amortization | 643,704 |
| Vehicles, net of \$6,356,225 accumulated depreciation | 128,405 |
| | 273,444,645 |
| Net pension asset | 2,108,207 |
| 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. | |
| | 696,715 |
| 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 | 9,774,374 |
| OPEB related | 4,052,855 |
| 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 | (73,591) |
| Bonds and notes payable | (12,589,203) |
| Other post employment benefits accrual | (18,434,932) |
| Claims and judgements | (10,891,006) |
| Accrued compensated absences | (2,303,475) |
| Leases payable | (2,055,777) |
| | (46,347,984) |
| 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 | (25,849,569) |
| OPEB related | (3,425,716) |
| | (29,275,285) |
| Total net position of governmental activities at December 31, 2021 | \$ 231,850,458 |

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, 2021

| | <u>General Fund</u> | <u>Capital Projects</u> | <u>Debt Service</u> | <u>Total Governmental</u> |
|--|-------------------------|-----------------------------|-------------------------|-------------------------------|
| <u>REVENUES:</u> | | | | |
| Custody of inmates: | | | | |
| City of New Orleans charges | \$ 35,246,305 | \$ - | \$ - | \$ 35,246,305 |
| State of Louisiana Department of Corrections charges | 1,971,570 | - | - | 1,971,570 |
| Civil fees and commissions | 2,875,415 | - | - | 2,875,415 |
| Civil security services | 1,078,303 | - | - | 1,078,303 |
| Investment income | 12,021 | 10,048 | 1,279 | 23,348 |
| On-behalf payments | 6,897,097 | - | - | 6,897,097 |
| Inmate telephone | 838,539 | - | - | 838,539 |
| State supplemental pay | 1,823,924 | - | - | 1,823,924 |
| Federal and state grants | 1,012,777 | - | - | 1,012,777 |
| Restitution/administration | 146,067 | - | - | 146,067 |
| Release processing fees | 351,348 | - | - | 351,348 |
| Commissary | 530,275 | - | - | 530,275 |
| Other income | 764,792 | - | - | 764,792 |
| Ad valorem tax revenue | 6,813,113 | - | 4,001,352 | 10,814,465 |
| | <u>60,361,546</u> | <u>10,048</u> | <u>4,002,631</u> | <u>64,374,225</u> |
| Total revenues | | | | |
| <u>EXPENDITURES:</u> | | | | |
| Central services | 7,732,742 | - | - | 7,732,742 |
| Court services | 2,489,222 | - | - | 2,489,222 |
| Security services | 16,834,512 | - | - | 16,834,512 |
| Investigative services | 2,916,696 | - | - | 2,916,696 |
| Administrative services | 5,443,928 | - | - | 5,443,928 |
| Records and booking | 3,832,742 | - | - | 3,832,742 |
| Inmate services | 4,111,797 | - | - | 4,111,797 |
| Grants and special programs | 389,265 | - | - | 389,265 |
| Plant and maintenance | 8,815,167 | - | - | 8,815,167 |
| Miscellaneous | - | - | 4,600 | 4,600 |
| Debt retirement (including capital leases) | 2,199,596 | - | 3,915,000 | 6,114,596 |
| Interest payments (including capital leases) | 146,864 | - | 489,941 | 636,805 |
| Costs of debt issuance | - | 67,429 | - | 67,429 |
| Civil administrative services | 2,449,506 | - | - | 2,449,506 |
| Civil security services | 2,458,352 | - | - | 2,458,352 |
| Capital outlays | 824,709 | - | - | 824,709 |
| | <u>60,645,098</u> | <u>67,429</u> | <u>4,409,541</u> | <u>65,122,068</u> |
| Total expenditures | | | | |
| Excess (deficiency) of revenues over expenditures | <u>(283,552)</u> | <u>(57,381)</u> | <u>(406,910)</u> | <u>(747,843)</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, 2021

| | <u>General Fund</u> | <u>Capital Projects</u> | <u>Debt Service</u> | <u>Total Governmental</u> |
|--|-------------------------|-----------------------------|-------------------------|-------------------------------------|
| <u>OTHER FINANCING SOURCES (USES), INCLUDING TRANSFERS:</u> | | | | |
| Proceeds from debt issuance | - | 4,200,000 | - | 4,200,000 |
| Capital leases | 41,619 | - | - | 41,619 |
| Payment to refunded bond escrow agent | - | (4,132,571) | - | (4,132,571) |
| Transfers to other governmental agencies | - | (4,047,582) | - | (4,047,582) |
| | <u>41,619</u> | <u>(3,980,153)</u> | <u>-</u> | <u>(3,938,534)</u> |
| Total other financing sources (uses), including transfers | | | | |
| Net changes in fund balances | (241,933) | (4,037,534) | (406,910) | (4,686,377) |
| <u>FUND BALANCES, BEGINNING</u> | <u>6,633,242</u> | <u>14,542,673</u> | <u>907,393</u> | <u>22,083,308</u> |
| <u>FUND BALANCES, ENDING</u> | <u>\$ 6,391,309</u> | <u>\$ 10,505,139</u> | <u>\$ 500,483</u> | <u>\$ 17,396,931</u> (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, 2021

| | |
|---|-----------------------|
| Total net changes in fund balances for the year ended December 31, 2021 per Statement of Revenues, Expenditures and Changes in Fund Balances | \$ (4,686,377) |
| 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 \$9,081,475 exceeded assets of \$824,709 that were capitalized. | (8,256,766) |
| New debt issues provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. | (4,200,000) |
| New capital leases provide current financial resources to governmental funds, but leases increase long-term liabilities in the statement of net position. | (41,619) |
| Repayments of bonds, notes and capital lease principal, including bond refundings, 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. | 10,234,596 |
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds. This represents the change in deferred inflows. | 313,828 |
| 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. | |
| Change in accrued interest on bonds, notes and capital leases | 95,629 |
| Change in accrued claims and judgments | (8,140,840) |
| Change in accrued compensated absences | (237,635) |
| Net change in net pension liability and related deferred inflows and deferred outflows of resources | 5,750,377 |
| Net change in other post-employment benefits liability and related deferred inflows and deferred outflows of resources | <u>(450,632)</u> |
| Total change in net position for the year ended December 31, 2021 per Statement of Activities | <u>\$ (9,619,439)</u> |

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, 2021

| | <u>Pension Trust Fund</u> | <u>Custodial Funds</u> |
|---|-------------------------------|----------------------------|
| <u>ASSETS:</u> | | |
| Cash and cash equivalents | \$ - | \$ 3,711,197 |
| Interfund receivables | 248,023 | 184,732 |
| Deposits | - | 40,000 |
| Investments and interest receivable | <u>1,080,741</u> | <u>-</u> |
| Total assets | <u>1,328,764</u> | <u>3,935,929</u> |
| <u>LIABILITIES:</u> | | |
| Due to inmates and others | - | 3,686,444 |
| Interfund payables | <u>-</u> | <u>249,485</u> |
| Total liabilities | <u>-</u> | <u>3,935,929</u> |
| <u>NET POSITION:</u> | | |
| Net position held in trust for pension benefits | <u>\$ 1,328,764</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, 2021

| | <u>Pension Trust Fund</u> | <u>Custodial Funds</u> |
|---|-------------------------------|----------------------------|
| <u>ADDITIONS:</u> | | |
| Contributions: | | |
| Employer contributions | \$ 23,897 | \$ - |
| Employee contributions | 23,973 | - |
| Total contributions | <u>47,870</u> | <u>-</u> |
| Investment income (loss) | (2,019) | - |
| Deposits: | | |
| Inmate | - | 1,995,633 |
| Escrow | - | 17,037 |
| Bond and fines | - | 30,500 |
| Litigant | - | 13,879,063 |
| Total additions | <u>45,851</u> | <u>15,922,233</u> |
| <u>DEDUCTIONS:</u> | | |
| Trustee fees | 1,460 | - |
| Benefits paid to participants | - | - |
| Inmate disbursements | - | 1,787,099 |
| Fees to other entities | - | 208,534 |
| Escrow disbursements | - | 17,037 |
| Bond and fine disbursements | - | 30,500 |
| Litigant disbursements | - | 13,879,063 |
| Total deductions | <u>1,460</u> | <u>15,922,233</u> |
| Change in net position | 44,391 | - |
| <u>FIDUCIARY NET POSITION, BEGINNING</u> | <u>1,284,373</u> | <u>-</u> |
| <u>FIDUCIARY NET POSITION, ENDING</u> | <u>\$ 1,328,764</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, 2021

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

GASB Codification Section 2100 sets forth the definition of the reporting entity.

For financial reporting purposes, the Sheriff includes all funds, activities, et cetera, that are controlled by the Sheriff as an independently elected parish official. As such, the Sheriff is solely responsible for the operations of his office, which include the hiring and retention of employees, authority over budgeting, responsibility for deficits, and the receipt and disbursement of funds. Other than certain operating expenditures of the Sheriff's Office that are paid or provided by the city council as required by Louisiana law, the Sheriff is fiscally independent and is financially accountable to no other entity. As required by generally accepted accounting principles, the financial statements of the reporting entity include only those of the Orleans Parish Sheriff (the primary government). There are no component units to be included in the Sheriff's reporting entity.

ORLEANS PARISH SHERIFF'S OFFICE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

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

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. The Office has no business-type activity.

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, 2021

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, 2021

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, within 60 days. 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, 2021

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 2021, 1.75 mills are levied for operations and 1.05 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, 2021

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, 2021

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, 2021

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, 2021

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 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.

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, 2021

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.

2) **CASH AND CASH EQUIVALENTS**

At December 31, 2021, The Office has cash and cash equivalents (book balances) as follows:

| | |
|--------------------------------------|----------------------|
| Non-interest bearing demand deposits | \$ 283,143 |
| Interest-bearing demand deposits | 32,828,981 |
| Cash on hand | <u>24,342</u> |
| Total | <u>\$ 33,136,466</u> |

ORLEANS PARISH SHERIFF'S OFFICE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

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 | \$ 29,425,269 |
| Fiduciary Funds (not included in Government-Wide Financial Statements) | <u>3,711,197</u> |
| Total | <u><u>\$ 33,136,466</u></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, 2021, the carrying amount of the Office's demand deposits and certificates of deposit were \$33,136,466 and the bank balances were \$34,712,098. The difference between the carrying amount and the bank balances is primarily due to outstanding checks or deposits in transit at December 31, 2021. The Office does not have any custodial credit risk at December 31, 2021.

3) INVESTMENTS

As of December 31, 2021, the Office's investment balances were as follows:

| | |
|---------------------------------|----------------------------|
| Louisiana Asset Management Pool | \$ 1,080,734 |
| Money Market Funds | 1,293,674 |
| Interest Receivable | <u>7</u> |
| Total | <u><u>\$ 2,374,415</u></u> |

Reconciliation to the financial statements:

Per Government-Wide Statement of Net Position:

| | |
|---|----------------------------|
| Investments | \$ 1,293,674 |
| Fiduciary Funds (not included in Government-Wide Financial Statements) | |
| Pension Trust | <u>1,080,741</u> |
| Total | <u><u>\$ 2,374,415</u></u> |

ORLEANS PARISH SHERIFF'S OFFICE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

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.

State statutes authorize the Board to invest in Louisiana Asset Management Pool (LAMP). Investments in the amount of \$1,080,734 are invested with LAMP, an external investment pool. LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high-quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA-R.S. 33.2955.

LAMP is a governmental investment pool that reports at fair value. The following facts are relevant for investment pools:

- Credit risk: LAMP is rated AAAM by Standard & Poor's.
- Custodial credit risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.
- Concentration of credit risk: Pooled investments are excluded from the 5 percent disclosure requirement.
- Interest rate risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 90 days and consists of no securities with a maturity in excess of 397 days or 762 days for U.S. Government floating/variable rate investments. The WAM for LAMP's total investments is 53 days as of December 31, 2021.
- Foreign currency risk: Not applicable.

The investments in LAMP are stated at fair value. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the net asset value of the pool shares (NAV). In accordance with GASB Statement No. 72, fair values of investments that are measured at NAV should not be categorized within the fair value hierarchy. LAMP, Inc. is subject to the regulatory oversight of the state treasurer and board of directors. LAMP is not registered with the SEC as an investment company. An annual audit of LAMP is conducted by an independent certified public accountant. The Legislative Auditor of the State of Louisiana has full access to the records of LAMP. LAMP issues financial reports which can be obtained by writing: LAMP, Inc., 228 St. Charles Avenue, Suite 1123, New Orleans, LA 70130.

ORLEANS PARISH SHERIFF'S OFFICE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

3) INVESTMENTS (continued)

The Office has the following fair value measurements by hierarchy:

| Reported at fair value | | <u>Fair Value Measurements</u> | | |
|--|---------------------|--------------------------------|----------------|----------------|
| | | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> |
| Money market | \$ 1,293,674 | \$ 1,293,674 | \$ - | \$ - |
| Total Investments at fair value | \$ 1,293,674 | \$ 1,293,674 | \$ - | \$ - |
| Reported at Net Asset Value (NAV) | | | | |
| Louisiana Asset Management Pool | \$ 1,080,734 | | | |
| Total Investments at NAV | \$ 1,080,734 | | | |
| Total Investments | \$ 2,374,408 | | | |

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.

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, 2021 were not subject to custodial credit risk.

ORLEANS PARISH SHERIFF'S OFFICE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

4) INTERGOVERNMENTAL RECEIVABLES

Intergovernmental receivables at December 31, 2021 are as follows:

| | | |
|---------------------|----|---------------------|
| Custody of Inmates | | |
| City of New Orleans | \$ | 40,903 |
| State of Louisiana | | 405,959 |
| | | <u>446,862</u> |
| Grants | | |
| FEMA Grants | | 1,160,278 |
| | | <u>\$ 1,607,140</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, 2021 was \$0.

5) INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances at December 31, 2021 is as follows:

| <u>Receivable Fund</u> | <u>Payable Fund</u> | <u>Amount</u> |
|------------------------|-----------------------|---------------|
| General Fund | Fiduciary Funds | \$ 249,485 |
| General Fund | Capital Projects Fund | 1,004,737 |
| Debt Service | General Fund | 307,199 |
| Fiduciary Funds | General Fund | 432,755 |

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, 2021

6) CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended December 31, 2021 are as follows:

| | December 31, 2020 | Additions | Disposals | December 31, 2021 |
|---|-----------------------|-----------------------|-------------|-----------------------|
| 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 | 331,005,856 | 783,086 | - | 331,788,942 |
| 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 | 6,484,630 | - | - | 6,484,630 |
| Leased vehicles | 1,267,137 | 41,623 | - | 1,308,760 |
| Total depreciable assets | <u>342,139,265</u> | <u>824,709</u> | <u>-</u> | <u>342,963,974</u> |
| Total capital assets | <u>348,191,946</u> | <u>824,709</u> | <u>-</u> | <u>349,016,655</u> |
| Less accumulated depreciation and amortization: | | | | |
| Buildings and improvements | 57,423,416 | 8,314,052 | - | 65,737,468 |
| Operating equipment | 1,084,919 | 108,147 | - | 1,193,066 |
| Leased operating equipment | 371,077 | 242,717 | - | 613,794 |
| Office furniture and equipment | 999,125 | 7,276 | - | 1,006,401 |
| Vehicles | 6,247,807 | 108,418 | - | 6,356,225 |
| Leased vehicles | 364,191 | 300,865 | - | 665,056 |
| Total accumulated depreciation and amortization | <u>66,490,535</u> | <u>9,081,475</u> | <u>-</u> | <u>75,572,010</u> |
| Capital assets, net | <u>\$ 281,701,411</u> | <u>\$ (8,256,766)</u> | <u>\$ -</u> | <u>\$ 273,444,645</u> |

Depreciation expense in the amount of \$9,081,475 was charged \$9,030,191 to custody of inmates and \$51,284 to civil division.

ORLEANS PARISH SHERIFF'S OFFICE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

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, 2021 of \$23,897. The employees contributed to the Plan through payroll withholdings a total of \$23,973 for the year ended December 31, 2021, 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, 2021

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, 2021

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, 2021

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. July 1, 2021 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, 2021, 2020, and 2019, were \$3,603,554, \$3,969,459, and \$4,493,355 respectively.

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

At December 31, 2021, the Office reported an asset of \$2,108,207 for its proportionate share of the net pension liability. The net pension asset was measured as of June 30, 2021 and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of that date. The office's proportion of the net pension asset 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, 2021, the Office proportion was 4.2543%, which was a decrease of 0.7403% from its proportion measured as of June 30, 2020.

For the year ended December 31, 2021, the Sheriff recognized pension benefit of \$181,705.

ORLEANS PARISH SHERIFF'S OFFICE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

7) **PENSION PLANS (continued)**

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

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

At December 31, 2021 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 | \$ - | \$ (2,935,494) |
| Changes of assumptions | 6,487,488 | - |
| Net difference between projected and actual earnings on pension plan investments | - | (19,037,984) |
| Changes in proportion | 1,377,760 | (3,585,265) |
| Difference between the Office's contributions and its proportionate share of contributions | - | (290,826) |
| Employer contributions subsequent to the measurement date | 1,909,126 | - |
| Total | <u>\$ 9,774,374</u> | <u>\$ (25,849,569)</u> |

The Office reported a total of \$1,909,126 as deferred outflow of resources related to pension contributions made subsequent to the measurement date of June 30, 2021 which will be recognized as an increase in net pension asset 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> | |
|-------------|------------------------|
| 2022 | (3,901,010) |
| 2023 | (3,609,390) |
| 2024 | (4,035,011) |
| 2025 | (6,438,910) |
| | <u>\$ (17,984,321)</u> |

ORLEANS PARISH SHERIFF'S OFFICE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

7) **PENSION PLANS (continued)**

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

Pension Asset, 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 asset as of June 30, 2021 is as follows:

| | |
|--|---|
| Valuation Date | June 30, 2021 |
| Actuarial Cost Method | Entry Age Normal Method |
| Actuarial Assumptions: | |
| Expected Remaining Service Lives | 5 years (2021); 6 years (2020, 2019, and 2018); 7 years (2017 and 2016) |
| Investment Rate of Return | 6.90%, net of investment expense |
| Discount Rate | 6.90% |
| Projected Salary Increases | 5.00% (2.5% inflation, 2.5% merit) |
| Mortality Rates | <p>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</p> <p>Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Healthy Retirees multiplied by 120% for males and 115% for females for active members, each with full generational projection using the appropriate MP2019 scale</p> <p>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</p> |
| 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 7.00% to 6.90% and the investment rate of return was lowered from 7.00% to 6.90%. |

ORLEANS PARISH SHERIFF'S OFFICE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

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

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

Estimates of arithmetic real rates of return for each major asset class based on the System's target asset allocation as of June 30, 2021 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% | 7.08% | 4.39% |
| Fixed income | 25% | 1.44% | 0.36% |
| Alternative Investments | 13% | 4.38% | 0.57% |
| Total | <u>100%</u> | | <u>5.32%</u> |
| Inflation | | | <u>2.55%</u> |
| Expected Arithmetic Nominal Return | | | <u>7.87%</u> |

Discount Rate

The discount rate used to measure the total pension liability was 6.9%. 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, 2021

7) **PENSION PLANS (continued)**

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

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

The following table presents the Office's proportionate share of the net pension asset (NPA) using the discount rate of 6.9% as well as what the Office's proportionate share of the NPA 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 | 5.90% | 6.90% | 7.90% |
| Office's Share of NPA | (23,147,875) | 2,108,207 | \$23,163,722 |

Payables to the Pension Plan

At December 31, 2021, the Office had accrued payables to the Pension Plan of \$137,000.

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 \$309,238 for the year ended December 31, 2021.

ORLEANS PARISH SHERIFF'S OFFICE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

8) LONG-TERM OBLIGATIONS

The following is a summary of long-term obligation transactions for the year ended December 31, 2021:

| | Balance at December 31, 2020 | Additions | Reductions | Balance at December 31, 2021 | 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. | \$ 5,355,000 | \$ - | \$ (5,355,000) | \$ - | \$ - |
| 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. | 2,255,000 | - | (350,000) | 1,905,000 | 360,000 |
| 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. | 2,275,000 | - | (350,000) | 1,925,000 | 365,000 |
| 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. | 2,290,000 | - | (1,130,000) | 1,160,000 | 1,160,000 |
| 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. | 3,610,000 | - | (850,000) | 2,760,000 | 885,000 |
| General Obligation Bonds (Series 2021): \$4,200,000 originally issued with interest rate at 0.05% (interest payable beginning March 1, 2022; principal payable beginning September 1, 2022), maturing through September 1, 2024, secured by collections of ad valorem taxes. | - | 4,200,000 | - | 4,200,000 | 1,375,000 |
| Total Public Placement | 15,785,000 | 4,200,000 | (8,035,000) | 11,950,000 | 4,145,000 |

ORLEANS PARISH SHERIFF'S OFFICE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

8) LONG-TERM DEBT OBLIGATIONS (continued)

| | Balance at December 31, 2020 | Additions | Reductions | Balance at December 31, 2021 | Due Within One Year |
|---|------------------------------------|----------------------|------------------------|------------------------------------|------------------------|
| PRIVATE PLACEMENT | | | | | |
| 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) | - | - |
| \$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 | 1,042,117 | - | (402,914) | 639,203 | 420,270 |
| Total Private Placement | 1,792,117 | - | (1,152,914) | 639,203 | 420,270 |
| Total Debt | 17,577,117 | 4,200,000 | (9,187,914) | 12,589,203 | 4,565,270 |
| OTHER LONG-TERM LIABILITIES: | | | | | |
| Leases | 3,060,840 | 41,619 | (1,046,682) | 2,055,777 | 1,096,616 |
| Claims and judgments (see note 9) | 2,750,166 | 8,729,846 | (589,006) | 10,891,006 | 297,640 |
| Compensated absences | 2,065,840 | 2,636,555 | (2,398,920) | 2,303,475 | - |
| Other post employment benefits (see note 14) | 19,274,137 | 777,076 | (1,616,281) | 18,434,932 | 441,379 |
| | <u>\$ 44,728,100</u> | <u>\$ 16,385,096</u> | <u>\$ (14,838,803)</u> | <u>\$ 46,274,393</u> | <u>\$ 6,400,905</u> |

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

| Year Ending | Principal | Interest | Total |
|-------------|----------------------|-------------------|----------------------|
| 2022 | \$ 4,145,000 | 233,160 | 4,378,160 |
| 2023 | 3,060,000 | 165,064 | 3,225,064 |
| 2024 | 3,150,000 | 109,147 | 3,259,147 |
| 2025 | 785,000 | 56,308 | 841,308 |
| 2026 | 810,000 | 15,714 | 825,714 |
| | <u>\$ 11,950,000</u> | <u>\$ 579,393</u> | <u>\$ 12,529,393</u> |

ORLEANS PARISH SHERIFF'S OFFICE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

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> |
|--------------------|-------------------|------------------|-------------------|
| 2022 | \$ 420,270 | \$ 15,692 | \$ 435,962 |
| 2023 | 218,933 | 2,443 | 221,376 |
| | <u>\$ 639,203</u> | <u>\$ 18,135</u> | <u>\$ 657,338</u> |

Interest expense on long-term debt for the year ended December 31, 2021 was \$636,809 including interest on capital leases of \$102,114.

On September 21, 2021, the Office issued \$4,200,000 of General Obligation Refunding Bonds (Series 2021), for the purpose of refunding the Series 2010 General Obligation Bonds. The bond proceeds less issuance costs, were used to refund \$4,120,000 of the Series 2010 bonds. By refunding these bonds, the Office estimated \$214,916 in future savings related to future interest and principal payments. The Office estimated an economic gain of approximately \$212,783. The costs of issuance and bond insurance of the Series 2021 General Obligation Refunding Bond totaled \$67,429 and the loss on refunding was \$12,571. The refunded bonds were called and the principal was redeemed in 2021.

On February 15, 2001, the Office 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, 2021</u> |
|--|-----------------------------|--|--|---|
| Orleans Parish District Attorney | \$ 2,500,000 | \$ 2,384,536 | \$ 432,813 | \$ 548,277 |
| Orleans Parish District Courts | 8,500,000 | 9,660,546 | 1,471,565 | 311,019 |
| Orleans Parish Clerk of Criminal District Courts | 800,000 | 800,000 | 138,500 | 138,500 |
| Orleans Parish Juvenile Courts | 1,000,000 | 1,157,902 | 173,125 | 15,223 |
| Orleans Parish Municipal and Traffic Courts | 700,000 | 700,000 | 121,188 | 121,188 |
| | <u>\$ 13,500,000</u> | <u>\$ 14,702,984</u> | <u>\$ 2,337,191</u> | <u>\$ 1,134,207</u> |

On October 4, 2008, the voters of Orleans Parish authorized the Office 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, 2021

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, 2021</u> |
|--|-----------------------------|--|--|---|
| Orleans Parish District Attorney | \$ 3,290,000 | \$ 2,529,079 | \$ 58,353 | \$ 819,274 |
| New Orleans Forensic Center | 5,000,000 | 5,000,000 | 88,682 | 88,682 |
| Orleans Parish Clerk of Criminal District Courts | 2,825,000 | 1,029,743 | 50,105 | 1,845,362 |
| Orleans Parish Juvenile Courts | 3,720,000 | 3,720,500 | 65,979 | 65,479 |
| Orleans Parish Municipal and Traffic Courts | 7,500,000 | 3,853,599 | 133,022 | 3,779,423 |
| | <u>\$ 22,335,000</u> | <u>\$ 16,132,921</u> | <u>\$ 396,141</u> | <u>\$ 6,598,220</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 from Motorola 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.

In 2021, the Office has entered into capital lease agreements to finance the purchase of a vehicle to be used in operations. The total amount financed is \$41,619 at an implicit interest rate of 4.40%. The lease is payable monthly over a 48 month period. This vehicle has certain clauses that based on mileage and resale value could have additional payments due at the end of the lease.

Following is a summary of principal and interest payments to amortize the capitalized leases described in the preceding paragraph.

| <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> |
| 2022 | \$ 321,127 | \$ 17,506 | \$ 338,633 | \$ 775,489 | \$ 38,270 | \$ 813,759 |
| 2023 | 221,911 | 10,799 | 232,710 | 600,916 | 9,403 | 610,319 |
| 2024 | 111,803 | 3,335 | 115,138 | - | - | - |
| 2025 | 24,431 | 311 | 24,742 | - | - | - |
| | <u>\$ 679,272</u> | <u>\$ 31,951</u> | <u>\$ 711,223</u> | <u>\$ 1,376,405</u> | <u>\$ 47,673</u> | <u>\$ 1,424,078</u> |

ORLEANS PARISH SHERIFF'S OFFICE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

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> |
|--------------------|-----------------------------------|---|---------------------------|-----------------------------|
| 2020 | \$ 3,003,666 | \$ 200,000 | \$ (453,500) | \$ 2,750,166 |
| 2021 | \$ 2,750,166 | \$ 8,729,846 | \$ (589,006) | \$ 10,891,006 |

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 \$6,897,097. 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, 2021

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, 2021 ad valorem taxes abated applicable to the Office totaled approximately \$86,000.

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, 2021, revenues from these sources exceeded \$37 million.

13) CONTINGENCIES

Litigation

The Office is a defendant in various lawsuits. As discussed in note 9, 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 United States 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.

ORLEANS PARISH SHERIFF'S OFFICE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

13) CONTINGENCIES (continued)

Intergovernmental Assistance (continued)

Included in accounts receivable at December 31, 2021 is \$1,160,278 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 owe \$16,649 of recorded expenditures, are not recorded in accounts payable. Advances and receipts for unrecorded expenses of \$1,320,252 are recorded as a payable to the State of Louisiana, the pass-through agency for FEMA funds.

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.

14) 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, 2021

14) POST-EMPLOYMENT BENEFITS (continued)

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

These retirees of the Office 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, 2021 was \$4,632,369 and \$1,020,811, 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 \$18,261,661. 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, 2021, 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 |
| | <u>973</u> |

ORLEANS PARISH SHERIFF'S OFFICE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

14) POST-EMPLOYMENT BENEFITS (continued)

Total OPEB Liability

The Office's total OPEB liability of \$18,434,932 was measured as of December 31, 2021 and was determined by an actuarial valuation as of January 1, 2021.

Actuarial Assumptions and other inputs – The total OPEB liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

| | |
|--------------------------------|--|
| Inflation | 2.0% |
| Salary increases | 3.0%, including inflation |
| Discount rate | 2.12%, annually (Beginning of Year to Determine ADC) |
| | 2.06%, 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 | 5 years |

The discount rate was based on the average of the Bond Buyers' 20 Year General Obligation municipal bond index as of December 31, 2021, the end of the applicable measurement period.

The actuarial assumptions used in the December 31, 2021 valuation were based on the results of ongoing evaluations of the assumptions from January 1, 2009 to December 31, 2021.

Changes in the Total OPEB Liability

| | |
|--|----------------------------|
| Balance at December 31, 2020 | \$19,274,137 |
| Changes for the year: | |
| Service cost | 364,600 |
| Interest | 412,476 |
| Differences between expected and actual experience | (118,919) |
| Changes in assumptions | (1,055,983) |
| Benefit payments and net transfers | (441,379) |
| Net changes | <u>(839,205)</u> |
| Balance at December 31, 2021 | <u><u>\$18,434,932</u></u> |

ORLEANS PARISH SHERIFF'S OFFICE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

14) 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 (1.06%) | Current Discount Rate (2.06%) | 1.0% Increase (3.06%) |
|----------------------------|----------------------------------|--|----------------------------------|
| Total OPEB liability | \$ 21,596,483 | \$ 18,434,932 | \$ 15,914,747 |

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 | \$ 16,573,799 | \$ 18,434,932 | \$ 20,736,402 |

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

For the year ended December 31, 2021, the Office recognized OPEB expense of \$892,010. At December 31, 2021, 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 | \$ - | \$ (1,674,840) |
| Changes in assumptions | 4,052,855 | (1,750,876) |
| Total | \$ 4,052,855 | \$ (3,425,716) |

ORLEANS PARISH SHERIFF'S OFFICE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

14) 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 | | |
|--------------------------|----|---------|
| 2022 | \$ | 114,934 |
| 2023 | | 114,934 |
| 2024 | | 114,934 |
| 2025 | | 114,934 |
| 2026 | | 41,398 |
| Thereafter | | 126,005 |
| | \$ | 627,139 |

15) 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.

**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, 2021

| | Budgeted Amounts | | Actual Amounts | Variance With Final Budget - Over (Under) |
|--|---------------------|---------------------|---------------------|---|
| | Original | Final | | |
| <u>REVENUES:</u> | | | | |
| Custody of prisoners: | | | | |
| City of New Orleans charges | \$ 55,887,039 | \$ 35,241,305 | \$ 35,246,305 | \$ 5,000 |
| State of Louisiana Department of Corrections charges | 2,477,343 | 1,870,003 | 1,971,570 | 101,567 |
| Civil fees and commissions | 3,793,000 | 3,002,725 | 2,875,415 | (127,310) |
| Civil security services | 995,346 | 1,287,398 | 1,078,303 | (209,095) |
| On-behalf payments | 6,293,717 | 6,952,062 | 6,897,097 | (54,965) |
| Other income | 1,684,917 | 2,517,109 | 2,643,042 | 125,933 |
| State supplemental pay | 1,644,000 | 1,813,868 | 1,823,924 | 10,056 |
| Federal and state grants | 7,365,972 | 1,022,966 | 1,012,777 | (10,189) |
| Ad valorem tax revenue | 7,530,336 | 6,828,128 | 6,813,113 | (15,015) |
| | <u>87,671,670</u> | <u>60,535,564</u> | <u>60,361,546</u> | <u>(174,018)</u> |
| | | | | |
| <u>EXPENDITURES:</u> | | | | |
| Central services | 7,252,699 | 5,828,953 | 7,732,742 | 1,903,789 |
| Court services | 2,721,996 | 2,521,769 | 2,489,222 | (32,547) |
| Security services | 19,434,362 | 16,351,787 | 16,834,512 | 482,725 |
| Investigative services | 3,077,441 | 2,760,654 | 2,916,696 | 156,042 |
| Administrative services | 5,982,934 | 5,233,960 | 5,443,928 | 209,968 |
| Records and booking | 4,806,772 | 3,925,375 | 3,832,742 | (92,633) |
| Inmate services | 21,325,118 | 4,784,054 | 4,111,797 | (672,257) |
| Interest | 108,066 | 44,754 | 146,864 | 102,110 |
| Debt retirement | 1,903,413 | 1,152,914 | 2,199,596 | 1,046,682 |
| Grants and special programs | 410,171 | 368,598 | 389,265 | 20,667 |
| Civil administrative services | 2,485,572 | 2,372,077 | 2,449,506 | 77,429 |
| Civil security services | 2,302,713 | 2,516,400 | 2,458,352 | (58,048) |
| Plant and maintenance | 8,836,134 | 8,471,425 | 8,815,167 | 343,742 |
| Capital outlays | 701,640 | 1,269,178 | 824,709 | (444,469) |
| | <u>81,349,031</u> | <u>57,601,898</u> | <u>60,645,098</u> | <u>3,043,200</u> |
| | | | | |
| Excess (deficiency) of revenues over expenditures | <u>6,322,639</u> | <u>2,933,666</u> | <u>(283,552)</u> | <u>(3,217,218)</u> |
| | | | | |
| <u>OTHER FINANCING SOURCES (USES):</u> | | | | |
| Capital leases proceeds | - | - | 41,619 | 41,619 |
| Transfers out | (6,154,332) | - | - | - |
| | <u>(6,154,332)</u> | <u>-</u> | <u>41,619</u> | <u>41,619</u> |
| | | | | |
| Net change in fund balance | 168,307 | 2,933,666 | (241,933) | (3,175,599) |
| | | | | |
| <u>FUND BALANCES, BEGINNING</u> | <u>4,611,095</u> | <u>5,704,135</u> | <u>6,633,242</u> | <u>929,107</u> |
| | | | | |
| <u>FUND BALANCES, ENDING</u> | <u>\$ 4,779,402</u> | <u>\$ 8,637,801</u> | <u>\$ 6,391,309</u> | <u>\$ (2,246,492)</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, 2021

| | <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 | \$ 6,000 | \$ 1,279 | \$ (4,721) |
| Ad valorem tax revenue | 4,518,202 | 4,518,202 | 4,001,352 | (516,850) |
| Total revenues | <u>4,524,202</u> | <u>4,524,202</u> | <u>4,002,631</u> | <u>(521,571)</u> |
| <u>EXPENDITURES:</u> | | | | |
| Miscellaneous | - | - | 4,600 | 4,600 |
| Debt retirement | 3,915,000 | 3,915,000 | 3,915,000 | - |
| Interest payments | 451,548 | 451,548 | 489,941 | 38,393 |
| Total expenditures | <u>4,366,548</u> | <u>4,366,548</u> | <u>4,409,541</u> | <u>42,993</u> |
| Net change in fund balance | 157,654 | 157,654 | (406,910) | (564,564) |
| <u>FUND BALANCES, BEGINNING</u> | <u>387,987</u> | <u>387,987</u> | <u>907,393</u> | <u>519,406</u> |
| <u>FUND BALANCES, ENDING</u> | <u>\$ 545,641</u> | <u>\$ 545,641</u> | <u>\$ 500,483</u> | <u>\$ (45,158)</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, 2021

| | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
|---|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Contractually Required Contribution ¹ | \$ 3,603,554 | \$ 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 | <u>3,603,554</u> | <u>3,969,459</u> | <u>4,493,555</u> | <u>3,850,464</u> | <u>3,860,617</u> | <u>4,142,653</u> | <u>4,631,826</u> | <u>4,638,581</u> |
| Contribution Deficiency (Excess) | <u>\$ -</u> |
| Employer's Covered Employee Payroll ³ | \$ 30,134,804 | \$ 36,075,474 | \$ 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% | 12.25%/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, 2021 (*)

| | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
|---|----------------|---------------|---------------|---------------|---------------|--------------|---------------|---------------|
| Employer's Proportion of the Net Pension Liability | 4.2543% | 4.9946% | 4.8777% | 4.5193% | 4.2820% | 4.9902% | 5.0016% | 4.6837% |
| Employer's Proportionate Share of the Net Pension Liability (Asset) | \$ (2,108,207) | \$ 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 | \$ 30,134,804 | \$ 36,075,474 | \$ 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 | -7.00% | 95.82% | 69.21% | 57.07% | 64.17% | 95.16% | 68.57% | 64.16% |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 101.04% | 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%.

2021

- (1) The investment rate of return was changed from 7.00% to 6.90%
- (2) The discount rate was changed from 7.00% to 6.90%.
- (3) The expected remaining service life was changed from 6 years to 5 years.

ORLEANS PARISH SHERIFF'S OFFICE
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
AS OF DECEMBER 31, 2021

| 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% |
| 12/31/2021 | 1/31/2021 | 364,600 | 412,476 | (118,919) | (1,055,983) | (441,379) | (839,205) | 19,274,137 | 18,434,932 | 29,251,836 | 63.02% |

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 |
| 12/31/2021 | 2.06% | 2.00% | 5.5% Annually until 2030, then 4.50% | SOA RP-2014 Combined Mortality Table | 5 years |

OTHER SUPPLEMENTARY INFORMATION

ORLEANS PARISH SHERIFF'S OFFICE
COMBINING STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
DECEMBER 31, 2021

| | <u>Fines</u> | <u>Criminal Justice</u> | <u>Inmate Funds</u> | <u>Cash Bonds and Fines</u> | <u>Civil</u> | <u>Total</u> |
|----------------------------|--------------|-----------------------------|-------------------------|---------------------------------|--------------|--------------|
| <u>ASSETS:</u> | | | | | | |
| Cash | \$ 4,301 | \$ 74 | \$ 234,230 | \$ 63,346 | \$ 3,409,246 | \$ 3,711,197 |
| Interfund receivable | - | 2,448 | 182,284 | - | - | 184,732 |
| Deposits | - | - | 40,000 | - | - | 40,000 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| Total assets | 4,301 | 2,522 | 456,514 | 63,346 | 3,409,246 | 3,935,929 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| <u>LIABILITIES:</u> | | | | | | |
| Due to inmates and others | 2,996 | 2,522 | 456,514 | 16,969 | 3,207,443 | 3,686,444 |
| Interfund payable | 1,305 | - | - | 46,377 | 201,803 | 249,485 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| Total liabilities | 4,301 | 2,522 | 456,514 | 63,346 | 3,409,246 | 3,935,929 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| <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, 2021

| | Fines | Criminal Justice | Inmate Funds | Cash Bonds and Fines | Civil | Total |
|---|-------------|---------------------|------------------|-------------------------|-------------------|-------------------|
| <u>ADDITIONS</u> | | | | | | |
| Inmate deposits | \$ - | \$ - | \$ 1,995,633 | \$ - | \$ - | \$ 1,995,633 |
| Escrow deposits | - | 17,037 | - | - | - | 17,037 |
| Bond and fine deposits | - | - | - | 30,500 | - | 30,500 |
| Litigant deposits | - | - | - | - | 13,879,063 | 13,879,063 |
| Total additions | <u>-</u> | <u>17,037</u> | <u>1,995,633</u> | <u>30,500</u> | <u>13,879,063</u> | <u>15,922,233</u> |
| <u>DELETIONS</u> | | | | | | |
| Inmate disbursements | - | - | 1,787,099 | - | - | 1,787,099 |
| Fees to other entities | - | - | 208,534 | - | - | 208,534 |
| Escrow disbursements | - | 17,037 | - | - | - | 17,037 |
| Bond and fine disbursements | - | - | - | 30,500 | - | 30,500 |
| Litigant disbursements | - | - | - | - | 13,879,063 | 13,879,063 |
| Total deletions | <u>-</u> | <u>17,037</u> | <u>1,995,633</u> | <u>30,500</u> | <u>13,879,063</u> | <u>15,922,233</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, 2021, 2020, AND 2019

| | <u>2021</u> | <u>2020</u> | <u>2019</u> |
|-----------------------------------|--------------------------|--------------------------|--------------------------|
| Functions/Programs | | | |
| <u>Governmental activities:</u> | | | |
| Custody of inmates: | | | |
| Personnel | \$ 43,090,581 | \$ 46,140,159 | \$ 45,320,775 |
| Contractual | 10,625,831 | 14,602,844 | 28,904,288 |
| Materials and supplies | 3,845,176 | 3,784,564 | 5,552,052 |
| Depreciation | <u>9,081,475</u> | <u>9,043,072</u> | <u>9,181,205</u> |
| Total custody of inmates | 66,643,063 | 73,570,639 | 88,958,320 |
| Civil division | 5,040,789 | 6,026,148 | 6,112,271 |
| Interest on long-term debt | <u>541,176</u> | <u>784,243</u> | <u>948,125</u> |
| Total governmental activities | <u>\$ 72,225,028</u> | <u>\$ 80,381,030</u> | <u>\$ 96,018,716</u> |

See accompanying Independent Auditors' Report.

ORLEANS PARISH SHERIFF'S OFFICE
COMPARATIVE BALANCE SHEETS - GENERAL FUND
DECEMBER 31, 2021, 2020, AND 2019

| | <u>2021</u> | <u>2020</u> | <u>2019</u> |
|--|----------------------|----------------------|----------------------|
| <u>ASSETS:</u> | | | |
| Cash and cash equivalents | \$ 17,746,134 | \$ 16,742,011 | \$ 11,938,716 |
| Investments | 1,293,674 | 1,293,589 | 1,289,045 |
| Intergovernmental receivables | 1,607,140 | 2,428,892 | 10,524,345 |
| Interfund receivables | 1,254,222 | 1,349,961 | 2,739,472 |
| Other receivables | 899,776 | 879,995 | 590,536 |
| Prepaid expenses | 90,984 | 90,984 | 8,071 |
| Inventory | 541,527 | 539,987 | 603,990 |
| | <u>\$ 23,433,457</u> | <u>\$ 23,325,419</u> | <u>\$ 27,694,175</u> |
| <u>LIABILITIES:</u> | | | |
| Accounts payable | \$ 15,605,479 | \$ 15,676,111 | \$ 21,457,552 |
| Interfund payables | 739,954 | 633,179 | 149,601 |
| | <u>16,345,433</u> | <u>16,309,290</u> | <u>21,607,153</u> |
| <u>DEFERRED INFLOWS OF RESOURCES:</u> | | | |
| Unavailable revenues | 696,715 | 382,887 | 382,887 |
| | <u>696,715</u> | <u>382,887</u> | <u>382,887</u> |
| <u>FUND BALANCES:</u> | | | |
| Nonspendable amounts: | | | |
| Not in spendable form | 632,511 | 630,971 | 612,061 |
| Unassigned | 5,758,798 | 6,002,271 | 5,092,074 |
| | <u>6,391,309</u> | <u>6,633,242</u> | <u>5,704,135</u> |
| Total fund balance | <u>6,391,309</u> | <u>6,633,242</u> | <u>5,704,135</u> |
| Total liabilities and fund balances | <u>\$ 23,433,457</u> | <u>\$ 23,325,419</u> | <u>\$ 27,694,175</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, 2021, 2020, AND 2019

| | 2021 | 2020 | 2019 |
|--|---------------------|---------------------|---------------------|
| <u>REVENUES:</u> | | | |
| Custody of inmates: | | | |
| City of New Orleans charges | \$ 35,246,305 | \$ 42,773,360 | \$ 59,854,498 |
| State of Louisiana Department of Corrections charges | 1,971,570 | 2,438,079 | 2,613,772 |
| Civil fees and commissions | 2,875,415 | 2,954,230 | 3,971,516 |
| Civil security services | 1,078,303 | 985,215 | 1,024,733 |
| Investment income | 12,021 | 23,485 | 145,489 |
| On-behalf payments | 6,897,097 | 6,952,062 | 6,293,717 |
| Inmate telephone | 838,539 | 772,748 | 865,168 |
| State supplemental pay | 1,823,924 | 2,014,036 | 2,024,856 |
| Federal and state grants | 1,012,777 | 3,129,215 | 3,596,508 |
| Restitution/administration | 146,067 | 175,224 | 266,345 |
| Commissary | 351,348 | 522,442 | 477,221 |
| Release processing fees | 530,275 | 328,527 | 359,171 |
| Ad valorem tax revenue | 6,813,113 | 6,882,910 | 5,696,437 |
| Other income | 764,792 | 311,862 | 454,369 |
| | <u>60,361,546</u> | <u>70,263,395</u> | <u>87,643,800</u> |
| Total revenues | | | |
| <u>EXPENDITURES:</u> | | | |
| Central services | 7,732,744 | 6,780,489 | 8,072,900 |
| Court services | 2,489,222 | 3,232,182 | 5,375,179 |
| Security services | 16,834,512 | 18,195,160 | 17,714,129 |
| Investigative services | 2,916,696 | 3,059,592 | 3,473,731 |
| Administrative services | 5,443,928 | 4,885,106 | 6,037,627 |
| Records and booking | 3,832,742 | 5,565,936 | 6,225,826 |
| Inmate services | 4,111,797 | 10,281,204 | 22,821,231 |
| Grants and special programs | 389,265 | 396,430 | 422,495 |
| Plant and maintenance | 8,815,167 | 8,167,252 | 8,230,811 |
| Debt retirement | 2,199,596 | 3,092,723 | 3,086,939 |
| Interest payments | 146,862 | 236,497 | 306,225 |
| Costs of debt issuance | - | - | - |
| Civil administrative services | 2,449,506 | 2,627,036 | 3,164,251 |
| Civil security services | 2,458,352 | 2,223,501 | 2,215,538 |
| Capital outlays | 824,709 | 2,028,124 | 579,360 |
| | <u>60,645,098</u> | <u>70,771,232</u> | <u>87,726,242</u> |
| Total expenditures | | | |
| Excess (deficiency) of revenues over expenditures | <u>(283,552)</u> | <u>(507,837)</u> | <u>(82,442)</u> |
| <u>OTHER FINANCING SOURCES (USES):</u> | | | |
| Proceeds from notes | - | 750,000 | 1,750,000 |
| Capital leases | 41,619 | 686,944 | |
| Payment to refunded bond escrow agent | - | - | 70,318 |
| Transfers out | - | - | (1,638,465) |
| | <u>41,619</u> | <u>1,436,944</u> | <u>181,853</u> |
| Total other financing sources (uses) | | | |
| Net changes in fund balances | (241,933) | 929,107 | 99,411 |
| <u>FUND BALANCES, BEGINNING</u> | <u>6,633,242</u> | <u>5,704,135</u> | <u>5,604,724</u> |
| <u>FUND BALANCES, ENDING</u> | <u>\$ 6,391,309</u> | <u>\$ 6,633,242</u> | <u>\$ 5,704,135</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, 2021

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

| Purpose | Amount |
|----------------------------------|---------------|
| Salary | \$ 200,106 |
| Expense Allowance | 20,011 |
| Benefits-insurance ¹ | 9,224 |
| Benefits-retirement ² | 21,580 |
| Membership dues | 603 |

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, 2021

| Cash Basis Presentation | First Six Month Period Ended 06/30/21 | Second Six Month Period Ended 12/31/21 |
|---|--|---|
| Receipts From: | | |
| 1st Parish Court of Jefferson, civil fees | \$ 930 | \$ 90 |
| 2nd Parish Court of Jefferson, civil fees | 530 | 480 |
| 5th Justice of The Peace Court Jefferson, civil fees | - | 210 |
| 6th Justice of The Peace Court, civil fees | - | 30 |
| Acadia Parish Clerk of Court, civil fees | 780 | 797 |
| Acadia Parish Sheriff's Office, civil fees | 60 | - |
| Alexandria City Court, civil fees | 120 | 120 |
| Allen Parish Clerk of Court, civil fees | 60 | 120 |
| Ascension Parish Clerk of Court, civil fees | 2,280 | 2,992 |
| Ascension Parish Sheriff's Office, civil fees | 30 | 308 |
| Assumption Parish Clerk of Court, civil fees | 330 | 300 |
| Avoyelles Parish Clerk of Court, civil fees | 340 | 420 |
| Avoyelles Parish Sheriff's Office, civil fees | 120 | 90 |
| Baton Rouge City Court, civil fees | 30 | 100 |
| Beauregard Parish Clerk of Court, civil fees | 310 | 270 |
| Bienville Parish Clerk of Court, civil fees | 60 | 30 |
| Bossier Parish Clerk of Court, civil fees | 2,130 | 990 |
| Bossier Parish Sheriff's Office, civil fees | - | 180 |
| Caddo Parish Clerk of Court, civil fees | 2,850 | 2,701 |
| Caddo Parish Sheriff's Office, civil fees | 1,580 | 1,850 |
| Calcasieu Parish Clerk of Court, civil fees | 3,720 | 4,450 |
| Calcasieu Parish Sheriff's Office, civil fees | 120 | 60 |
| Caldwell Parish Clerk of Court, civil fees | 180 | 30 |
| Cameron Parish Clerk of Court, civil fees | 330 | 420 |
| Catahoula Parish Clerk of Court, civil fees | 200 | 150 |
| Chelsey Napoleon, Clerk of Civil District Court, civil fees | 150 | - |
| Circuit Court of the Fourth Judicial Circuit, civil fees | 30 | - |
| City Court of Bogalusa, civil fees | - | 30 |
| City Court of Crowley, civil fees | - | 30 |
| City Court of Denham Springs, Ward Two, civil fees | 270 | - |
| City Court of East St. Tammany, civil fees | 610 | 210 |
| City Court of Franklin, civil fees | 30 | - |
| City Court of Hammond, civil fees | 780 | 570 |
| City Court of Houma, civil fees | 1,000 | 780 |
| City Court of Jennings, civil fees | 60 | 60 |
| City Court of Lafayette, civil fees | 150 | 510 |
| City Court of Lake Charles Ward Three, civil fees | 150 | 150 |
| City Court of Monroe, civil fees | 60 | - |
| City Court of Morgan City, civil fees | 30 | - |
| City Court of Opelousas Ward One, civil fees | 90 | 120 |
| City Court of Port Allen, civil fees | 30 | - |
| City Court of Shreveport, civil fees | 140 | - |
| City Court of Slidell, civil fees | - | 30 |
| City Court of Thibodaux, civil fees | - | 150 |
| City Court of Ville Platte, civil fees | 90 | - |
| City Court of West Monroe, civil fees | 90 | 300 |
| City of Kansas City, civil fees | 90 | 60 |
| City of New Orleans, civil fees | 22,559 | 8,889 |
| Civil District Court, civil fees | 243 | 150 |
| Claiborne Parish Clerk of Court, civil fees | 120 | 30 |
| Clerk of Civil District Court, civil fees | 60 | 60 |

See accompanying Independent Auditors' Report

(Continued)

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, 2021

| Cash Basis Presentation | First Six Month Period Ended 06/30/21 | Second Six Month Period Ended 12/31/21 |
|---|--|---|
| Concordia Parish Clerk of Court, civil fees | 60 | 470 |
| Desoto Parish Clerk of Court, civil fees | 160 | 600 |
| East Baton Rouge Juvenile Court, civil fees | - | 30 |
| East Baton Rouge Parish Clerk of Court, civil fees | 60 | 17,210 |
| East Baton Rouge Parish Sheriff's Office, civil fees | 23,201 | 930 |
| East Carroll Parish Clerk of Court, civil fees | 110 | 60 |
| East Feliciana Parish Clerk of Court, civil fees | 60 | 60 |
| Eunice City Court, civil fees | 60 | 120 |
| Evangeline Parish Clerk of Court, civil fees | 390 | 440 |
| Fourth Judicial District Court, civil fees | - | 50 |
| Franklin Parish Clerk of Court, civil fees | 120 | 90 |
| Grant Parish Clerk of Court, civil fees | 60 | - |
| Iberia Parish Clerk of Court, civil fees | 905 | 1,830 |
| Iberville Parish Clerk of Court, civil fees | 1,010 | 848 |
| Iberville Parish Sheriff's Office, civil fees | - | 60 |
| Jackson Parish Clerk of Court, civil fees | 180 | 120 |
| Jackson Parish Sheriff's Office, civil fees | 30 | 30 |
| Jefferson Davis Parish Clerk of Court, civil fees | 570 | 420 |
| Jefferson Davis Parish Sheriff's Office, civil fees | 30 | 60 |
| Jefferson Parish Clerk of Court, civil fees | 11,178 | 7,325 |
| Jefferson Parish Sheriff's Office, civil fees | 2,058 | 1,380 |
| Justice of The Peace District #7 St John The Baptist Parish, civil fees | 60 | - |
| Justice of The Peace District #8 St John The Baptist Parish, civil fees | - | 90 |
| Justice of The Peace Precinct 3, civil fees | - | 45 |
| Lafayette Parish Clerk of Court, civil fees | 4,550 | 5,493 |
| Lafayette Parish Sheriff's Office, civil fees | - | 309 |
| Lafourche Parish Clerk of Court, civil fees | 2,600 | 2,590 |
| Lafourche Parish Sheriff's Office, civil fees | - | 90 |
| Lake Charles City Court, civil fees | 90 | 270 |
| Lasalle Parish Clerk of Court, civil fees | 390 | 270 |
| Lincoln Parish Clerk of Court, civil fees | 180 | 210 |
| Livingston Parish Clerk of Court, civil fees | 1,110 | 1,160 |
| Livingston Parish Sheriff's Office, civil fees | 150 | 175 |
| Louisiana Department of Justice, civil fees | 6,228 | 12,522 |
| Louisiana Department of Revenue, civil fees | - | 30 |
| Louisiana Supreme Court, civil fees | 23,540 | 48,372 |
| Madison Parish Clerk of Court, civil fees | - | 180 |
| Monroe City Court, civil fees | 210 | 60 |
| Morehouse Parish Clerk of Court, civil fees | 210 | 90 |
| Natchitoches Parish Clerk of Court, civil fees | 95 | 180 |
| Natchitoches Parish Sheriff's Office, civil fees | - | 30 |
| New Orleans Police Department, civil fees | 30 | - |
| Orleans Parish Criminal Court, civil fees | 4,558 | 4,559 |
| Orleans Parish Sheriff's Office, civil fees | 4,158 | 1,196 |
| Ouachita Parish Clerk of Court, civil fees | 1,680 | 1,740 |
| Plaquemines City Court, civil fees | - | 30 |
| Plaquemines Parish Clerk of Court, civil fees | 1,350 | 900 |
| Plaquemines Parish Sheriff's Office, civil fees | 90 | 330 |

(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, 2021

| Cash Basis Presentation | First Six Month Period Ended 06/30/21 | Second Six Month Period Ended 12/31/21 |
|--|--|---|
| Pointe Coupee Parish Clerk of Court, civil fees | 210 | 990 |
| Port Allen City Court, civil fees | 60 | - |
| Rapides Parish Clerk of Court, civil fees | 2,110 | 3,170 |
| Rapides Parish Sheriff's Office, civil fees | 330 | 90 |
| Red River Parish Clerk of Court, civil fees | 30 | - |
| Richland Parish Clerk of Court, civil fees | 90 | 289 |
| Richland Parish Sheriff's Office, civil fees | 30 | 180 |
| Sabine Parish Clerk of Court, civil fees | 60 | 120 |
| Secretary of State, civil fees | 300 | - |
| Shreveport City Court, civil fees | 30 | 20 |
| St. Bernard Parish Clerk of Court, civil fees | 6,380 | 5,160 |
| St. Bernard Parish Sheriff's Office, civil fees | - | 690 |
| St. Charles Parish Clerk of Court, civil fees | 4,875 | 2,800 |
| St. Charles Parish Sheriff's Office, civil fees | 30 | 10 |
| St. Helena Parish Clerk of Court, civil fees | 30 | 180 |
| St. James Parish Clerk of Court, civil fees | 967 | 900 |
| St. John The Baptist Parish Clerk of Court, civil fees | 2,503 | 1,710 |
| St. John The Baptist Parish Sheriff's Office, civil fees | 90 | 690 |
| St. Landry Parish Clerk of Court, civil fees | 1,680 | 1,160 |
| St. Martin Parish Clerk of Court, civil fees | 620 | 1,110 |
| St. Martin Parish Sheriff's Office, civil fees | - | 30 |
| St. Mary Parish Clerk of Court, civil fees | 2,311 | 2,154 |
| St. Tammany Parish Clerk of Court, civil fees | 23,144 | 16,346 |
| St. Tammany Parish Sheriff's Office, civil fees | 878 | 2,106 |
| State of Louisiana, DCFS, civil fees | 60 | - |
| Tangipahoa Parish Clerk of Court, civil fees | 1,140 | 3,821 |
| Tangipahoa Parish Sheriff's Office, civil fees | 220 | 180 |
| Terrebonne Parish Clerk of Court, civil fees | 5,860 | 2,980 |
| The Supreme Court for the State of Louisiana, civil fees | - | 30 |
| Union Parish Clerk of Court, civil fees | 60 | 90 |
| Vermillion Parish Clerk of Court, civil fees | 410 | 270 |
| Vernon Parish Clerk of Court, civil fees | 140 | 240 |
| Ville Platte City Court, civil fees | - | 60 |
| Washington Parish Clerk of Court, civil fees | 210 | 660 |
| Washington Parish Sheriff's Office, civil fees | - | 120 |
| Webster Parish Clerk of Court, civil fees | 150 | 130 |
| Webster Parish Sheriff's Office, civil fees | 30 | - |
| West Baton Rouge Parish Clerk of Court, civil fees | 480 | 810 |
| West Baton Rouge Parish Sheriff's Office, civil fees | 120 | - |
| West Feliciana Parish Clerk of Court, civil fees | 190 | 505 |
| Winn Parish Clerk of Court, civil fees | 30 | - |
| Winn Parish Sheriff's Office, civil fees | 30 | - |
| Zachary City Court, civil fees | - | 90 |
| City of New Orleans, asset forfeiture/sale | 222,236 | 304,134 |
| Clerk of Civil District Court, asset forfeiture/sale | 9,103 | - |
| Orleans Parish Sheriff's Office, asset forfeiture/sale | 765 | 676 |
| St. Tammany Parish Sheriff's Office, asset forfeiture/sale | - | 275 |
| Subtotal Receipts | \$ 423,435 | \$ 497,347 |

Ending Balance of Amounts Assessed but Not Received (only applies to those agencies that assess on behalf of themselves, such as courts) \$ - \$ -

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, 2021

| Cash Basis Presentation | First Six Month Period Ended 06/30/21 | Second Six Month Period Ended 12/31/21 |
|--|--|---|
| Beginning Balance of Amounts Collected | \$ 3,354,753 | \$ 3,760,470 |
| Add: Collections | | |
| Civil Fees | 191,329 | 192,261 |
| Asset Forfeiture/Sale | 232,104 | 304,986 |
| Other | 6,376,833 | 6,061,439 |
| Subtotal Collections | 6,800,266 | 6,558,686 |
| Less: Disbursements To Governments & Nonprofits: <i>(Must include one agency)</i> | | |
| Acadia Parish Sheriff's office, civil fees | 77 | 234 |
| Avoyelles Parish Sheriff's Office, civil fees | 190 | 211 |
| Calcasieu Parish Sheriff's Office, civil fees | 665 | 1,030 |
| Claiborne Parish Sheriff's Office, civil fees | - | 30 |
| East Baton Rouge Parish Sheriff's Office, civil fees | 47,323 | 34,112 |
| Jefferson Davis Parish Sheriff's Office, civil fees | 107 | - |
| Lafayette Parish Sheriff's Office, civil fees | 4,232 | 6,784 |
| Lafourche Parish Sheriff's Office, civil fees | 1,042 | 2,431 |
| Lincoln Parish Sheriff's Office, civil fees | 74 | 69 |
| Louisiana Department of Justice, civil fees | 44,315 | 60,957 |
| Natchitoches Parish Sheriff's Office, civil fees | 36 | 158 |
| Orleans Parish Sheriff, civil fees | 994,269 | 853,451 |
| Pointe Coupee Parish Sheriff's Office, civil fees | 53 | 242 |
| Rapides Parish Sheriff's Office, civil fees | 498 | 694 |
| Sabine Parish Sheriff's Office, civil fees | 35 | - |
| Secretary of State, civil fees | 29,400 | 19,400 |
| Sheriff of Jefferson Davis, civil fees | - | 60 |
| Sheriff of Jefferson Parish, civil fees | - | 60 |
| Sheriff, Allen Parish, civil fees | 161 | 101 |
| Sheriff, Ascension Parish, civil fees | 1,513 | 1,479 |
| Sheriff, Assumption Parish, civil fees | 41 | 94 |
| Sheriff, Beauregard Parish, civil fees | 57 | 125 |
| Sheriff, Bossier Parish, civil fees | 47 | 302 |
| Sheriff, Caddo Parish, civil fees | 35 | 773 |
| Sheriff, East Feliciana Parish, civil fees | - | 46 |
| Sheriff, Evangeline Parish, civil fees | 62 | 16 |
| Sheriff, Grant Parish, civil fees | - | 151 |
| Sheriff, Iberia Parish, civil fees | 235 | 460 |
| Sheriff, Iberville Parish, civil fees | 200 | 7 |
| Sheriff, Jefferson Parish, civil fees | 37,974 | 26,720 |
| Sheriff, Livingston Parish, civil fees | 586 | 1,100 |
| Sheriff, Madison Parish, civil fees | 60 | 30 |
| Sheriff, Morehouse Parish, civil fees | 30 | - |
| Sheriff, Ouachita Parish, civil fees | 692 | 699 |
| Sheriff, Plaquemines Parish, civil fees | 600 | 360 |
| Sheriff, Richland Parish, civil fees | 30 | - |
| Sheriff, St Bernard Parish, civil fees | 8,016 | 9,236 |
| Sheriff, St Charles Parish, civil fees | 2,769 | 4,453 |
| Sheriff, St James Parish, civil fees | 371 | 381 |
| Sheriff, St Landry Parish, civil fees | 298 | 168 |
| Sheriff, St Martin Parish, civil fees | - | 227 |
| Sheriff, St Mary Parish, civil fees | 507 | 296 |
| Sheriff, Tangipahoa Parish, civil fees | 879 | 1,624 |

(Continued)

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, 2021

| Cash Basis Presentation | First Six Month Period Ended 06/30/21 | Second Six Month Period Ended 12/31/21 |
|---|--|---|
| Sheriff, Vermilion Parish, civil fees | - | 84 |
| Sheriff, Washington Parish, civil fees | 282 | 361 |
| Sheriff, West Baton Rouge, civil fees | 148 | 68 |
| Sheriff, West Carroll Parish, civil fees | - | 31 |
| Sheriff, West Feliciana Parish, civil fees | 125 | 47 |
| St Helena Parish Sheriff's Office, civil fees | 125 | 41 |
| St John Parish Clerk of Court, civil fees | 35 | - |
| St John Parish Sheriff's Office, civil fees | 1,298 | 2,771 |
| St Landry Parish Sheriff's Office, civil fees | - | 60 |
| St Tammany Parish Sheriff's Office, civil fees | 6,464 | 6,413 |
| Terrebonne Parish Sheriff's Office, civil fees | 889 | 325 |
| Union Parish Sheriff's Office, civil fees | 107 | - |
| Vernon Parish Sheriff's Office, civil fees | 72 | - |
| Winn Parish Sheriff's Office, civil fees | - | 76 |
| Ascension Parish Sheriff's Office, asset forfeiture/sale | 160 | - |
| Calcasieu Parish Sheriff's Office, asset forfeiture/sale | - | 3 |
| City of New Orleans, asset forfeiture/sale | 398,221 | 301,830 |
| Clerk of Civil District Court, asset forfeiture/sale | 185,891 | 691,929 |
| Department of Public Safety M.V.D, asset forfeiture/sale | 216 | 144 |
| East Baton Rouge Parish Sheriff's Office, asset forfeiture/sale | 1,454 | 1,014 |
| Lafayette Rouge Parish Sheriff's Office, asset forfeiture/sale | 7 | - |
| Orleans Parish Sheriff, asset forfeiture/sale | 505,410 | 577,680 |
| Rapides Parish Sheriff's Office, asset forfeiture/sale | - | 29 |
| Secretary of State, asset forfeiture/sale | 100 | 200 |
| Sheriff, Ascension Parish, asset forfeiture/sale | - | 150 |
| Sheriff, Bossier Parish, asset forfeiture/sale | - | 155 |
| Sheriff, Caddo Parish, asset forfeiture/sale | - | 140 |
| Sheriff, Jefferson Parish, asset forfeiture/sale | 3,450 | 2,850 |
| Sheriff, Lafourche Parish, asset forfeiture/sale | - | 76 |
| Sheriff, Livingston Parish, asset forfeiture/sale | 100 | 43 |
| Sheriff, Ouachita Parish, asset forfeiture/sale | 221 | 178 |
| Sheriff, Plaquemines Parish, asset forfeiture/sale | 30 | 30 |
| Sheriff, St Bernard Parish, asset forfeiture/sale | - | 134 |
| Sheriff, St Charles Parish, asset forfeiture/sale | 70 | 35 |
| Sheriff, St James Parish, asset forfeiture/sale | - | 23 |
| St John Parish Sheriff's Office, asset forfeiture/sale | - | 7 |
| St Tammany Parish Sheriff's Office, asset forfeiture/sale | 426 | 328 |
| Washington Parish Sheriff's Office, asset forfeiture/sale | 47 | - |
| Less: Disbursements to Individuals/3rd Party Collection or Processing Agencies | | |
| Other Disbursements to Individuals (additional detail is not required) | 4,111,720 | 3,931,052 |
| Subtotal Disbursements/Retainage | <u>6,394,547</u> | <u>6,547,078</u> |
| Total: Ending Balance of Amounts Collected but not Disbursed/Retained | <u>\$ 3,760,472</u> | <u>\$ 3,772,078</u> |
| Ending Balance of "Partial Payments" Collected but not Disbursed | <u>\$ 121,516</u> | <u>\$ 106,071</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

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, 2021, and the related notes to the financial statements, which collectively comprise the Office's basic financial statements, and have issued our report thereon dated June 30, 2023.

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.

Report on 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as item 2021-001.

Office’s Response to Findings

The Office’s responses to the findings identified in our audit is described in the accompanying schedule of findings and responses. The City’s responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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
June 30, 2023

ORLEANS PARISH SHERIFF’S OFFICE

Schedule of Findings and Responses

Year Ended December 31, 2021

A. Summary of Auditor’s Results

Financial Results:

- | | |
|--|------------|
| 1. Type of auditors’ report | Unmodified |
| 2. Internal control over financial reporting | |
| a. Material weaknesses identified? | No |
| b. Significant deficiencies identified not considered to be material weaknesses? | No |
| c. Non-compliance material to the financial statements noted? | No |

B. Findings - Financial Statement Audit

2021-001 Timely Submission of Audit to the Louisiana Legislative Auditor

Criteria: In accordance with the Louisiana Revised Statute (R.S.) 24:513 and 24:514, audit reports are due to the Legislative Auditor no later than six months after the local auditee’s fiscal year end.

Condition: The Office did not meet the June 30, 2022 deadline for reporting to the Louisiana Legislative Auditor.

Effect: The Office is non-compliant the Louisiana Legislative Auditor requirement to submit the audit by June 30, 2022.

Indication of a repeat finding: This is not a repeat finding.

Recommendations: The Office should implement procedures to ensure that the 2023 audit is submitted by the deadline.

Views of responsible officials and planned corrective action: The Orleans Parish Sheriff’s Office has a late filing audit finding in connection with our 2021 financial statements. This audit was due to be filed June 30, 2022. Due to a staff shortage, the 2020 financial audit was not filed until January 2023. This delayed the commencement of the 2021 audit until after the filing deadline. Prior to this time, the Office’s internal auditor, who was integral in compiling the audit, had not been replaced since retiring. This left the Accounting Department with one full time accountant and the Comptroller who absorbed the Internal Auditor’s duties. This abrupt 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 the financial statements as opposed to the Office preparing the financial statements. We anticipate this will ensure that the 2022 statements are completed expeditiously in order for the department to ensure that the 2022 audit will be the last delayed audit.

ORLEANS PARISH SHERIFF'S OFFICE
Summary Schedule of Prior Audit Findings
Year Ended December 31, 2021

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

| | |
|------------------|--|
| Criteria: | <p>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.</p> <p>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.</p> |
| Condition: | <p>The Office did not meet the extended March 31, 2022 deadline for reporting to the Federal Audit Clearinghouse.</p> |
| Recommendations: | <p>The Office should implement procedures to ensure that the 2022 audit is submitted by the deadline.</p> |
| Status: | <p>Not applicable for 2021 as a Single Audit was not required.</p> |

To the Honorable Susan Hudson
Orleans Parish Sheriff's Office:

We have audited the financial statements of the Orleans Parish Sheriff's Office (the "Office"), for the year ended December 31, 2021 and have issued our report thereon. As part of our audit, we evaluated the system of internal accounting control and considered compliance to the extent we considered necessary as required by auditing standards generally accepted in the United States of America. Under these standards, the purposes of such evaluation and consideration are solely to establish a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Office's internal control, or on compliance.

The objective of internal control is to provide reasonable, but not absolute, assurance as to the safeguarding of assets against loss from unauthorized use or disposition, and the reliability of the financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of a system of internal accounting control should not exceed the benefits derived and also recognizes that the evaluation of these factors necessarily requires estimates and judgments by management.

No matter how good a system, there are inherent limitations that should be recognized in considering the potential effectiveness of internal accounting controls. In the performance of most control procedures, errors can result from misunderstanding of instructions, mistakes of judgment, carelessness, or other personal factors. Control procedures whose effectiveness depends upon segregation of duties can be circumvented by collusion. Similarly, control procedures can be circumvented intentionally by management either with respect to the execution and recording of transactions or with respect to the estimates and judgments required in the preparation of financial statements. Further, projection of any evaluation of internal accounting control to future periods is subject to the risk that the degree of compliance with the procedures may deteriorate. We say this simply to suggest that any system needs to be constantly reviewed and improved where necessary.

However, during the course of our audit, we became aware of a certain matters that are opportunities for strengthening internal controls or operating efficiency and compliance matters not material to the financial statements. Our comments and suggestions regarding these matters are set forth on the following page. This letter does not affect our reports dated June 30, 2023, on the financial statements of the Office and the Office's internal control and compliance over financial reporting.

2021-1 Lack of Supporting Documentation for Credit Cards

- Condition:** The Office should have policies and procedures to ensure that supporting documentation is maintained for all credit card disbursements and the business purpose of the transactions should be documented. In our testing of credit card disbursements, we noted that some of the invoices or receipts for credit card transactions could not be located, and as a result, we were not able to observe the business purpose of the transactions on the supporting documentation or approval of the supporting documentation.
- Recommendation:** The Office should continue to follow and enhance established policies and procedures to ensure that supporting receipts are maintained for all credit card disbursements with documented approvals of each transaction.
- Management's Response:** The Orleans Parish Sheriff's Office will require that the credit card statements are to be reviewed by the Chief Financial Officer or the Comptroller and approved by signature before the statements are entered into the system for payment. The Orleans Parish Sheriff's Office will require that a receipt be collected for each charge indicating who requested the charge and the purpose of the charge. A copy of the receipt will be kept in the Sheriff's executive office as well as in the Accounts Payable files.

2021-2 Budget Compliance

- Condition:** Louisiana Revised Statute (R.S.) 39:1311 requires that the governing authority must adopt a budget amendment when: (1) total revenue and other sources plus projected revenue and other sources for the remainder of the year, within a fund, are failing to meet total budgeted revenues and other sources by 5% or more and/or (2) total actual expenditures and other uses plus projected expenditures and other uses for the remainder of the year, within a fund, are exceeding the total budgeted expenditures and other uses by 5% or more. The Office's General Fund had an unfavorable variance of approximately 5% of total actual expenditures compared to total budgeted expenditures.
- Recommendation:** We recommend that the Office evaluate the budget for the General Fund throughout the fiscal year, monitor actual revenues and expenditures diligently, and amend the budget when necessary in a timely manner and in accordance with the Local Government Budget Act.
- Management's Response:** The Office will closely monitor revenues and expenditures and compare actual to budgeted amounts. The Office will amend the budget if it appears that the revenues and/or expenses will exceed the 5% threshold.

We have already discussed these matters with the Office's management. Their views on these matters and plans for corrective action are identified herein. This letter does not affect our report dated June 30, 2023 on the financial statements of the Office, and furthermore, this letter is intended for use only by the Office's management and audit committee and is not intended to be used, and should not be used, by anyone other than these specified parties. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Sincerely,

Postlethwaite & Netterville

Metairie, Louisiana
June 30, 2023

ORLEANS PARISH SHERIFF'S OFFICE

REPORT ON STATEWIDE
AGREED-UPON PROCEDURES on COMPLIANCE and CONTROL
AREAS

FOR THE YEAR ENDED DECEMBER 31, 2021

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INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the Members of the
Orleans Parish Sheriff's Office
and the Louisiana Legislative Auditor:

We have performed the procedures enumerated in Schedule A on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2021 through December 31, 2021. Orleans Parish Sheriff's Office's management is responsible for those C/C areas identified in the SAUPs.

Orleans Parish Sheriff's Office (the Office) has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period January 1, 2021 through December 31, 2021. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures we performed, and the associated findings are summarized in the attached Schedule A, which is an integral part of this report.

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

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

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

Postlethwaite & Netterville

Postlethwaite & Netterville
June 30, 2023

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The procedures performed and the results thereof are set forth below. The procedure is stated first, followed by the results of the procedure presented in italics. If the item being subjected to the procedures is positively identified or present, then the results will read "*no exception noted*" or for step 25 "*we performed the procedure and discussed the results with management*". If not, then a description of the exception ensues.

A - Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):

a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.

No exceptions noted.

b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.

No exceptions noted.

c) ***Disbursements***, including processing, reviewing, and approving

Exceptions noted. The Office does not have a written policy covering disbursements.

d) ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

No exceptions noted.

e) ***Payroll/Personnel***, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.

No exceptions noted.

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

Exceptions noted. The Office does not have a written policy covering contracting.

g) ***Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)***, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers

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of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).

Exceptions noted. The Office has written policies for Credit Cards; however, the policies do not contain attribute (1) how cards are to be controlled, (3) documentation requirements, (4) required approvers of statements, or (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).

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

No exceptions noted.

- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.

No exceptions noted.

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

Exceptions noted. The Office does not have a written policy covering debt service.

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

Exceptions noted. The Office does not have a written policy covering information technology disaster recovery/business continuity.

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

No exceptions noted.

B - Board or Finance Committee

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:

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- a) Observe whether the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

Procedure is not applicable to entities managed by a single elected official. The Sheriff is a single elected official who manages the Sheriff's Department. As such, this procedure is not applicable to the Sheriff's Department.

- b) For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternately, for those entities reporting on the nonprofit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

Procedure is not applicable to entities managed by a single elected official. The Sheriff is a single elected official who manages the Sheriff's Department. As such, this procedure is not applicable to the Sheriff's Department.

- c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

Procedure is not applicable to entities managed by a single elected official. The Sheriff is a single elected official who manages the Sheriff's Department. As such, this procedure is not applicable to the Sheriff's Department.

C - Bank Reconciliations

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

A listing of bank accounts was provided and included a total of 48 bank accounts. Management identified the entity's main operating account. No exceptions were noted as a result of performing this procedure.

From the listing provided, we selected 5 bank accounts (1 main operating and 4 randomly) and obtained the bank reconciliations for the month ending December 31, 2021, resulting in 5 bank reconciliations obtained and subjected to the below procedures.

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

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No exceptions noted.

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

No exceptions noted.

- c) Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

No exceptions noted.

D - Collections (excluding electronic funds transfers)

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

A listing of deposit sites was provided and included a total of 1 deposit site. No exceptions were noted as a result of performing this procedure.

From the listing provided, we selected the deposit site and performed the procedures below.

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

A listing of collection locations for each deposit site selected in procedure #4 was provided and included a total of 12 collection locations. No exceptions were noted as a result of performing this procedure.

From each of the listings provided, we randomly selected one collection location for each deposit site. Review of the Entity's written policies and procedures or inquiry with employee(s) regarding job duties was performed in order to perform the procedures below.

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

No exception noted.

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

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No exception noted.

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

No exception noted.

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

No exception noted.

- 6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period.

No exception noted.

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

We randomly selected two deposit dates for each of the 5 bank accounts selected in procedure #3. We obtained supporting documentation for each of the 10 deposits and performed the procedures below.

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

No exceptions noted.

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

No exceptions noted.

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

No exceptions noted.

- d) Observe the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).

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For 6 out of the 10 cash collections selected for testing, the deposit was not made within one business day of receipt at the collection location (within one week if the depositor is more than 10 miles from the collection location).

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

No exceptions noted.

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

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

The listing of locations that process payments for the fiscal period was provided. No exceptions were noted as a result of performing this procedure.

From the listing provided, we randomly selected 5 locations and performed the procedures below.

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

The listing of employees involved with non-payroll purchasing and payment functions for each payment processing location selected in procedure #8 was provided. No exceptions were noted as a result of performing this procedure.

Review of the Entity's written policies and procedures or inquiry with employee(s) regarding job duties was performed in order to perform the procedures below.

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

No exceptions noted.

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

No exceptions noted.

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

No exceptions noted.

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

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No exceptions noted.

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

A listing of non-payroll disbursements for each payment processing location selected in procedures #8 was provided related to the reporting period. No exceptions were noted as a result of performing this procedure.

From each of the listings provided, we randomly selected 5 disbursements and performed the procedures below.

- a) Observe whether the disbursement matched the related original itemized invoice, and that supporting documentation indicates deliverables included on the invoice were received by the entity.

No exceptions noted.

- b) Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

No exceptions noted.

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

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

A listing of cards was provided. No exceptions were noted as a result of performing this procedure.

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

From the listing provided, we selected all credit cards (2 credit cards) used in the fiscal period. We randomly selected one monthly statement for each of the 2 cards selected and performed the procedures noted below.

- a) Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain

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public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.)]

For 1 of the 2 credit cards tested, the monthly statement provided did not contain evidence of review by someone other than the card holder.

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

No exceptions noted.

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

We performed the procedure above and noted the following exceptions:

- *For 5 of the 10 transactions selected for testing, an original itemized receipt that identifies precisely what was purchased was not provided.*
- *For 4 of the 10 transactions selected for testing, written documentation of the business/public purpose was not provided.*

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

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

The listing of travel and travel-related expense reimbursements was provided for the fiscal period. No exceptions were noted as a result of performing this procedure.

From the listing provided, we randomly selected 5 reimbursements and performed the procedures below.

- a) If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).

Of the 5 reimbursements selected for our procedures, none used a per diem. No exceptions noted.

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- a) If reimbursed using actual costs, observe the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

For 2 of the 5 reimbursements selected for our procedures, there was no original itemized receipt identifying precisely what was purchased.

- b) Observe each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).

No exceptions noted

- c) Observe each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

No exceptions noted.

H - Contracts

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

An active vendor list for the fiscal period was provided. No exceptions were noted as a result of performing this procedure.

From the listing provided, we randomly selected 5 contracts and performed the procedures below.

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

Of the 5 contracts selected for our procedures, none were subject to Louisiana Public Bid Law.

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

No exceptions noted.

- c) If the contract was amended (e.g., change order), observe the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, was approval documented).

No exceptions noted.

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

We randomly selected 1 payment for the 5 contracts selected in procedure #15 and performed the specified procedures. No exceptions noted.

I - Payroll and Personnel

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

A listing of employees/elected officials employed during the fiscal year was provided. No exceptions were noted as a result of performing this procedure.

From the listing provided, we randomly selected 5 employees/officials and performed the specified procedures. No exceptions noted.

17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:

We randomly selected 1 pay period during the fiscal period and performed the procedures below for the 5 employees/officials selected in procedure #16.

- a) Observe all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.).

No exceptions noted.

- b) Observe whether supervisors approved the attendance and leave of the selected employees or officials.

No exceptions noted.

- c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

No exceptions noted.

- d) Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

No exceptions noted.

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18. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee or officials' cumulative leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.

A listing of employees/officials receiving termination payments during the fiscal period was provided. No exceptions were noted as a result of performing this procedure.

From the listing provided, we randomly selected 2 employees/officials and performed the specified procedures.

19. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

No exceptions noted.

J - Ethics

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above obtain ethics documentation from management, and:

- a) Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

For 1 of the 5 employees/officials selected for our procedures, documentation that the required ethics training was completed could not be obtained.

- b) Observe whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

The entity did not have any changes to the ethics policy, so this step is not applicable.

K - Debt Service

21. Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe State Bond Commission approval was obtained for each bond/note issued.

No exceptions noted.

22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants,

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obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

A listing of bonds/notes outstanding at the end of the fiscal period was provided. No exceptions were noted as a result of performing this procedure.

From the listing provided, we randomly selected 1 bond/note and performed the specified procedures. No exceptions noted.

L - Fraud Notice

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

Management represented that there were no misappropriations of public funds or assets during the fiscal period.

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

No exceptions noted.

M - Information Technology Disaster Recovery/Business Continuity

25. Perform the following procedures:

- a) Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.

We performed the procedure and discussed the results with management.

- b) Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

We performed the procedure and discussed the results with management.

- c) Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active

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antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

We performed the procedure and discussed the results with management.

N - Sexual Harassment

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

Exceptions noted. For all 5 employees selected for testing, sexual harassment training documentation reflecting at least one hour of training was not provided.

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

No exceptions noted.

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

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

The Office did not provide an annual sexual harassment report.

- b) Number of sexual harassment complaints received by the agency;

The Office did not provide an annual sexual harassment report.

- c) Number of complaints which resulted in a finding that sexual harassment occurred;

The Office did not provide an annual sexual harassment report.

- d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and

The Office did not provide an annual sexual harassment report.

- e) Amount of time it took to resolve each complaint.

The Office did not provide an annual sexual harassment report.

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MANAGEMENT'S RESPONSE AND CORRECTIVE ACTION PLAN
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Schedule B

Management's Response to Statewide Agreed-Upon Procedures Orleans Parish Sheriff's Office

In response to written policies and procedures exception 1c), 1f), 1g), 1j), and 1k):

The Orleans Parish Sheriff's Office will continue to review and refine its policies and procedures over accounting and finance functions. The comments in the AUP report will be evaluated. Policies and procedures will be documented in writing when deemed appropriate and practicable. Louisiana Legislative Auditor's Best Practices will be utilized in our review.

In response to collections exception 7d):

The Orleans Parish Sheriff's Office uses electronic deposit of checks and usually has these deposited within one day of collection. Due to limited staffing and the recounting and verification processes one day is not always feasible. The Sheriff's Office will remind and monitor the staff that is responsible that all checks should be deposited on a timely basis.

The Orleans Parish Sheriff's Office does not have large amounts of cash but does have daily collections. This cash is counted and reconciled daily and put into a vault on site. The Orleans Parish Sheriff's Office is aware that this cash is not deposited daily and deems it more efficient and effective to deposit this cash less frequently on a random basis. The Orleans Parish Sheriff's Office will monitor this process to be sure that excessive cash is not held for long periods of time.

In response to Credit Cards/Debit Cards/Fuel Cards/P-Cards exception 12a):

The Orleans Parish Sheriff's Office will require that the credit card statements are to be reviewed by the Chief Financial Officer or the Comptroller and approved by signature before the statements are entered into the system for payment.

In response to Credit Cards/Debit Cards/Fuel Cards/P-Cards exception 13):

The Orleans Parish Sheriff's Office will require that a receipt be collected for each charge indicating who requested the charge and the purpose of the charge. A copy of the receipt will be kept filed in the Sheriff's executive office as well as in the Accounts Payable files.

In response to Travel & Travel-Related Expense Reimbursement exception 14b):

The Orleans Parish Sheriff's Office will require the employee(s) who are travelling for Office purposes provide the receipts for all expenses incurred related to the travel to the Travel Coordinator upon their return. The Travel Coordinator will be required to file the receipts with the travel packet for that event.

In response to Ethics exception 20a):

The Orleans Parish Sheriff's Office will work with our Training Division and Our Compliance Division to ensure that the Ethics training is completed by all employees and the Certificates are properly filed in the employees training file.

**ORLEANS PARISH SHERIFF'S OFFICE
MANAGEMENT'S RESPONSE AND CORRECTIVE ACTION PLAN
DECEMBER 31, 2021**

Schedule B

In response to Sexual Harassment exception 26):

The Orleans Parish Sheriff's Office will work with our Training Division and Our Compliance Division to ensure that the Sexual Harassment training is completed by all employees and the Certificates are properly filed in the employees training file.

In response to Sexual Harassment exception 28):

The Orleans Parish Sheriff's Office will work with our Compliance Division to better track and develop the Sexual Harassment reporting.