

EISNERAMPER

ANNUAL FINANCIAL REPORT
ORLEANS PARISH SHERIFF'S OFFICE
NEW ORLEANS, LOUISIANA
FOR THE YEAR ENDED
DECEMBER 31, 2022



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INDEPENDENT AUDITORS' EPORT

The Honorable Susan Hutson
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, 2022, 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 Office, as of December 31, 2022, and the respective changes in financial position thereof 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 xiv, budgetary comparison information on pages 39 through 40, schedule of employer's contributions to the Louisiana Sheriffs' Pension and Relief Fund on page 41, schedule of proportionate share of net pension liability on page 42, and the schedule of changes in total OPEB liability and related ratios on page 43 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; the justice system funding schedules; and the schedule of expenditures of federal awards, as required by Title 2

U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (collectively, the supplementary information) presented on pages 44 through 55 are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary information is the responsibility of management and was 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 supplementary information is fairly stated in all material respects in relation to the financial statements as a whole.

Summarized Comparative Information

The Office's financial statements for the years ended December 31, 2021 and 2020 were audited by other auditors who expressed unmodified opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information in their reports dated June 30, 2023 and December 28, 2022, respectively.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 31, 2024, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Office's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Office's internal control over financial reporting and compliance.

EisnerAmper LLP

EISNERAMPER LLP
Metairie, Louisiana
March 31, 2024



REQUIRED SUPPLEMENTARY INFORMATION

**ORLEANS PARISH SHERIFF'S OFFICE
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2022**

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, 2022. 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, 2022 by \$234.6 million (presented as "net position"). Net position is comprised of the following: (1) net investment in capital assets of \$256.7 million, (2) restricted for future intergovernmental transfers of \$5.9 million, (3) restricted for debt service of \$1.1 million, (4) restricted for capital improvements of \$2.8 million, and (5) a deficit in unrestricted net position of \$31.9 million.

The Office's net position at December 31, 2022 increased by \$2.7 million, or 1.2%, from December 31, 2021. For the year ended December 31, 2022 total revenues of approximately \$73.5 million exceeded total expenses of \$70.8 million.

The Office records its proportionate share of the unfunded net pension liability and certain deferred inflows and outflows related to the Louisiana Sheriff's Pension Relief Fund (a state-wide defined benefit, cost-sharing, multiple employer plan). Pension-related deferred outflows increased by \$13.0 million and pension-related deferred inflows decreased by \$20.8 million. The Office's net pension asset decreased to \$0 and is now recorded as a net pension liability of \$31.9 million. More information is included in Note 7 to the financial statements.

Fund Level

At December 31, 2022, the Office's governmental funds reported combined ending fund balances of \$18.8 million, an increase of \$1.4 million from the prior year. The Debt Service Fund's fund balance increased by \$0.6 million to a total fund balance of \$1.1 million. The General Fund's fund balance increased by \$2.6 million to a fund balance of \$9.0 million. The Capital Projects Fund's fund balance decreased by \$1.8 million to a total fund balance of \$8.7 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 (modified accrual basis), and (3) notes to the basic financial statements. The Office also includes in this report additional information to supplement the basic financial statements.

GOVERNMENT WIDE FINANCIAL STATEMENTS

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

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

ORLEANS PARISH SHERIFF'S OFFICE
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2022

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.

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 39 through 43, 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 44 through 48. 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

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MANAGEMENT'S DISCUSSION AND ANALYSIS
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49. The 2020 regular legislative session allowed for Act 87 to require two justice system funding schedules: entity collections and disbursements and entity receipts, these schedules "E-1" and "E-2" can be found on pages 50 through 54. The schedule of expenditures of federal awards required by the Uniform Guidance can be found on page 55.

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>2022</u>	<u>2021</u>	<u>\$</u>	<u>%</u>
Assets:				
Current and other	\$ 34,125,214	\$ 34,131,880	\$ (6,666)	0.0%
Capital	265,972,351	273,444,645	(7,472,294)	-2.7%
Net pension asset	-	2,108,207	(2,108,207)	0.0%
Total	<u>300,097,565</u>	<u>309,684,732</u>	<u>(9,587,167)</u>	<u>-3.1%</u>
Deferred outflows:				
Deferred outflows- OPEB related	3,443,365	4,052,855	(609,490)	-15.0%
Deferred outflows- pension related	22,820,692	9,774,374	13,046,318	133.5%
	<u>26,264,057</u>	<u>13,827,229</u>	<u>12,436,828</u>	<u>89.9%</u>
Liabilities:				
Current	9,390,065	16,111,825	(6,721,760)	-41.7%
Long-term				
Due within one year	5,096,794	6,400,905	(1,304,111)	-20.4%
Due after one year	66,812,421	39,873,488	26,938,933	67.6%
Total	<u>81,299,280</u>	<u>62,386,218</u>	<u>18,913,062</u>	<u>30.3%</u>
Deferred inflows:				
Deferred inflows-OPEB related	5,462,143	3,425,716	2,036,427	59.4%
Deferred inflows-pension related	5,036,727	25,849,569	(20,812,842)	-80.5%
Total	<u>10,498,870</u>	<u>29,275,285</u>	<u>(18,776,415)</u>	<u>-64.1%</u>
Net Position:				
Net investment in capital assets	256,689,401	258,799,665	(2,110,264)	-0.8%
Restricted for:				
Debt service	1,078,913	426,892	652,021	152.7%
Capital improvements	2,816,336	2,772,712	43,624	1.6%
Intergovernmental transfers	5,864,899	7,732,427	(1,867,528)	-24.2%
Pension benefits	-	2,108,207	(2,108,207)	100.0%
Unrestricted (deficit)	(31,886,077)	(39,989,445)	8,103,368	-20.3%
Total net position	<u>\$ 234,563,472</u>	<u>\$ 231,850,458</u>	<u>\$ 2,713,014</u>	<u>1.2%</u>

ORLEANS PARISH SHERIFF'S OFFICE
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2022

GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)

There are several components to net position. Net investment in capital assets decreased by \$2.1 million as a result of depreciation expense, offset by capital additions, and changes in bonds and leases payable. Net position restricted for debt service increased \$0.7 million due to the \$5.0 million of ad valorem tax revenue dedicated to debt retirement exceeding the debt retirement principal and interest payments of \$4.4 million. Net position restricted for intergovernmental transfers decreased by \$1.9 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 \$40.0 million in 2021 to a deficit of \$31.9 million in 2022. The restricted net position includes \$1.1 million set aside to liquidate debt. There is approximately \$8.2 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 \$5.9 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, 2022.

Capital assets decreased by \$7.5 million primarily due to depreciation. Net pension assets decreased by \$2.1 million. Current liabilities decreased by \$6.7 million (41.7%) due to timing of payments to vendors and a litigation settlement payment.

Long-term liabilities increased by \$25.6 million due primarily to net pension liability increasing \$31.9 million. This increase can largely be attributed to changes in the value of investments held in the Louisiana Sheriff's Pension and Relief Fund and changes of actuarial assumptions. Reductions in long-term liabilities also included \$4.1 million of regularly scheduled principal payments for general obligation bonds and principal payments of \$0.4 million on private placement debt.

Deferred outflows of resources increased by \$12.4 million (89.9%), and deferred inflows of resources decreased by \$18.8 million (64.1%). These deferred outflows and inflows are related to pension and other-postemployment benefits and are actuarially determined.

ORLEANS PARISH SHERIFF'S OFFICE
MANAGEMENT'S DISCUSSION AND ANALYSIS
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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 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	
	2022	2021	\$	%
<u>Revenues:</u>				
Program:				
Charges for custody of inmates services	\$ 48,438,697	\$ 45,981,201	\$ 2,457,496	5.3%
Charges for civil division services	4,090,503	3,953,718	136,785	3.5%
Operating grants	4,691,059	4,801,819	(110,760)	-2.3%
Capital grants	4,446,853	313,828	4,133,025	1317.0%
General:				
Ad-valorem taxes	11,112,749	10,814,465	298,284	2.8%
Other	713,132	788,140	(75,008)	-9.5%
Total revenues and other	<u>73,492,993</u>	<u>66,653,171</u>	<u>6,839,822</u>	<u>10.3%</u>
<u>Expenses:</u>				
Program expenses:				
Custody of prisoners	64,670,018	66,643,063	(1,973,045)	-3.0%
Civil division	3,983,909	5,040,789	(1,056,880)	-21.0%
Interest	298,990	541,176	(242,186)	-44.8%
General:				
Gain on disposal of assets	(66,239)	-	(66,239)	0.0%
Transfers to other governmental agencies	1,893,301	4,047,582	(2,154,281)	-53.2%
Total expenses and other	<u>70,779,979</u>	<u>76,272,610</u>	<u>(5,492,631)</u>	<u>-7.2%</u>
Change in net position	2,713,014	(9,619,439)	12,332,453	-128.2%
Beginning net position	<u>231,850,458</u>	<u>241,469,897</u>	<u>(9,619,439)</u>	<u>-4.0%</u>
Ending net position	<u>\$ 234,563,472</u>	<u>\$ 231,850,458</u>	<u>\$ 2,713,014</u>	<u>1.2%</u>

ORLEANS PARISH SHERIFF'S OFFICE
MANAGEMENT'S DISCUSSION AND ANALYSIS
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Charges for custody of inmates, the primary funding source, increased by \$2.5 million from 2021 to 2022 due to The City of New Orleans providing additional funding for equipment and building and security enhancements. Capital grants increased by \$4.1 million due to new FEMA obligations, or grant awards, related to prior year expenditures.

Program expenses of the Office decreased by 4.5% in 2022 due to the change of administration in May 2022. Many major projects were deferred by the previous Sheriff and the current Sheriff deferred major projects until a full assessment of operations was completed.

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, 2022, the Office's governmental funds reported combined ending fund balances of \$18.8 million. This is an increase of \$1.4 million (8.0%), from the prior year. Unassigned fund balance is \$8.4 million.

Major Governmental Funds

The General Fund is the Office's primary operating fund. The General Fund's fund balance increased by \$2.6 million in 2022 for an ending fund balance of \$9.0 million.

Revenues for the General Fund increased by \$0.9 million (1.5%). This is primarily attributable to a \$2.5 million increase in City of New Orleans revenue due to the increase in the population of persons in custody and the decrease in Civil security services revenue due funding being received later than normal and not considered to be "available" at the end of 2022. Ad valorem tax millage decreased by \$0.7 million due to a lower tax collection. The Debt Service Fund had a \$1.0 million decrease in ad valorem tax collections.

Operating expenditures for the General Fund decreased by \$1.5 million (2.5%), from \$60.6 million in 2021 to \$59.1 million in 2022.

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MANAGEMENT'S DISCUSSION AND ANALYSIS
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FINANCIAL ANALYSIS OF THE OFFICE'S FUNDS (continued)

Major Governmental Funds (continued)

The following schedule shows General Fund revenues and expenditures:

	General Fund			
	2022	2021	\$ change	% change
REVENUES:				
City of New Orleans charges	\$ 37,787,575	\$ 35,246,305	\$ 2,541,270	7.2%
State of Louisiana DOC charges	2,032,966	1,971,570	61,396	3.1%
Civil fees and commissions	3,026,593	2,875,415	151,178	5.3%
Civil security services	376,589	1,078,303	(701,714)	-65.1%
Investment income	90,749	12,021	78,728	654.9%
On-behalf payments	6,738,595	6,897,097	(158,502)	-2.3%
Inmate telephone	739,443	838,539	(99,096)	-11.8%
Release processing fees	410,625	530,275	(119,650)	-22.6%
State supplemental pay	1,917,715	1,823,924	93,791	5.1%
Federal and state grants	783,869	1,012,777	(228,908)	-22.6%
Restitution/administration	145,966	146,067	(101)	-0.1%
Commissary	583,527	351,348	232,179	66.1%
Other income	544,683	764,792	(220,109)	-28.8%
Ad valorem tax revenue	6,112,012	6,813,113	(701,101)	-10.3%
Total revenues	61,290,907	60,361,546	929,361	1.5%
EXPENDITURES:				
Central services	6,914,333	7,732,744	(818,411)	-10.6%
Court services	2,679,699	2,489,222	190,477	7.7%
Security services	15,519,654	16,834,512	(1,314,858)	-7.8%
Investigative services	3,193,946	2,916,696	277,250	9.5%
Administrative services	5,525,591	5,443,928	81,663	1.5%
Records and booking	3,913,454	3,832,742	80,712	2.1%
Inmate services	4,278,845	4,111,797	167,048	4.1%
Grants and special programs	648,118	389,265	258,853	66.5%
Plant and maintenance	8,801,116	8,815,167	(14,051)	-0.2%
Debt retirement	1,567,767	2,199,596	(631,829)	-28.7%
Interest payments	92,008	146,862	(54,854)	-37.4%
Civil administrative services	2,272,996	2,449,506	(176,510)	-7.2%
Civil security services	2,012,286	2,458,352	(446,066)	-18.1%
Capital outlays	1,716,702	824,709	891,993	108.2%
Total expenditures	59,136,515	60,645,098	(1,508,583)	-2.5%
Deficiency of revenues over expenditures	2,154,392	(283,552)	2,437,944	-859.8%
OTHER FINANCING SOURCES	423,137	41,619	381,518	916.7%
Net changes in fund balances	2,577,529	(241,933)	2,819,462	-1165.4%
FUND BALANCES, BEGINNING	6,391,309	6,633,242	(241,933)	-3.6%
FUND BALANCES, ENDING	\$ 8,968,838	\$ 6,391,309	\$ 2,577,529	40.3%

ORLEANS PARISH SHERIFF'S OFFICE
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2022

FINANCIAL ANALYSIS OF THE OFFICE'S FUNDS (continued)

Major Governmental Funds (continued)

The decrease in the fund balance of the Capital Projects Fund was \$1.8 million from \$10.5 million in 2021 to \$8.7 million in 2022 of restricted fund balance. This was attributable to other agencies (primarily the Criminal District Courts) expending funds. Of this capital projects fund balance, \$5.9 million is restricted for other criminal justice agencies.

The Debt Service Fund's fund balance increased by \$0.6 million. Ad valorem taxes of \$5.0 million (\$4.0 million for 2021) were collected for debt service. The increase in fund balance in 2022 was due to the excess of tax collections above the \$4.4 million that was expended from the Debt Service Fund to pay fees and interest and to retire debt.

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 \$64.4 million. The budget was amended to reflect a decrease to \$62.6 million primarily due to decreases in City of New Orleans 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 expenditures. The civil fees and commissions underestimated revenues are offset by underestimated Civil administrative services. The amended budget also adjusted the beginning fund balance from \$8.6 million to the actual 2021 ending balance of \$6.5 million.

The actual revenues were \$1.3 million lower than the final budget. There are no material differences in the amended revenues and the actual revenues.

The initial 2022 budget expected federal and state grants of \$.97 million. FEMA revenues are recognized on a reimbursement basis. The amended budget increased federal and state grant revenues to \$1.0 million, and actual federal and state grants were \$.78 million. FEMA processing of requests for versions has slowed and FEMA is trying to only write versions at close-out.

The final expenditures were anticipated to be \$59.9 million in the amended budget. The budget for security services expenditures decreased by \$3.9 million, and the budget for records and booking expenditures decreased by \$1.6 million due to the reduced population of persons in custody.

The original budget expected no change in fund balance. The amended budget expected an increase of \$2.7 million in fund balance. Actual results were a \$2.5 million increase in fund balance.

The Debt Service Fund

The 2022 debt service budget was not amended. Ad valorem tax was budgeted at \$5.3 million. Actual ad valorem tax collections totaled \$5.0 million.

ORLEANS PARISH SHERIFF'S OFFICE
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2022

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The following table provides a comparative summary of capital assets:

	2022	2021	Percentage change
Land	\$ 6,052,681	\$ 6,052,681	0.0%
Depreciable assets:			
Building and improvements	332,104,593	331,788,942	0.1%
Operating equipment	2,289,711	1,263,088	81.3%
Furniture and equipment	1,016,709	1,016,709	0.0%
Vehicles	5,672,550	6,484,630	
Lease right-of-use assets	2,761,442	2,410,605	14.6%
Total depreciable assets	<u>343,845,005</u>	<u>342,963,974</u>	<u>0.3%</u>
Less accumulated depreciation and amortization	<u>83,925,335</u>	<u>75,572,010</u>	<u>11.1%</u>
Depreciable assets, net	<u>259,919,670</u>	<u>267,391,964</u>	<u>-2.8%</u>
Total capital assets	<u>\$ 265,972,351</u>	<u>\$ 273,444,645</u>	<u>-2.7%</u>

The Office's investment in capital assets, net of accumulated depreciation, as of December 31, 2022, is \$266.0 million. This is a 2.7% decrease from 2021. The change consisted of \$1.7 million of capital additions and depreciation and amortization expense of \$9.2 million.

Long-term Obligations

At the end of the fiscal year, the Office had approximately \$71.9 million in long-term obligations as shown in the table below:

	2021	2022	Percentage change
Public placement debt	\$ 7,805,000	\$ 11,950,000	-34.7%
Private placement debt	215,509	639,203	-66.3%
Leases payable	1,262,441	2,055,777	-38.6%
Claims and judgments	13,702,727	10,891,006	25.8%
Compensated absences	1,746,134	2,303,475	-24.2%
Other post-employment benefits	15,286,321	18,434,932	-17.1%
Net pension liability	31,891,083	-	0.0%
Total long-term obligations	<u>\$ 71,909,215</u>	<u>\$ 46,274,393</u>	<u>55.4%</u>

In 2021, the long-term obligations of the Office increased by \$25.6 million. The Office made regularly scheduled principal payments of \$4.1 million on publicly issued debt. Private placement debt was reduced by \$0.4 million. The claims and judgments, an estimate of future claim payments, increased by approximately \$2.8 million; this is attributed to a pending settlements. Compensated absences decreased \$0.6 million due to employees that were paid out after terminating employment. The combination of scheduled payments on capital leases and the addition of new leases reduced leases payable by \$0.8 million. The other post-employment benefits obligation decreased by \$3.1 million due primarily to the changes in assumptions. The net pension liability increased from December 31, 2021 primarily as a result of changes in actuarial assumptions and investment performance which resulted in a net pension liability of \$31.9 million at December 31, 2022 compared to a net pension asset of \$2.1 million at December 31, 2021.

ORLEANS PARISH SHERIFF'S OFFICE
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2022

CAPITAL ASSETS AND DEBT ADMINISTRATION (continued)

Long-term Obligations (continued)

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.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The 2023 budget was adopted in late 2022 and shows an increase of expenses by 46.80%. This increase is attributed to the Office being authorized by the City of New Orleans to increase all hourly employees \$2.43 per hour as well as critical IT infrastructure improvements. The adopted 2023 budget shows a \$.28 million increase in fund balance. Revenues increase by 39% for funding for the hourly wage increase and the IT improvements. Ad Valorem revenues increase due to the Office adopting a higher millage rate for operations.

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 2022. Actual ending fund balance for 2022 was anticipated to be \$8.6 million. Projected ending fund balance for 2023 is \$9.5 million.

Non-Civil revenues for 2023 are expected to be \$56.9 million, and expenditures are expected to be \$56.4 million. Projected Non-Civil revenues for 2024 are \$72.3 million, and expenditures are projected to be \$72.3 million. The increase is due to the City of New Orleans funding a pay increase to a starting hourly rate of \$18.00, a 2.5% cost of living increase and funding IT and facility infrastructure improvements.

Civil revenues for 2023 are expected to be \$4.0 million, and expenditures are expected to be \$3.7 million. Projected Civil revenues for 2024 are \$4.6 million and Civil expenditures are projected to be \$4.6 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 were originally not budgeted in 2023 as versions were obligated because the date of receipt was not known, as the date of receipt impacts when revenue is recorded on the fund financial statements. This is the same for the 2024 budget.

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.

ORLEANS PARISH SHERIFF'S OFFICE
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2022

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

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.

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.

Due to Orleans Parish Criminal District Court closures during the COVID Pandemic, the back log of court cases caused the inmate population to rise in 2023. The population has now returned to pre COVID levels. As the courts case load start to lessen we expect a leveling out of the inmate population.

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.

In November 2023, construction began on the acute mental health facility (referred to as Phase III). The building is expected to be completed and operational in early 2025. Analysis on budgetary impact of operations is currently underway.

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, 2022

	Governmental Activities
<u>ASSETS:</u>	
Cash and cash equivalents	\$ 25,364,731
Intergovernmental receivables	5,740,234
Investments	1,084,389
Internal balances	327,301
Other receivables	1,031,026
Inventory	577,533
Capital assets, net of accumulated depreciation	265,972,351
Total assets	300,097,565
<u>DEFERRED OUTFLOWS OF RESOURCES:</u>	
Deferred outflow amounts related to total other post-employment liability	3,443,365
Deferred outflow amounts related to net pension liability	22,820,692
Total deferred outflows of resources	26,264,057
<u>LIABILITIES:</u>	
Accounts payable	9,336,737
Accrued interest	50,879
Internal balances	2,449
Long-term liabilities:	
Due within one year	5,096,794
Due after one year	66,812,421
Total liabilities	81,299,280
<u>DEFERRED INFLOWS OF RESOURCES:</u>	
Deferred inflow amounts related to total other post-employment liability	5,462,143
Deferred inflow amounts related to net pension liability	5,036,727
Total deferred inflows of resources	10,498,870
<u>NET POSITION (DEFICIT):</u>	
Net investment in capital assets	256,689,401
Restricted net position:	
Debt service	1,078,913
Capital improvements, net of related debt	2,816,336
Intergovernmental transfers	5,864,899
Unrestricted net position (deficit)	(31,886,077)
Total net position	\$ 234,563,472

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, 2022

Functions/Programs	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position Primary Government Governmental Activities</u>
<u>Governmental Activities:</u>		<u>Fees, Fines and Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Custody of inmates	\$ 64,670,018	\$ 48,438,697	\$ 4,297,043	\$ 4,446,853	\$ (7,487,425)
Civil division	3,983,909	4,090,503	394,016	-	500,610
Interest on long-term debt	298,990	-	-	-	(298,990)
Total governmental activities	<u>\$ 68,952,917</u>	<u>\$ 52,529,200</u>	<u>\$ 4,691,059</u>	<u>\$ 4,446,853</u>	<u>(7,285,805)</u>
General revenues:					
Ad valorem taxes					11,112,749
Investment income					168,449
Gain on disposal of assets					66,239
Other income					544,683
Transfers to other governmental agencies					<u>(1,893,301)</u>
Total general revenues, losses and transfers					<u>9,998,819</u>
Change in net position					2,713,014
Net position - beginning					<u>231,850,458</u>
Net position - ending					<u>\$ 234,563,472</u>

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

ORLEANS PARISH SHERIFF'S OFFICE
BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2022

	General Fund	Capital Projects	Debt Service	Total Governmental
<u>ASSETS:</u>				
Cash and cash equivalents	\$ 15,535,103	\$ 9,685,972	\$ 143,656	\$ 25,364,731
Investments	1,084,389	-	-	1,084,389
Intergovernmental receivables	5,740,234	-	-	5,740,234
Interfund receivables	1,332,037	-	857,533	2,189,570
Other receivables	902,423	-	128,603	1,031,026
Inventory	577,533	-	-	577,533
	<u>577,533</u>	<u>-</u>	<u>-</u>	<u>577,533</u>
Total assets	<u>\$ 25,171,719</u>	<u>\$ 9,685,972</u>	<u>\$ 1,129,792</u>	<u>\$ 35,987,483</u>
<u>LIABILITIES:</u>				
Accounts payable	\$ 9,336,737	\$ -	\$ -	\$ 9,336,737
Interfund payables	859,981	1,004,737	-	1,864,718
Total liabilities	<u>10,196,718</u>	<u>1,004,737</u>	<u>-</u>	<u>11,201,455</u>
<u>DEFERRED INFLOWS OF RESOURCES:</u>				
Unavailable revenues	6,006,163	-	-	6,006,163
Total deferred inflows of resources	<u>6,006,163</u>	<u>-</u>	<u>-</u>	<u>6,006,163</u>
<u>FUND BALANCES:</u>				
Nonspendable amounts:				
Not in spendable form	577,533	-	-	577,533
Restricted	-	8,681,235	1,129,792	9,811,027
Unassigned	8,391,305	-	-	8,391,305
Total fund balance	<u>8,968,838</u>	<u>8,681,235</u>	<u>1,129,792</u>	<u>18,779,865</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 25,171,719</u>	<u>\$ 9,685,972</u>	<u>\$ 1,129,792</u>	<u>\$ 35,987,483</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, 2022

Total fund balances for governmental funds at December 31, 2022 \$ 18,779,865

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 \$74,058,164 accumulated depreciation	258,046,429
Operating equipment, net of \$1,343,551 accumulated depreciation	946,160
Office furniture and equipment, net of \$1,013,677 of accumulated depreciation	3,032
Vehicles, net of \$977,838 accumulated depreciation	39,366
Right of use assets - leased equipment, net of \$898,921 accumulated amortization	485,661
Right of use assets - leased vehicles, net of \$5,633,184 accumulated amortization	399,022
	265,972,351

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.

6,006,163

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	22,820,692
OPEB related	3,443,365

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	(50,879)
Bonds and notes payable	(8,020,509)
Other post employment benefits accrual	(15,286,321)
Net pension liability	(31,891,083)
Claims and judgements	(13,702,727)
Accrued compensated absences	(1,746,134)
Leases payable	(1,262,441)
	(71,960,094)

Deferred inflows related to the pension and OPEB plans are an acquisition of net assets that is applicable to a future reporting period and therefore are deferred.

Pension related	(5,036,727)
OPEB related	(5,462,143)

Total net position of governmental activities at December 31, 2022 \$ 234,563,472

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, 2022

	General Fund	Capital Projects	Debt Service	Total Governmental
REVENUES:				
Custody of inmates:				
City of New Orleans charges	\$ 37,787,575	\$ -	\$ -	\$ 37,787,575
State of Louisiana Department of Corrections charges	2,032,966	-	-	2,032,966
Civil fees and commissions	3,026,593	-	-	3,026,593
Civil security services	376,589	-	-	376,589
Investment income	90,749	69,397	8,303	168,449
On-behalf payments	6,738,595	-	-	6,738,595
Inmate telephone	739,443	-	-	739,443
State supplemental pay	1,917,715	-	-	1,917,715
Federal and state grants	783,869	-	-	783,869
Restitution/administration	145,966	-	-	145,966
Release processing fees	410,625	-	-	410,625
Commissary	583,527	-	-	583,527
Other income	544,683	-	-	544,683
Ad valorem tax revenue	6,112,012	-	5,000,737	11,112,749
	<u>61,290,907</u>	<u>69,397</u>	<u>5,009,040</u>	<u>66,369,344</u>
Total revenues				
EXPENDITURES:				
Central services	6,914,333	-	-	6,914,333
Court services	2,679,699	-	-	2,679,699
Security services	15,519,654	-	-	15,519,654
Investigative services	3,193,946	-	-	3,193,946
Administrative services	5,525,591	-	-	5,525,591
Records and booking	3,913,454	-	-	3,913,454
Inmate services	4,278,845	-	-	4,278,845
Grants and special programs	648,118	-	-	648,118
Plant and maintenance	8,801,116	-	-	8,801,116
Miscellaneous	-	-	4,937	4,937
Debt retirement (including capital leases)	1,567,767	-	4,145,000	5,712,767
Interest payments (including capital leases)	92,008	-	229,794	321,802
Civil administrative services	2,272,996	-	-	2,272,996
Civil security services	2,012,286	-	-	2,012,286
Capital outlays	1,716,702	-	-	1,716,702
	<u>59,136,515</u>	<u>-</u>	<u>4,379,731</u>	<u>63,516,246</u>
Total expenditures				
Excess (deficiency) of revenues over expenditures	<u>2,154,392</u>	<u>69,397</u>	<u>629,309</u>	<u>2,853,098</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, 2022

	General Fund	Capital Projects	Debt Service	Total Governmental
<u>OTHER FINANCING SOURCES (USES), INCLUDING TRANSFERS:</u>				
Capital leases	350,837	-	-	350,837
Proceeds from sale of assets	72,300	-	-	72,300
Transfers to other governmental agencies	-	(1,893,301)	-	(1,893,301)
	<u>423,137</u>	<u>(1,893,301)</u>	<u>-</u>	<u>(1,470,164)</u>
Total other financing sources (uses), including transfers				
Net changes in fund balances	2,577,529	(1,823,904)	629,309	1,382,934
<u>FUND BALANCES, BEGINNING</u>	<u>6,391,309</u>	<u>10,505,139</u>	<u>500,483</u>	<u>17,396,931</u>
<u>FUND BALANCES, ENDING</u>	<u>\$ 8,968,838</u>	<u>\$ 8,681,235</u>	<u>\$ 1,129,792</u>	<u>\$ 18,779,865</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, 2022

Total net changes in fund balances for the year ended December 31, 2022 per Statement of Revenues, Expenditures and Changes in Fund Balances	\$ 1,382,934
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 or amortization expense. This is the amount by which depreciation and amortization expense of \$9,182,935 exceeded assets of \$1,716,702 that were capitalized.	(7,466,233)
Net book value of capital assets disposed during the year	(6,061)
New capital leases provide current financial resources to governmental funds, but leases increase long-term liabilities in the statement of net position.	(350,837)
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.	5,712,767
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.	5,309,448
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	22,812
Change in accrued claims and judgments	(2,811,721)
Change in accrued compensated absences	557,341
Net change in net pension liability and related deferred inflows and deferred outflows of resources	(140,130)
Net change in other post-employment benefits liability and related deferred inflows and deferred outflows of resources	502,694
Total change in net position for the year ended December 31, 2022 per Statement of Activities	<u>\$ 2,713,014</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, 2022

	<u>Pension Trust Fund</u>	<u>Custodial Funds</u>
<u>ASSETS:</u>		
Cash and cash equivalents	\$ 69,653	\$ 4,458,998
Interfund receivables	-	2,449
Deposits	-	40,000
Investments and interest receivable	1,098,993	-
	<u>1,168,646</u>	<u>4,501,447</u>
Total assets		
<u>LIABILITIES:</u>		
Due to inmates and others	-	4,233,812
Interfund payables	59,666	267,635
	<u>59,666</u>	<u>4,501,447</u>
Total liabilities		
<u>NET POSITION:</u>		
Net position held in trust for pension benefits	<u>\$ 1,108,980</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, 2022

	<u>Pension Trust Fund</u>	<u>Custodial Funds</u>
<u>ADDITIONS:</u>		
Contributions:		
Employer contributions	\$ 19,386	\$ -
Employee contributions	19,386	-
Total contributions	<u>38,772</u>	<u>-</u>
Investment income (loss)	17,654	-
Deposits:		
Inmate	-	1,878,773
Escrow	-	15,043
Bond and fines	-	16,015
Litigant	-	<u>15,781,277</u>
Total additions	<u>56,426</u>	<u>17,691,108</u>
<u>DEDUCTIONS:</u>		
Trustee fees	250	-
Benefits paid to participants	275,960	-
Inmate disbursements	-	1,878,773
Fees to other entities	-	-
Escrow disbursements	-	15,043
Bond and fine disbursements	-	16,015
Litigant disbursements	-	<u>15,781,277</u>
Total deductions	<u>276,210</u>	<u>17,691,108</u>
Change in net position	(219,784)	-
<u>FIDUCIARY NET POSITION, BEGINNING</u>	<u>1,328,764</u>	<u>-</u>
<u>FIDUCIARY NET POSITION, ENDING</u>	<u>\$ 1,108,980</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, 2022

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 the 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 for 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, 2022

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.

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.

ORLEANS PARISH SHERIFF'S OFFICE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2022

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

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.

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.

ORLEANS PARISH SHERIFF'S OFFICE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2022

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

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.

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 2022, 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, 2022

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 assets 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 assets 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.

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.

ORLEANS PARISH SHERIFF'S OFFICE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2022

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

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.

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 and amortization are 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 or amortized 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
Lease right-of-use assets	Lease term

ORLEANS PARISH SHERIFF'S OFFICE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2022

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

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.

Implementation of New Accounting Standard

The Office adopted Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases* as of January 1, 2022. Under this Statement, lease contracts, as defined, are financing of the right to use an underlying asset. A lessor is required to recognize a lease receivable and a deferred inflow of resources, and a lessee recognizes a lease liability and intangible right-to-use asset, thereby enhancing the relevance and consistency of information about governments' leasing activities. Lease receivables as well as lease liabilities are measured at the present value of lease payments over the term of each respective contract. Options to renew the lease are included in the lease term if reasonably certain to be exercised.

While GASB 87 resulted in the recording of assets and liabilities that were not previously recognized, changes to the accounting for lease payments and collections, there were no effects to beginning net position or fund balance as a result of this statement's implementation.

Leases

The Office is a lessee for noncancellable lease agreements for vehicle and equipment. In accordance with GASB Statement No. 87, *Leases*, the Office recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the financial statements for those lease contracts with an initial individual value that is material to the financial statements and whose terms call for a lease period great than one year. The lease liability is measured at the commencement of the lease at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of the lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life. Key estimates and judgements related to leases include (1) the discount rate used to present value the expected lease payments, (2) lease term, and (3) lease payments.

ORLEANS PARISH SHERIFF'S OFFICE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2022

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

Leases (continued)

- The Office uses the interest rate charged by the lessor as the discount rate, if provided. When the interest rate charged by the lessor is not provided, the Office uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease terms include the noncancellable period of the lease and optional renewal periods. Lease payments included in the measurement of the lease liability are composed of fixed payments through the noncancellable term of the lease and renewal periods that management considers reasonably certain to be exercised.

The Office monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with capital assets and lease liabilities are reported with long-term debt on the statement of net position. The Office did not recognize any lessor leases as they were deemed immaterial to the financial statements.

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.

ORLEANS PARISH SHERIFF'S OFFICE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2022

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

Fund Balance (continued)

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.

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, 2022, The Office has cash and cash equivalents (book balances) as follows:

Non-interest bearing demand deposits	\$ 335,287
Interest-bearing demand deposits	29,487,287
Cash on hand	<u>70,808</u>
Total	<u>\$ 29,893,382</u>

ORLEANS PARISH SHERIFF'S OFFICE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2022

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	\$ 25,364,731
Fiduciary Funds (not included in Government-Wide Financial Statements)	<u>4,528,651</u>
Total	<u>\$ 29,893,382</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, 2022, the carrying amount of the Office's demand deposits and certificates of deposit were \$29,893,383 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, 2022. The Office does not have any custodial credit risk at December 31, 2022.

3) INVESTMENTS

As of December 31, 2022, the Office's investment balances were as follows:

Louisiana Asset Management Pool	\$ 1,098,993
Money Market Funds	<u>1,084,389</u>
Total	<u>\$ 2,183,382</u>

Reconciliation to the financial statements:

Per Government-Wide Statement of Net Position:	
Investments	\$ 1,084,389
Fiduciary Funds (not included in Government-Wide Financial Statements)	
Pension Trust	<u>1,098,993</u>
Total	<u>\$ 2,183,382</u>

ORLEANS PARISH SHERIFF'S OFFICE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2022

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 \$1,098,993 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, 2022.
- 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, 2022

3) INVESTMENTS (continued)

The Office has the following fair value measurements by hierarchy:

		Fair Value Measurements		
		Level 1	Level 2	Level 3
Reported at fair value				
Money market	\$ 1,084,389	\$ 1,084,389	\$ -	\$ -
Total Investments at fair value	\$ 1,084,389	\$ 1,084,389	\$ -	\$ -
Reported at Net Asset Value (NAV)				
Louisiana Asset Management Pool	\$ 1,098,993			
Total Investments at NAV	\$ 1,098,993			
Total Investments	\$ 2,183,382			

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. LAMP is rated AAAM by S&P Global. 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. The money market and LAMP investments are readily liquid and interest rates are variable.

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 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, 2022 were not subject to custodial credit risk.

ORLEANS PARISH SHERIFF'S OFFICE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2022

4) INTERGOVERNMENTAL RECEIVABLES

Intergovernmental receivables at December 31, 2022 are as follows:

Custody of Inmates		
City of New Orleans	\$	105,216
State of Louisiana		300,150
		<u>405,366</u>
Grants		
FEMA Grants		5,334,868
		<u>\$ 5,740,234</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, 2022 was \$0.

5) INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances at December 31, 2022 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Fiduciary Funds	\$ 327,301
General Fund	Capital Projects Fund	1,004,737
Debt Service	General Fund	857,533
Fiduciary Funds	General Fund	2,449

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, 2022

6) CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended December 31, 2022 are as follows:

	December 31, 2021	Additions	Disposals	December 31, 2022
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	331,788,942	315,651	-	332,104,593
Operating equipment	1,263,088	1,050,214	(23,591)	2,289,711
Office furniture and equipment	1,016,709	-	-	1,016,709
Vehicles	6,484,630	-	(812,080)	5,672,550
Total depreciable assets	<u>340,553,369</u>	<u>1,365,865</u>	<u>(835,671)</u>	<u>341,083,563</u>
Less accumulated depreciation:				
Buildings and improvements	65,737,468	8,320,696	-	74,058,164
Operating equipment	1,193,066	174,075	(23,590)	1,343,551
Office furniture and equipment	1,006,401	7,276	-	1,013,677
Vehicles	6,356,225	82,979	(806,020)	5,633,184
Total accumulated depreciation	<u>74,293,160</u>	<u>8,585,026</u>	<u>(829,610)</u>	<u>82,048,576</u>
Total assets being depreciated, net of accumulated depreciation	<u>266,260,209</u>	<u>(7,219,161)</u>	<u>(6,061)</u>	<u>259,034,987</u>
Lease right-of-use assets				
Leased operating equipment	1,101,845	282,737	-	1,384,582
Leased vehicles	1,308,760	68,100	-	1,376,860
Total right-of-use assets	<u>2,410,605</u>	<u>350,837</u>	<u>-</u>	<u>2,761,442</u>
Less accumulated amortization:				
Leased operating equipment	613,794	285,127	-	898,921
Leased vehicles	665,056	312,782	-	977,838
Total accumulated amortization	<u>1,278,850</u>	<u>597,909</u>	<u>-</u>	<u>1,876,759</u>
Total lease right-of-use assets, net of accumulated amortization	<u>1,131,755</u>	<u>(247,072)</u>	<u>-</u>	<u>884,683</u>
Capital assets, net	<u>\$ 273,444,645</u>	<u>\$(7,466,233)</u>	<u>\$ (6,061)</u>	<u>\$ 265,972,351</u>

Depreciation and amortization expense in the amount of \$9,182,935 was charged \$9,137,104 to custody of inmates and \$45,831 to civil division.

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.

ORLEANS PARISH SHERIFF'S OFFICE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2022

7) PENSION PLANS (continued)

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, 2022 of \$19,386. The employees contributed to the Plan through payroll withholdings a total of \$19,386 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.la.gov.

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.

ORLEANS PARISH SHERIFF'S OFFICE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2022

7) PENSION PLANS (continued)

b) Defined Benefit Pension Plan (continued)

Plan Description (continued):

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.

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, 2022 the employer rate is 12.25 percent of annual covered payroll. At July 1, 2022, 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, 2022, 2021, and 2020, were \$3,566,230, \$3,603,554, and \$3,969,459 respectively.

ORLEANS PARISH SHERIFF'S OFFICE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2022

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:

At December 31, 2022, the Office reported a liability of \$31,891,083 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022 and the total pension liability 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 liability was based on a projection of the Office's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2022, the Office proportion was 3.9237%, which was a decrease of 0.3306% from its proportion measured as of June 30, 2021.

For the year ended December 31, 2022, the Sheriff recognized pension expense of \$5,520,561.

At December 31, 2022 the Office reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 1,467,025	\$ (1,584,544)
Changes of assumptions	4,763,545	-
Net difference between projected and actual earnings on pension plan investments	13,806,831	-
Changes in proportion	886,842	(3,266,118)
Difference between the Office's contributions and its proportionate share of contributions	17,921	(186,065)
Employer contributions subsequent to the measurement date	1,878,528	-
Total	<u>\$ 22,820,692</u>	<u>\$ (5,036,727)</u>

The Office reported a total of \$1,878,528 as deferred outflow of resources related to pension contributions made subsequent to the measurement date of June 30, 2022 which will be recognized as an increase in net pension asset in the year ended December 31, 2023.

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>	
2023	\$ 3,870,889
2024	3,505,782
2025	1,271,504
2026	7,257,262
	<u>\$ 15,905,437</u>

ORLEANS PARISH SHERIFF'S OFFICE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2022

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, 2022 is as follows:

Valuation Date	June 30, 2022
Actuarial Cost Method	Entry Age Normal Method
Actuarial Assumptions:	
Expected Remaining Service Lives	5 years (2022 and 2021), 6 years (2020, 2019, and 2018), 7 years (2017 and 2016)
Investment Rate of Return	6.85% net of pension plan investment expense, including inflation
Discount Rate	6.85%
Projected Salary Increases	07/01/2014 - 06/30/2019 experience study, 5.00%
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	<p>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.</p>
Changes in Valuation Methods and Assumptions	<p>The discount rate used to measure pension liability was lowered from 6.90% to 6.85% and the investment rate of return was lowered from 6.90% to 6.85%.</p>

ORLEANS PARISH SHERIFF'S OFFICE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2022

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, 2022 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Real Return Arithmetic Basis</u>	<u>Long-term Expected Real Rate of Return</u>
Equity securities	62%	6.61%	4.10%
Fixed income	25%	4.92%	1.23%
Alternative Investments	13%	6.54%	0.85%
Total	<u>100%</u>		<u>6.18%</u>
Inflation			<u>2.25%</u>
Expected Arithmetic Nominal Return			<u>8.43%</u>

Discount Rate

The discount rate used to measure the total pension liability was 6.85%. 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, 2022

7) PENSION PLANS (continued)

b) Defined Benefit Pension Plan (continued)

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

The following table presents the Office's proportionate share of the net pension liability (NPL) using the discount rate of 6.85% as well as what the Office's proportionate share of the NPL would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate.

	<u>1.0% Decrease</u>	<u>Current Discount Rate</u>	<u>1.0% Increase</u>
Rates	5.85%	6.85%	7.85%
Office's Share of NPL	\$56,472,056	\$31,891,083	\$11,394,851

Payables to the Pension Plan

At December 31, 2022, the Office had accrued payables to the Pension Plan of \$166,000.

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 2022, the Plan allowed employees to contribute up to the lesser of \$20,500 for employees 49 years of age or younger; \$27,000 for employees 50 years of age or older (\$41,000 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 \$249,966 for the year ended December 31, 2022.

ORLEANS PARISH SHERIFF'S OFFICE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2022

8) LONG-TERM OBLIGATIONS

The following is a summary of long-term obligation transactions for the year ended December 31, 2022:

	Balance at December 31, 2021	Additions	Reductions	Balance at December 31, 2022	Due Within One Year
PUBLIC PLACEMENT					
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.	\$ 1,905,000	\$ -	\$ (360,000)	\$ 1,545,000	\$ 370,000
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.	1,925,000	-	(365,000)	1,560,000	375,000
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.	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.	2,760,000	-	(885,000)	1,875,000	920,000
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	-	(1,375,000)	2,825,000	1,395,000
Total Public Placement	11,950,000	-	(4,145,000)	7,805,000	3,060,000

ORLEANS PARISH SHERIFF'S OFFICE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2022

8) LONG-TERM DEBT OBLIGATIONS (continued)

	Balance at December 31, 2021	Additions	Reductions	Balance at December 31, 2022	Due Within One Year
PRIVATE PLACEMENT					
\$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	639,203	-	(423,694)	215,509	215,509
Total Private Placement	639,203	-	(423,694)	215,509	215,509
Total Debt	12,589,203	-	(4,568,694)	8,020,509	3,275,509
OTHER LONG-TERM LIABILITIES:					
Leases	2,055,677	350,837	(1,144,073)	1,262,441	838,554
Claims and judgments (see note 9)	10,891,006	4,189,503	(1,377,782)	13,702,727	493,831
Compensated absences	2,303,475	1,974,842	(2,532,183)	1,746,134	-
Other post-employment benefits	18,434,932	714,932	(3,863,543)	15,286,321	488,900
Net pension liability	-	31,891,083	-	31,891,083	-
	\$ 46,274,293	\$ 39,121,197	\$ (13,486,275)	\$ 71,909,215	\$ 5,096,794

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

Year Ending	Principal	Interest	Total
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
	\$ 7,805,000	\$ 346,233	\$ 8,151,233

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

Year Ending	Principal	Interest	Total
2023	\$ 215,509	\$ 2,443	\$ 217,952
	\$ 215,509	\$ 2,443	\$ 217,952

Interest expense on long-term debt for the year ended December 31, 2022 was \$298,990 including interest on leases of \$73,634.

ORLEANS PARISH SHERIFF'S OFFICE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2022

8) LONG-TERM DEBT OBLIGATIONS (continued)

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:

Agency	Original Balance	Transferred to other Agencies	Estimated Interest Earned	Remaining Balance at December 31, 2022
Orleans Parish District Attorney	\$ 2,500,000	\$ 2,612,536	\$ 433,592	\$ 321,056
Orleans Parish District Courts	8,500,000	9,806,836	1,474,212	167,376
Orleans Parish Clerk of Criminal District Courts	800,000	821,582	138,749	117,167
Orleans Parish Juvenile Courts	1,000,000	1,157,902	173,437	15,535
Orleans Parish Municipal and Traffic Courts	700,000	700,000	121,406	121,406
	<u>\$ 13,500,000</u>	<u>\$ 15,098,856</u>	<u>\$ 2,341,396</u>	<u>\$ 742,540</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.

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

Agency	Original Balance	Transferred to other Agencies	Estimated Interest Earned	Remaining Balance at December 31, 2022
Orleans Parish District Attorney	\$ 3,290,000	\$ 2,546,286	\$ 61,529	\$ 805,243
New Orleans Forensic Center	5,000,000	5,000,000	93,510	93,510
Orleans Parish Clerk of Criminal District Courts	2,825,000	2,086,766	52,833	791,067
Orleans Parish Juvenile Courts	3,720,000	3,720,500	69,571	69,071
Orleans Parish Municipal and Traffic Courts	7,500,000	4,276,796	140,264	3,363,468
	<u>\$ 22,335,000</u>	<u>\$ 17,630,348</u>	<u>\$ 417,707</u>	<u>\$ 5,122,359</u>

The Office has entered into certain lease agreements for vehicles to be used in operations at implicit interest rates between of 4.25% and 7.06%. 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 leases.

In addition, the Office has entered into lease agreements to finance the purchase of new radios and other equipment from Motorola for use in the detention center and associated centralized equipment and software and GPS locators for vehicle and detention center radios. The leases have interest rates between 3.16% and 3.95%.

ORLEANS PARISH SHERIFF'S OFFICE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2022

8) LONG-TERM DEBT OBLIGATIONS (continued)

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

Year Ending	Vehicle leases			Motorola leases		
	Principal	Interest	Total	Principal	Interest	Total
2023	\$ 237,638	\$ 14,663	\$ 252,301	\$ 662,551	\$ 16,147	\$ 678,698
2024	127,224	5,871	133,095	63,611	4,768	68,379
2025	42,429	1,904	44,333	65,651	2,729	68,380
2026	12,721	339	13,060	50,616	669	51,285
	<u>\$ 420,012</u>	<u>\$ 22,777</u>	<u>\$ 442,789</u>	<u>\$ 842,429</u>	<u>\$ 24,313</u>	<u>\$ 866,742</u>

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:

Fiscal Year	Liability at Beginning	Current-Year Claims and Changes in Estimates	Claim Payments	Liability at End
2021	\$ 2,750,166	\$ 8,729,846	\$ (589,006)	\$ 10,891,006
2022	\$ 10,891,006	\$ 4,189,503	\$ (1,377,782)	\$ 13,702,727

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. Employee health insurance premiums, unemployment benefits, and workers' compensation premiums paid by the City of New Orleans on behalf of the Office totaled \$6,738,595. 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, 2022

11) ECONOMIC DEPENDENCY

The Office derives a material part of its revenues for the housing of state and municipal prisoners from the City of New Orleans and the State of Louisiana Department of Corrections. For the year ended December 31, 2022, revenues from these sources exceeded \$39 million.

12) 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 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 was previously resolved and the remaining \$1.4 million was repaid in April 2022.

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.

ORLEANS PARISH SHERIFF'S OFFICE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2022

13) 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.

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, 2022 was \$4,201,125 and \$1,102,123, respectively. The proportionate share of the plan's OPEB liability related to the Office's retirees is 9.20% and the City's liability related to the Office's retirees is \$14,576,479. 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 – Benefits are provided through comprehensive plans and are made available to employees upon actual retirement. Only grandfathered employees in the Civil division receive medical and dental benefits. Employees are covered by a retirement system whose retirement eligibility (D.R.O.P. entry) provisions as follows: 30 years of service at any age, or age 55 and 12 years of service if earlier; or, for employees hired on and after January 1, 2012, the earliest of age 55 and 30 years of service, age 60 and 20 years of service, and age 62 and 12 years of service. Notwithstanding this there is a minimum service requirement of 15 years for benefits.

Life insurance coverage is provided to retirees and 100% of the blended rate (active and retired) for the full face amount (for grandfathered employees in the Civil division) or \$10,000 (for all others) is paid by the employer. For grandfathered employees in the Civil division the amount of insurance coverage while active is continued after retirement, but insurance coverage amounts are reduced to 75% of the original amount at age 65 and to 50% of the original amount at age 70; for all others the amount only reduces to 50% of the original amount at age 70.

ORLEANS PARISH SHERIFF'S OFFICE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2022

13) POST-EMPLOYMENT BENEFITS (continued)

Employees covered by benefit terms – At December 31, 2022, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	229
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	583
	812
	812

Total OPEB Liability

The Office's total OPEB liability of \$15,286,321 was measured as of December 31, 2022 and was determined by an actuarial valuation as of January 1, 2022.

Actuarial Assumptions and other inputs – The total OPEB liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	3.0%	
Salary increases	3.0%, including inflation	
Discount rate	2.06%, annually (Beginning of Year to Determine ADC)	
	3.72%, annually (As of End of Year Measurement Date)	
Healthcare cost trend rates	Medical: 5.5% annually for 5 years, decreasing to 4.14% after 52 years; Dental: 4%	
Mortality	Pub-2010/2021	
Average remaining service life	4 years	

The discount rate was based on the average of the Bond Buyers' 20 Year General Obligation municipal bond index as of December 31, 2022, the end of the applicable measurement period.

The actuarial assumptions used in the December 31, 2022 valuation were based on the results of ongoing evaluations of the assumptions from January 1, 2009 to December 31, 2022.

Changes in the Total OPEB Liability

Balance at December 31, 2021	\$18,434,932
Changes for the year:	
Service cost	331,755
Interest	383,177
Differences between expected and actual experience	(523,658)
Changes in assumptions	(2,850,985)
Benefit payments and net transfers	(488,900)
Net changes	(3,148,611)
Balance at December 31, 2022	\$15,286,321

ORLEANS PARISH SHERIFF'S OFFICE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2022

13) 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 (2.72%)	Current Discount Rate (3.72%)	1.0% Increase (4.72%)
Total OPEB liability	\$ 17,428,388	\$ 15,286,321	\$ 13,533,060

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	\$ 14,016,699	\$ 15,286,321	\$ 16,812,414

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

For the year ended December 31, 2022, the Office recognized OPEB expense of \$892,010. At December 31, 2022, the Office reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ (1,859,727)
Changes in assumptions	3,443,365	(3,602,416)
Total	<u>\$ 3,443,365</u>	<u>\$ (5,462,143)</u>

ORLEANS PARISH SHERIFF'S OFFICE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2022

13) 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		
2023	\$	(728,727)
2024		(728,727)
2025		(728,726)
2026		41,398
2027		41,398
Thereafter		84,606
	\$	(2,018,778)

14) SUBSEQUENT EVENTS

Proposed nationwide settlement agreements (“Settlements”) have been reached that would resolve opioid litigation brought by states, local political subdivisions, and special districts against pharmaceutical manufacturers. Settlement amounts will be paid by manufacturers and pharmacies who participated in the Settlements to abate the opioid epidemic. Louisiana settlement proceeds will be distributed from Louisiana’s Opioid Abatement Administration Corporation to parish governments and sheriffs. The Louisiana Memorandum of Understanding (MOU) is an agreement between the State of Louisiana and participating local governments that will govern settlement funds. The MOU establishes permitted uses for the funds and sets out parish-by-parish allocations. The Office expects to receive approximately \$4 million to be paid out over 18 years. The Office received its first installment of approximately \$431,000 in 2023. The collectability of the remaining balance will be dependent upon many factors, including the ongoing operations of the pharmaceutical companies involved. In addition to these Settlements, there are other settlement negotiations in progress with other pharmaceutical manufacturers that may be reached in the future.

In 2023 and 2024, the Office entered into Cooperative Endeavor Agreements with the City of New Orleans to provide additional security during each Mardi Gras season. The Office partnered with agencies throughout the State of Louisiana to provide 150 additional law enforcement officers to secure parade routes and assist with the closure of streets in the French Quarter for the 10 days of parades. The amounts received for the security services and security equipment was \$1.75 million and \$2.35 million for 2023 and 2024, respectively.

**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, 2022

	Budgeted Amounts		Actual Amounts	Variance With Final Budget - Over (Under)
	Original	Final		
<u>REVENUES:</u>				
Custody of prisoners:				
City of New Orleans charges	\$ 40,233,657	\$ 37,787,575	\$ 37,787,575	\$ -
State of Louisiana Department of Corrections charges	1,879,235	2,096,102	2,032,966	(63,136)
Civil fees and commissions	3,127,122	2,875,414	3,026,593	151,179
Civil security services	1,085,578	1,138,993	376,589	(762,404)
On-behalf payments	6,952,062	6,952,062	6,738,595	(213,467)
Other income	1,757,219	2,470,088	2,514,993	44,905
State supplemental pay	1,851,000	1,701,216	1,917,715	216,499
Federal and state grants	970,762	1,016,750	783,869	(232,881)
Ad valorem tax revenue	6,552,687	6,552,687	6,112,012	(440,675)
Total revenues	64,409,322	62,590,887	61,290,907	(1,299,980)
<u>EXPENDITURES:</u>				
Central services	9,106,072	9,602,381	6,914,333	(2,688,048)
Court services	2,459,564	2,516,464	2,679,699	163,235
Security services	20,618,836	16,758,699	15,519,654	(1,239,045)
Investigative services	2,529,293	2,878,703	3,193,946	315,243
Administrative services	4,923,357	5,223,282	5,525,591	302,309
Records and booking	5,485,895	3,915,334	3,913,454	(1,880)
Inmate services	3,997,202	3,891,445	4,278,845	387,400
Interest	18,074	51,844	92,008	40,164
Debt retirement	420,271	1,195,760	1,567,767	372,007
Grants and special programs	442,976	551,057	648,118	97,061
Civil administrative services	2,376,286	2,126,967	2,272,996	146,029
Civil security services	2,102,343	1,869,818	2,012,286	142,468
Plant and maintenance	9,429,153	9,269,150	8,801,116	(468,034)
Capital outlays	500,000	21,021	1,716,702	1,695,681
Total expenditures	64,409,322	59,871,925	59,136,515	(735,410)
Excess (deficiency) of revenues over expenditures	-	2,718,962	2,154,392	(564,570)
<u>OTHER FINANCING SOURCES (USES):</u>				
Capital leases proceeds	-	-	350,837	350,837
Proceeds from sale of assets	-	-	72,300	72,300
Total other financing sources (uses)	-	-	423,137	423,137
Net change in fund balance	-	2,718,962	2,577,529	(141,433)
<u>FUND BALANCES, BEGINNING</u>	8,637,804	6,521,688	6,391,309	(130,379)
<u>FUND BALANCES, ENDING</u>	\$ 8,637,804	\$ 9,240,650	\$ 8,968,838	\$ (271,812)

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, 2022

	<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	\$ 30	\$ 30	\$ 8,303	\$ 8,273
Ad valorem tax revenue	5,361,290	5,361,290	5,000,737	(360,553)
Total revenues	<u>5,361,320</u>	<u>5,361,320</u>	<u>5,009,040</u>	<u>(352,280)</u>
<u>EXPENDITURES:</u>				
Miscellaneous	-	-	4,937	4,937
Debt retirement	4,145,000	4,145,000	4,145,000	-
Interest payments	247,128	247,128	229,794	(17,334)
Total expenditures	<u>4,392,128</u>	<u>4,392,128</u>	<u>4,379,731</u>	<u>(12,397)</u>
Net change in fund balance	969,192	969,192	629,309	(339,883)
<u>FUND BALANCES, BEGINNING</u>	<u>140,550</u>	<u>140,550</u>	<u>500,483</u>	<u>359,933</u>
<u>FUND BALANCES, ENDING</u>	<u>\$ 1,109,742</u>	<u>\$ 1,109,742</u>	<u>\$ 1,129,792</u>	<u>\$ 20,050</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, 2022

	<u>2022</u>	<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	\$ 3,566,230	\$ 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>3,566,230</u>	<u>3,603,554</u>	<u>3,969,459</u>	<u>4,493,355</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>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>				
Employer's Covered Employee Payroll ³	\$ 30,238,758	\$ 29,412,179	\$ 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% / 12.75%	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, 2022 (*)

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Employer's Proportion of the Net Pension Liability	3.9237%	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)	\$ 31,891,083	\$ (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	\$ 29,432,068	\$ 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	108.35%	-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	83.90%	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.

2022

- (1) The investment rate of return was changed from 6.90% to 6.85%
- (2) The discount rate was changed from 6.90% to 6.85%.

ORLEANS PARISH SHERIFF'S OFFICE
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
AS OF DECEMBER 31, 2022

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%
12/31/2022	1/31/2022	331,755	383,177	(523,658)	(2,850,985)	(488,900)	(3,148,611)	18,434,932	15,286,321	26,206,919	58.33%

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
12/31/2022	3.72%	3.00%	5.5 Annually for 5 years, decreasing to 4.14% after 52 years	120% of Pub-2010 table for General Employees and Healthy Retirees with MP-2021 scale	4 years

OTHER SUPPLEMENTARY INFORMATION

ORLEANS PARISH SHERIFF'S OFFICE
COMBINING STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
DECEMBER 31, 2022

	Fines	Criminal Justice	Inmate Funds	Cash Bonds and Fines	Civil	Total
<u>ASSETS:</u>						
Cash	\$ 4,301	\$ 73	\$ 330,726	\$ 60,646	\$ 4,063,252	\$ 4,458,998
Interfund receivable	-	2,449	-	-	-	2,449
Deposits	-	-	40,000	-	-	40,000
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total assets	4,301	2,522	370,726	60,646	4,063,252	4,501,447
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<u>LIABILITIES:</u>						
Due to inmates and others	2,996	2,522	348,544	14,269	3,865,481	4,233,812
Interfund payable	1,305	-	22,182	46,377	197,771	267,635
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities	4,301	2,522	370,726	60,646	4,063,252	4,501,447
	<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, 2022

	Fines	Criminal Justice	Inmate Funds	Cash Bonds and Fines	Civil	Total
<u>ADDITIONS</u>						
Inmate deposits	\$ -	\$ -	\$ 1,878,773	\$ -	\$ -	\$ 1,878,773
Escrow deposits	-	15,043	-	-	-	15,043
Bond and fine deposits	-	-	-	16,015	-	16,015
Litigant deposits	-	-	-	-	15,781,277	15,781,277
Total additions	<u>-</u>	<u>15,043</u>	<u>1,878,773</u>	<u>16,015</u>	<u>15,781,277</u>	<u>17,691,108</u>
<u>DELETIONS</u>						
Inmate disbursements	-	-	1,878,773	-	-	1,878,773
Escrow disbursements	-	15,043	-	-	-	15,043
Bond and fine disbursements	-	-	-	16,015	-	16,015
Litigant disbursements	-	-	-	-	15,781,277	15,781,277
Total deletions	<u>-</u>	<u>15,043</u>	<u>1,878,773</u>	<u>16,015</u>	<u>15,781,277</u>	<u>17,691,108</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, 2022, 2021, AND 2020

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Functions/Programs			
<u>Governmental activities:</u>			
Custody of inmates:			
Personnel	\$ 42,689,028	\$ 43,090,581	\$ 46,140,159
Contractual	8,510,992	10,625,831	14,602,844
Materials and supplies	4,287,063	3,845,176	3,784,564
Depreciation	<u>9,182,935</u>	<u>9,081,475</u>	<u>9,043,072</u>
Total custody of inmates	64,670,018	66,643,063	73,570,639
Civil division	3,983,909	5,040,789	6,026,148
Interest on long-term debt	<u>298,990</u>	<u>541,176</u>	<u>784,243</u>
 Total governmental activities	 <u>\$ 68,952,917</u>	 <u>\$ 72,225,028</u>	 <u>\$ 80,381,030</u>

See accompanying Independent Auditors' Report.

ORLEANS PARISH SHERIFF'S OFFICE
COMPARATIVE BALANCE SHEETS - GENERAL FUND
DECEMBER 31, 2022, 2021, AND 2020

	<u>2022</u>	<u>2021</u>	<u>2020</u>
<u>ASSETS:</u>			
Cash and cash equivalents	\$ 15,535,103	\$ 17,746,134	\$ 16,742,011
Investments	1,084,389	1,293,674	1,293,589
Intergovernmental receivables	5,740,234	1,607,140	2,428,892
Interfund receivables	1,332,037	1,254,222	1,349,961
Other receivables	902,423	899,776	879,995
Prepaid expenses	-	90,984	90,984
Inventory	577,533	541,527	539,987
	<u>\$ 25,171,719</u>	<u>\$ 23,433,457</u>	<u>\$ 23,325,419</u>
<u>LIABILITIES:</u>			
Accounts payable	\$ 9,336,737	\$ 15,605,479	\$ 15,676,111
Interfund payables	859,981	729,954	633,179
	<u>10,196,718</u>	<u>16,335,433</u>	<u>16,309,290</u>
<u>DEFERRED INFLOWS OF RESOURCES:</u>			
Unavailable revenues	6,006,163	696,715	382,887
	<u>6,006,163</u>	<u>696,715</u>	<u>382,887</u>
<u>FUND BALANCES:</u>			
Nonspendable amounts:			
Not in spendable form	577,533	632,511	630,971
Unassigned	8,391,305	5,758,798	6,002,271
	<u>8,968,838</u>	<u>6,391,309</u>	<u>6,633,242</u>
	<u>\$ 25,171,719</u>	<u>\$ 23,423,457</u>	<u>\$ 23,325,419</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, 2022, 2021, AND 2020

	2022	2021	2020
<u>REVENUES:</u>			
Custody of inmates:			
City of New Orleans charges	\$ 37,787,575	\$ 35,246,305	\$ 42,773,360
State of Louisiana Department of Corrections charges	2,032,966	1,971,570	2,438,079
Civil fees and commissions	3,026,593	2,875,415	2,954,230
Civil security services	376,589	1,078,303	985,215
Investment income	90,749	12,021	23,485
On-behalf payments	6,738,595	6,897,097	6,952,062
Inmate telephone	739,443	838,539	772,748
State supplemental pay	1,917,715	1,823,924	2,014,036
Federal and state grants	783,869	1,012,777	3,129,215
Restitution/administration	145,966	146,067	175,224
Commissary	410,625	351,348	522,442
Release processing fees	583,527	530,275	328,527
Ad valorem tax revenue	6,112,012	6,813,113	6,882,910
Other income	544,683	764,792	311,862
	<u>61,290,907</u>	<u>60,361,546</u>	<u>70,263,395</u>
<u>EXPENDITURES:</u>			
Central services	6,914,335	7,732,744	6,780,489
Court services	2,679,699	2,489,222	3,232,182
Security services	15,519,654	16,834,512	18,195,160
Investigative services	3,193,946	2,916,696	3,059,592
Administrative services	5,525,591	5,443,928	4,885,106
Records and booking	3,913,454	3,832,742	5,565,936
Inmate services	4,278,845	4,111,797	10,281,204
Grants and special programs	648,118	389,265	396,430
Plant and maintenance	8,801,116	8,815,167	8,167,252
Debt retirement	1,567,767	2,199,596	3,092,723
Interest payments	92,006	146,862	236,497
Civil administrative services	2,272,996	2,449,506	2,627,036
Civil security services	2,012,286	2,458,352	2,223,501
Capital outlays	1,716,702	824,709	2,028,124
	<u>59,136,515</u>	<u>60,645,098</u>	<u>70,771,232</u>
Excess (deficiency) of revenues over expenditures	<u>2,154,392</u>	<u>(283,552)</u>	<u>(507,837)</u>
<u>OTHER FINANCING SOURCES (USES):</u>			
Proceeds from notes	-	-	750,000
Capital leases	350,837	41,619	686,944
Proceeds from sale of assets	72,300	-	-
	<u>423,137</u>	<u>41,619</u>	<u>1,436,944</u>
Net changes in fund balances	2,577,529	(241,933)	929,107
<u>FUND BALANCES, BEGINNING</u>	<u>6,391,309</u>	<u>6,633,242</u>	<u>5,704,135</u>
<u>FUND BALANCES, ENDING</u>	<u>\$ 8,968,838</u>	<u>\$ 6,391,309</u>	<u>\$ 6,633,242</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, 2022

Agency Head Name: Marlin N. Gusman, Sheriff Orleans Parish
January 1, 2022 to May 2, 2022

Purpose	Amount
Salary	\$ 75,797
Expense Allowance	7,580
Benefits-insurance ¹	3,743
Benefits-retirement ²	8,590

Agency Head Name: Susan Hutson, Sheriff Orleans Parish
May 2, 2022 to December 31, 2022

Purpose	Amount
Salary	\$ 129,828
Expense Allowance	12,983
Benefits-insurance ¹	3,352
Benefits-retirement ²	15,132

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, 2022

Cash Basis Presentation	First Six Month Period Ended 06/30/22	Second Six Month Period Ended 12/31/22
Receipts From:		
1st Parish Court of Jefferson, civil fees	\$ 810	\$ 690
2nd Parish Court of Jefferson, civil fees	1,050	210
3rd Justice Court, civil fees	-	60
6th Judicial Circuit Court Family Division, civil fees	45	-
6th Justice of The Peace Court, civil fees	30	-
Acadia Parish Sheriff's Office, civil fees	390	480
Alexandria City Court, civil fees	150	-
Allen Parish Clerk of Court, civil fees	90	1,020
Ascension Parish Clerk of Court, civil fees	2,526	2,843
Ascension Parish Sheriff's Office, civil fees	199	90
Assumption Parish Clerk of Court, civil fees	330	361
Avoyelles Parish Clerk of Court, civil fees	270	390
Avoyelles Parish Sheriff's Office, civil fees	90	110
Baton Rouge City Court, civil fees	150	-
Beauregard Parish Clerk of Court, civil fees	330	630
Bienville Parish Clerk of Court, civil fees	210	60
Bossier Parish Clerk of Court, civil fees	900	1,530
Bossier Parish Sheriff's Office, civil fees	60	30
Caddo Parish Clerk of Court, civil fees	3,104	3,546
Caddo Parish Sheriff's Office, civil fees	820	870
Calcasieu Parish Clerk of Court, civil fees	4,795	5,410
Calcasieu Parish Sheriff's Office, civil fees	420	150
Caldwell Parish Clerk of Court, civil fees	180	210
Cameron Parish Clerk of Court, civil fees	90	420
Catahoula Parish Clerk of Court, civil fees	120	-
City Court of Lafayette, civil fees	120	30
City Court of Baker, civil fees	-	30
City Court of Denham Springs, civil fees	210	210
City Court of East St. Tammany, civil fees	75	45
City Court of Hammond, civil fees	390	60
City Court of Houma, civil fees	1,440	2,132
City Court of Lafayette, civil fees	90	240
City Court of Lake Charles, civil fees	30	240
City Court of Morgan City, civil fees	-	210
City Court of Opelousas, civil fees	-	60
City Court of Ruston, civil fees	-	120
City Court of Shreveport, civil fees	30	-
City Court of Sulphur, civil fees	30	30
City Court of Thibodaux, civil fees	30	150
City Court of West Monroe, civil fees	60	60
City Court Zachary, civil fees	30	60
City of Kansas City, Missouri, civil fees	45	-
City of New Orleans, civil fees	19,144	5,020
Civil Legal Services, civil fees	30	120
Claiborne Parish Clerk of Court, civil fees	60	360
Concordia Parish Clerk of Court, civil fees	330	290
Desoto Parish Clerk of Court, civil fees	210	785
East Baton Rouge Parish Clerk of Court, civil fees	9,206	4,365
East Baton Rouge Sheriff's Office, civil fees	1,150	30

(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, 2022

Cash Basis Presentation	First Six Month Period Ended 06/30/22	Second Six Month Period Ended 12/31/22
East Feliciana Parish Clerk of Court, civil fees	90	180
Eunice City Court, civil fees	30	-
Evangeline Parish Clerk of Court, civil fees	530	390
Franklin Parish Clerk of Court, civil fees	240	60
Grant Parish Clerk of Court, civil fees	60	30
Iberia Parish Clerk of Court, civil fees	1,980	2,420
Iberville Parish Clerk of Court, civil fees	820	740
Iberville Parish Sheriff's Office, civil fees	120	-
Jackson Parish Clerk of Court, civil fees	-	30
Jackson Parish Sheriff's Office, civil fees	-	30
Jefferson Davis Parish Clerk of Court, civil fees	390	1,080
Jefferson Davis Parish Sheriff's Office, civil fees	30	30
Jefferson Parish Clerk of Court, civil fees	10,924	11,135
Jefferson Parish Sheriff's Office, civil fees	2,432	1,830
Lafayette Parish Clerk of Court, civil fees	5,042	6,276
Lafayette Parish Sheriff's Office, civil fees	75	93
Lafourche Parish Clerk of Court, civil fees	3,360	3,528
Lafourche Parish Sheriff's Office, civil fees	60	30
Lasalle Parish Clerk of Court, civil fees	-	390
Lincoln Parish Clerk of Court, civil fees	360	330
Livingston Parish Clerk of Court, civil fees	1,290	2,050
Livingston Parish Sheriff's Office, civil fees	30	30
Louisiana Department of Justice, civil fees	11,041	10,437
Louisiana State Treasurer's Office, civil fees	150	-
Louisiana Supreme Court, civil fees	28,642	13,250
Monroe City Court, civil fees	150	210
Morehouse Parish Clerk of Court, civil fees	152	60
Natchitoches Parish Clerk of Court, civil fees	150	270
New Iberia City Court, civil fees	30	-
Orleans Parish Communication District Thru Agent For Service of Process Human Resources/ Payroll, civil fees	-	1,777
Orleans Parish Sheriff's Office, civil fees	-	2,082
Orleans Parish Criminal Court Thru Payroll, civil fees	2,277	-
Ouachita Parish Clerk of Court, civil fees	1,520	2,010
Ouachita Parish Sheriff's Office, civil fees	30	60
Plaquemines Parish Clerk of Court, civil fees	1,658	2,723
Plaquemines Parish Sheriff's Office, civil fees	330	60
Pointe Coupee Parish Clerk of Court, civil fees	180	150
Rapides Parish Clerk of Court, civil fees	3,060	2,816
Rapides Parish Sheriff's Office, civil fees	30	30
Rayne City Court, civil fees	60	-
Red River Parish Clerk of Court, civil fees	60	210
Richland Parish Clerk of Court, civil fees	70	375
Richland Parish Sheriff's Office, civil fees	60	90
Sabine Parish Clerk of Court, civil fees	150	-
Secretary of State, civil fees	100	-
Sewerage And Water Board of New Orleans , civil fees	2,307	2,136
St Bernard Parish Clerk of Court, civil fees	7,080	6,600
St Bernard Parish Sheriff's Office, civil fees	120	30

(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, 2022

Cash Basis Presentation	First Six Month Period Ended 06/30/22	Second Six Month Period Ended 12/31/22
St Charles Parish Clerk of Court, civil fees	3,990	4,599
St Charles Parish Sheriff's Office, civil fees	-	150
St Helena Parish Clerk of Court, civil fees	30	60
St James Parish Clerk of Court, civil fees	1,268	1,680
St John The Baptist Parish Clerk of Court, civil fees	2,770	2,240
St John The Baptist Parish Sheriff's Office, civil fees	150	30
St Landry Parish Clerk of Court, civil fees	875	1,180
St Martin Parish Clerk of Court, civil fees	1,444	1,200
St Mary Parish Clerk of Court, civil fees	980	1,584
St Mary Parish Sheriff's Office, civil fees	-	60
St Tammany Parish Clerk of Court, civil fees	11,006	16,842
St Tammany Parish Sheriff's Office, civil fees	1,344	1,517
Tangipahoa Parish Clerk of Court, civil fees	4,048	5,330
Tangipahoa Parish Sheriff's Office, civil fees	90	150
Tensas Parish Clerk of Court, civil fees	-	120
Terrebonne Parish Clerk of Court, civil fees	3,964	4,960
Union Parish Clerk of Court, civil fees	-	240
Union Parish Sheriff's Office, civil fees	-	120
Vermilion Parish Clerk of Court, civil fees	514	480
Vernon Parish Clerk of Court, civil fees	150	210
Vernon Parish Sheriff's Office, civil fees	14	160
Washington Parish Clerk of Court, civil fees	630	570
Webster Parish Clerk of Court, civil fees	182	95
West Baton Rouge Parish Clerk of Court, civil fees	420	270
West Baton Rouge Parish Sheriff, civil fees	30	-
West Carroll Parish Clerk of Court, civil fees	-	30
West Feliciana Parish Clerk of Court, civil fees	240	120
Winn Parish Clerk of Court, civil fees	180	240
City of New Orleans, asset forfeiture/sale	174,177	219,707
Orleans Parish Sheriff's Office, asset forfeiture/sale	-	8,152
St. Tammany Parish Sheriff's Office, asset forfeiture/sale	42	154
Subtotal Receipts	<u>\$ 345,675</u>	<u>\$ 382,063</u>
 Ending Balance of Amounts Assessed but Not Received (only applies to those agencies that assess on behalf of themselves, such as courts)	 <u>\$ -</u>	 <u>\$ -</u>

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, 2022

Cash Basis Presentation	First Six Month Period Ended 06/30/22	Second Six Month Period Ended 12/31/22
Beginning Balance of Amounts Collected	\$ 3,772,028	\$ 4,460,146
Add: Collections		
Civil Fees	171,456	154,050
Asset Forfeiture/Sale	174,219	228,013
Other	9,547,062	5,512,189
Subtotal Collections	9,892,737	5,894,252
Less: Disbursements To Governments & Nonprofits:		
Acadia Parish Sheriff's office, civil fees	83	119
Avoyelles Parish Sheriff's Office, civil fees	193	31
Calcasieu Parish Sheriff's Office, civil fees	957	438
Claiborne Parish Sheriff's Office, civil fees	60	-
Concordia Parish Sheriff's Office, civil fees	6	75
East Baton Rouge Parish Sheriff's Office, civil fees	46,587	47,342
Franklin Parish Sheriff's Office, civil fees	-	31
Lafayette Parish Sheriff's Office, civil fees	4,525	2,344
LaSalle Parish Sheriff's Office, civil fees	-	48
Lincoln Parish Sheriff's Office, civil fees	105	40
Louisiana Department of Justice, civil fees	93,494	55,977
Natchitoches Parish Sheriff's Office, civil fees	65	59
Orleans Parish Sheriff's Office, civil fees	802,262	832,707
Pointe Coupee Parish Sheriff's Office, civil fees	71	-
Rapides Parish Sheriff's Office, civil fees	724	381
Secretary of State, civil fees	31,380	36,100
Sheriff of Jefferson Davis, civil fees	71	-
Sheriff, Ascension Parish, civil fees	1,422	1,688
Sheriff, Assumption Parish, civil fees	36	-
Sheriff, Beauregard Parish, civil fees	-	46
Sheriff, Bossier Parish, civil fees	293	414
Sheriff, Caddo Parish, civil fees	423	235
Sheriff, East Feliciana Parish, civil fees	-	46
Sheriff, Evangeline Parish, civil fees	11	68
Sheriff, Iberia Parish, civil fees	375	105
Sheriff, Iberville Parish, civil fees	140	74
Sheriff, Jefferson Parish, civil fees	27,510	19,860
Sheriff, Lafourche Parish, civil fees	1,222	625
Sheriff, Livingston Parish, civil fees	853	494
Sheriff, Madison Parish, civil fees	60	-
Sheriff, Ouachita Parish, civil fees	735	215
Sheriff, Plaquemines Parish, civil fees	720	450
Sheriff, St Bernard Parish, civil fees	7,484	4,519
Sheriff, St Charles Parish, civil fees	3,235	1,884
Sheriff, St James Parish, civil fees	777	234
Sheriff, St Landry Parish, civil fees	390	55
Sheriff, St Martin Parish, civil fees	93	247
Sheriff, St Mary Parish, civil fees	129	244
Sheriff, Tangipahoa Parish, civil fees	816	742

(Continued)

See accompanying Independent Auditors' Report

ORLEANS PARISH SHERIFF'S OFFICE
 JUSTICE SYSTEM FUNDING SCHEDULE - COLLECTING/DISBURSING ENTITY
 AS REQUIRED BY ACT 87 OF THE 2020 REGULAR LEGISLATIVE SESSION
FOR THE YEAR ENDED DECEMBER 31, 2022

Cash Basis Presentation	First Six Month Period Ended 06/30/22	Second Six Month Period Ended 12/31/22
Sheriff, Vermilion Parish, civil fees	129	-
Sheriff, Washington Parish, civil fees	297	156
Sheriff, West Baton Rouge, civil fees	85	38
Sheriff, West Feliciana Parish, civil fees	105	-
St Helena Parish Sheriff's Office, civil fees	153	140
St John Parish Sheriff's Office, civil fees	1,693	794
St Tammany Parish Sheriff's Office, civil fees	6,575	3,933
Terrebonne Parish Sheriff's Office, civil fees	790	176
Vernon Parish Sheriff's Office, civil fees	48	101
Avoyelles Parish Sheriff's Office, asset forfeiture/sale	30	-
Calcasieu Parish Sheriff's Office, asset forfeiture/sale	6	-
City of New Orleans, asset forfeiture/sale	350,345	225,308
Clerk of Civil District Court, asset forfeiture/sale	934,778	483,057
Department of Public Safety M.V.D, asset forfeiture/sale	168	64
East Baton Rouge Parish Sheriff's Office, asset forfeiture/sale	1,732	1,993
Lafayette Parish Sheriff's Office, asset forfeiture/sale	45	106
Natchitoches Parish Sheriff's Office, asset forfeiture/sale	-	65
Orleans Parish Sheriff, asset forfeiture/sale	631,024	779,930
Secretary of State, asset forfeiture/sale	400	400
Sheriff, Ascension Parish, asset forfeiture/sale	268	124
Sheriff, Assumption Parish, asset forfeiture/sale	-	48
Sheriff, Bossier Parish, asset forfeiture/sale	47	-
Sheriff, Iberville Parish, asset forfeiture/sale	-	249
Sheriff, Jefferson Parish, asset forfeiture/sale	3,420	6,840
Sheriff, Livingston Parish, asset forfeiture/sale	-	63
Sheriff, Ouachita Parish, asset forfeiture/sale	393	1,013
Sheriff, Plaquemines Parish, asset forfeiture/sale	30	-
Sheriff, St Bernard Parish, asset forfeiture/sale	370	105
Sheriff, St Charles Parish, asset forfeiture/sale	107	-
Sheriff, St James Parish, asset forfeiture/sale	46	48
Sheriff, St Helena Parish, asset forfeiture/sale	30	30
Sheriff, Tangipahoa Parish, asset forfeiture/sale	142	308
Sheriff, Washington Parish, asset forfeiture/sale	-	95
Sheriff, West Feliciana Parish, asset forfeiture/sale	120	187
St John Parish Sheriff's Office, asset forfeiture/sale	71	-
St Tammany Parish Sheriff's Office, asset forfeiture/sale	977	655
Less: Disbursements to Individuals/3rd Party Collection or Processing Agencies		
Other Disbursements to Individuals	6,242,892	3,869,402
Subtotal Disbursements/Retainage	9,204,619	6,383,366
Total: Ending Balance of Amounts Collected but not Disbursed/Retained	\$ 4,460,146	\$ 3,971,032
Ending Balance of "Partial Payments" Collected but not Disbursed	\$ 99,857	\$ 90,776
Other Information:		
Ending Balance of Total Amounts Assessed but not yet Collected	\$ -	\$ -
Total Waivers During the Fiscal Period	\$ -	\$ -

See accompanying Independent Auditors' Report

SINGLE AUDIT SECTION

ORLEANS PARISH SHERIFF'S OFFICE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2022

Funding Agencies/ Program Title	Assistance Listing Number	Grant Number	Disbursements/ Expenditures
<u>U.S. Department of Justice</u>			
<u>Pass-Through Awards:</u>			
Office of Justice Programs, Bureau of Justice Assistance, State of Louisiana Commission for Law Enforcement and Administration of Criminal Justice:			
Victims of Crime Act	16.575	2016-VA 01/02- 4062	\$ 28,429
Total U.S. Department of Justice			<u>28,429</u>
<u>U.S. Department of Homeland Security</u>			
<u>Pass-Through Awards:</u>			
Louisiana Office of Homeland Security and Emergency Preparedness			
Disaster Grants - Public Assistance	97.036	Various	4,981,439
Total U.S. Department of Homeland Security			<u>4,981,439</u>
Total Federal Awards			<u>\$ 4,981,439</u>

Notes to the Schedule of Expenditures of Federal Awards

Note 1

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

Note 2

During the year ended December 31, 2022 the Orleans Parish Sheriff's Office did not elect to use the 10% de minimus cost rate as covered in Section 200.414 of the Uniform Guidance.

Note 3

Federal revenues are included in operating and capital grants and contributions in the Office's financial statements.

Total expenditures of \$4,981,439 for the Disaster - Public Assistance grant were incurred in prior years. These grant funds were obligated, or approved, in 2022 by the grantor, and as a result, are included in the schedule of expenditures of federal awards for 2022.

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, 2022, and the related notes to the financial statements, which collectively comprise the Office's basic financial statements, and have issued our report thereon dated March 31, 2024.

Report on 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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the 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 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. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2022-001 that we consider to be a significant deficiency.

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 financial statements. 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 questioned costs as item 2022-001.

"EisnerAmper" is the brand name under which EisnerAmper LLP and Eisner Advisory Group LLC and its subsidiary entities provide professional services. EisnerAmper LLP and Eisner Advisory Group LLC are independently owned firms that practice in an alternative practice structure in accordance with the AICPA Code of Professional Conduct and applicable law, regulations and professional standards. EisnerAmper LLP is a licensed CPA firm that provides attest services, and Eisner Advisory Group LLC and its subsidiary entities provide tax and business consulting services. Eisner Advisory Group LLC and its subsidiary entities are not licensed CPA firms.

The Office's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Office's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The Office's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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.

EisnerAmper LLP

EISNERAMPER LLP
Metairie, Louisiana
March 31, 2024

EISNERAMPER
LLP



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

The Honorable Susan Hutson
Orleans Parish Sheriff's Office

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited the Orleans Parish Sheriff's Office's (the Office) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on the Office's major federal program for the year ended December 31, 2022. The Office's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Office complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2022.

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Office and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Office's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Office's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Office's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Office's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Office's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Office's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Office's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2022-001 and 2022-002. Our opinion on the major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on the Office's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The Office's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.



Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2022-001 and 2022-002, to be significant deficiencies.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the Office's response to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The Office's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

The signature of EisnerAmper LLP is written in a cursive, handwritten style in black ink.

EISNERAMPER LLP
Metairie, Louisiana
March 31, 2024



ORLEANS PARISH SHERIFF'S OFFICE
 Schedule of Findings and Questioned Costs
 Year Ended December 31, 2022

A. Summary of Auditor's Results

Financial Statements:

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
• Material weaknesses identified?	None identified
• Significant deficiencies identified not considered to be material weaknesses?	Yes
Noncompliance material to the financial statements:	None identified

Federal Awards:

Internal control over major programs:	
• Material weaknesses identified?	None identified
• Significant deficiencies identified not considered to be material weaknesses?	Yes
Type of auditors' report issued on compliance for major programs:	Unmodified
Any audit findings which are required to be reported in accordance with the 2 CFR 200.516(a)?	Yes
Identification of major program:	
• Assistance Listing Number 97.036 – Public Assistance - Disaster Grants	
Dollar threshold used to distinguish between Type A and Type B programs?	\$750,000
Auditee qualified as a low risk auditee?	No

B. Findings Relating to the Financial Statements Reporting in Accordance with Government Auditing Standards

2022-001 Timely Submission of Audit Reports

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

In accordance with 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.

ORLEANS PARISH SHERIFF'S OFFICE
Schedule of Findings and Questioned Costs
Year Ended December 31, 2022

B. Findings Relating to the Financial Statements Reporting in Accordance with Government Auditing Standards (continued)

2022-001 Timely Submission of Audit Reports (continued)

Condition: The Office did not meet the June 30, 2023 deadline for reporting to the LLA and the September 30, 2023 deadline for reporting to the Federal Audit Clearinghouse.

Context/Cause: Due to staffing shortages and turnover at key management positions, the Office's 2021 audit was completed in June 2023, and as a result, the 2022 audit was delayed as the Office needed additional time to prepare for the audit.

Effect: The Office is not compliant the Louisiana Legislative Auditor and Uniform Guidance reporting requirements.

Indication of a repeat finding: This is a repeat finding related to the Louisiana Legislative Auditor reporting requirement. The Office was not required to have a Uniform Guidance audit for 2021.

Recommendations: The Office should implement procedures to ensure that future audits are submitted by the required deadlines. The Office should consider consultants to assist with preparation for the audit.

Views of responsible officials and planned corrective action: The Orleans Parish Sheriff's Office has a late filing audit finding in connection with our 2022 audit. This audit was due to be filed June 30, 2023. Due to a staff shortage, the 2021 financial audit was not filed until June 2023. This delayed the commencement of the 2022 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 and the Chief Financial Officer was dismissed from his position and not replaced. This left the Accounting Department with two full time accountant and the Comptroller who absorbed the Internal Auditor's duties as well as the Chief Financial Officer's duties. This abrupt staffing issue left the Office significantly delayed in compiling the necessary information for the 2022 audit. To try and expediate the 2022 audit, the Office has engaged EisnerAmper to prepare the financial statements as opposed to the Office preparing the financial statements. We anticipate this will ensure that the 2023 statements are completed expeditiously in order for the department to ensure that the 2023 audit will filed by the June 30, 2024 deadline.

ORLEANS PARISH SHERIFF'S OFFICE
Schedule of Findings and Questioned Costs
Year Ended December 31, 2022

C. Findings and Questioned Costs Related to Federal Awards

See finding 2022-001 related to reporting to the Federal Audit Clearinghouse.

2022-002 Compliance with FEMA Reporting Requirements

Federal Program:	Public Assistance - Disaster Grants, Assistance Listing Number 97.036
Criteria:	Reporting requirements of the Public Assistance - Disaster Grants mandate that quarterly performance reports be submitted to the grantor within 30 days after the end of each quarter.
Condition/Context:	The Office submitted the quarterly report for the quarter ended March 31, 2022 after the 30-day deadline. Reports for the remaining quarters were not submitted.
Statistically Valid Sample:	N/A
Cause:	Reports were not submitted timely for the first quarter of 2022 and not submitted after this quarter due to turnover in staff responsible for grant reporting.
Questioned Costs:	None.
Recommendation:	We recommend that the Office implement procedures to ensure that all reports are properly submitted by the required deadlines.
Views of responsible officials and planned corrective action:	The Orleans Parish Sheriff's Office is delinquent in filing quarterly performance reports. The task of filing the reports fell on the Internal Auditor/FEMA Auditor. This employee retired May 2021 and has not been replaced as of this filing. We have requested that our Attorneys who taken the lead with communications and submissions to FEMA and GOHSEP file all of the delinquent reports and continue to file them until these critical positions are filled.

ORLEANS PARISH SHERIFF'S OFFICE
Summary Schedule of Prior Audit Findings
Year Ended December 31, 2022

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.
Status:	Not resolved. See repeat finding 2022-001.



SUSAN HUTSON
Sheriff

OFFICE OF THE SHERIFF
Parish of Orleans • State of Louisiana



Below is the Orleans Parish Sheriff's Office's response to and submission of a Corrective Action Plan related to the 2022 Audit:

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

The Orleans Parish Sheriff's Office has a late filing audit finding in connection with our 2022 audit. This audit was due to be filed June 30, 2023. Due to a staff shortage, the 2021 financial audit was not filed until June 2023. This delayed the commencement of the 2022 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 and the Chief Financial Officer was dismissed from his position and not replaced. This left the Accounting Department with two full time accountant and the Comptroller who absorbed the Internal Auditor's duties as well as the Chief Financial Officer's duties. This abrupt staffing issue left the Office significantly delayed in compiling the necessary information for the 2022 audit. To try and expediate the 2022 audit, the Office has engaged Postlethwaite & Netteville to prepare the financial statements as opposed to the Office preparing the financial statements. We anticipate this will ensure that the 2023 statements are completed expeditiously in order for the department to ensure that the 2023 audit will filed by the June 30, 2024 deadline. For further information related to this Corrective Action Plan, please contact Elizabeth Boyer, Comptroller at 504-202-9220 or by email at boyere@opso.us.



SUSAN HUTSON
Sheriff

OFFICE OF THE SHERIFF
Parish of Orleans • State of Louisiana



Finding 2022-002 Compliance with FEMA Reporting Requirements

The Orleans Parish Sheriff's Office is delinquent in filing quarterly performance reports. The task of filing the reports fell on the Internal Auditor/FEMA Auditor. This employee retired May 2021 and has not been replaced as of this filing. We have requested that our Attorneys who taken the lead with communications and submissions to FEMA and GOHSEP file all of the delinquent reports and continue to file them until these this critical positions are filled.

Respectfully,

A handwritten signature in blue ink, appearing to read "Elizabeth Boyer".

Elizabeth Boyer

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To: 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) of the Orleans Parish Sheriff's Office for the fiscal period January 1, 2022 through December 31, 2022. The Orleans Parish Sheriff's management is responsible for those C/C areas identified in the SAUPs.

The Orleans Parish Sheriff's Office has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of performing specified procedures on the C/C areas identified in the LLA's SAUPs for the fiscal period January 1, 2022 through December 31, 2022. Additionally, the 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 Orleans Parish Sheriff's Office to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the AICPA and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs of the Orleans Parish Sheriff's Office for the fiscal period January 1, 2022 through December 31, 2022. 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 Orleans Parish Sheriff's Office and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

The purpose of 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.



EISNERAMPER LLP
Metairie, Louisiana
March 31, 2024

Orleans Parish Sheriff's Office
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
December 31, 2022

Schedule A

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 13 "we performed the procedure and discussed the results with management". If not, then a description of the exception ensues.

1) Written Policies and Procedures

A. 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):

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

Exception noted. OPSO has a policy on budgeting, however it does not include information on adopting or amending the budget. The other attributes were addressed.

ii. **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.

Exception noted. OPSO does not have a written policy on purchasing.

iii. **Disbursements**, including processing, reviewing, and approving

Exceptions noted. OPSO does not have a written policy covering disbursements.

iv. **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).

Exception noted. OPSO does not have a policy covering receipts/collections.

v. **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 rates of pay or approval and maintenance of pay rate schedules.

No exception noted.

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

Exception noted. OPSO does not have a written policy in place over contracting.

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

Exception noted. OPSO has a travel and expense reimbursement policy, however it does not include information on (2) dollar threshold by category of expense. The other attributes were address in the policy.

Orleans Parish Sheriff's Office
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
December 31, 2022

Schedule A

- viii. **Credit Cards (and debit cards, fuel cards, purchase cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).

Exception noted. OPSO does not have a formal written policy in place over credit cards.

- ix. **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.

Exception noted. OPSO has an ethics policy, however it does not include information on (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. The other attributes were addressed in the policy.

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

Exception noted. OPSO does not have a written policy in place over debt service.

- xi. **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, (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.

We performed the procedure and discussed the results with management.

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

Exception noted. OPSO has a prevention of sexual harassment policy, however it does not contain information on (2) annual employee training and (3) annual reporting. The other attributes are addressed in the policy.

2) Board or Finance Committee

- A. 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:

- i. 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.

- ii. 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

Orleans Parish Sheriff's Office
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
December 31, 2022

Schedule A

budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget- to-actual, at a minimum, on all special revenue funds. *Alternatively, for those entities reporting on the not-for-profit 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.

- iii. 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.

- iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

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.

3) Bank Reconciliations

- A. 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 May 2022, resulting in 5 bank reconciliations obtained and subjected to the below procedures.

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

No exception noted.

- ii. Bank reconciliations include written evidence that a member of management or a 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

Orleans Parish Sheriff's Office
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
December 31, 2022

Schedule A

No exception noted.

- iii. 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 exception noted.

4) Collections (excluding electronic funds transfers)

- A. 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 1 deposit site. No exceptions were noted as a result of performing this procedure.

From the listing provided, we selected the 1 deposit site and performed the procedures below.

- B. 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 (e.g. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then 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 the deposit site selected in procedure #4A 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 the 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.

- i. Employees responsible for cash collections do not share cash drawers/registers;

No exception noted.

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

No exception noted.

- iii. Each employee responsible for collecting cash is not also 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; and

No exception noted.

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

Orleans Parish Sheriff's Office
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
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Schedule A

No exception noted.

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

No exception noted.

- D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (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). *Alternatively, 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 2 deposit dates for each of the 5 bank accounts selected in procedure #3A. We obtained supporting documentation for each of the 10 deposits and performed the procedures below.

- i. Observe that receipts are sequentially pre-numbered.

No exception noted.

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

No exception noted.

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

No exception noted.

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

Of the 10 cash collections selected for testing, 2 of the deposits were not made within one business day of receipt at the collection location.

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

No exception noted.

5) Non-payroll Disbursements (excluding card purchases, travel reimbursements, and petty cash purchases)

- A. 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.

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From the listing provided, we selected the 2 locations and performed the procedures below.

- B. For each location selected under #5A 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, then 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 #5A 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.

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

No exception noted.

- ii. At least two employees are involved in processing and approving payments to vendors;

No exception noted.

- iii. 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 exception noted.

- iv. 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; and

No exception noted.

- v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

No exception noted.

- C. For each location selected under #5A 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 #5A 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.

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- i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice, and that supporting documentation indicates that deliverables included on the invoice were received by the entity, and

No exceptions noted.

- ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.

No exception noted.

- D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

No exception noted.

6) Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards)

- A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase 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.

- B. 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 the 3 credit cards used in the fiscal period. We randomly selected one monthly statement for the 3 cards selected and performed the procedures noted below.

- i. 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 (or electronically approved) by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported; and

For the 3 credit cards selected for testing, there was no evidence that the monthly statement or combined statement and supporting documentation was reviewed and approved in writing, by someone other than the authorized card holder.

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

All of the 3 credit cards selected for testing, had finance charges and/or late fees assessed on the selected statements.

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- C. Using the monthly statements or combined statements selected under procedure #6B 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 (e.g., each card should have 10 transactions subject to inspection). For each transaction, observe that 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 observe whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

We randomly selected 10 transactions, or all transactions if less than 10 from each statement and obtained supporting documentation for the transactions. Of the 23 credit card transactions selected for testing, 8 of the transactions did not have (1) an original itemized receipt that identifies precisely what was purchased. Of the 23 credit card transactions selected for testing, 17 of the transactions did not have (2) written documentation of the business/public purpose. There were no exceptions for attribute (3).

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

- A. 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, and 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.

- i. If reimbursed using a per diem, observe that 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);

No exception noted.

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

Of the 5 reimbursements selected for testing, 2 did not have the original itemized receipt that identifies precisely what was purchased.

- iii. Observe that 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 Policies and Procedures", procedure #1A(vii); and

No exception noted.

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

No exception noted.

8) Contracts

- A. 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. *Alternatively, 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.

- i. 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;

No exception noted.

- ii. 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 exception noted.

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

No exception noted.

- iv. 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 that the invoice and related payment agreed to the terms and conditions of the contract.

No exception noted.

9) Payroll and Personnel

- A. 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.

From the listing provided, we randomly selected 5 employees/officials. No exceptions were noted as a result of performing this procedure.

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- B. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and

We randomly selected pay periods during the fiscal period and performed the procedures below for the 5 employees/officials selected in procedure #9A.

- i. Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);

No exception noted.

- ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;

No exception noted.

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

No exception noted.

- iv. Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.

No exception noted.

- C. 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 and 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's or official's cumulative leave records, agree the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to entity policy.

A listing of employees/officials receiving termination payments during the fiscal period was provided.

From the listing provided, we randomly selected 2 employees/officials and performed the specified procedures. No exceptions were noted from as a result of performing the specified procedures.

- D. 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.

10) Ethics

- A. Using the 5 randomly selected employees/officials from procedure "Payroll and Personnel" procedure #9A, above obtain ethics documentation from management, and

- i. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and

For 1 of the 5 employees/officials selected for testing, we were unable to observe documentation demonstrating that the employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170.

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

No exception noted.

- B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

No exception noted.

11) Debt Service

- A. 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 that State Bond Commission approval was obtained for each bond/note issued as required by Article VII, Section 8 of the Louisiana Constitution.

Not applicable. The entity issued no new bonds or notes in the current fiscal year.

- B. 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, 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.

12) Fraud Notice

- A. 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 as required by R.S. 24:523.

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No exception noted.

- B. 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 exception noted.

13) Information Technology Disaster Recovery/Business Continuity

- A. Perform the following procedures, **verbally discuss the results with management, and report “We performed the procedure and discussed the results with management.”**

- i. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.

We performed the procedure and discussed the results with management.

- ii. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then 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.

- iii. 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 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.

- B. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #9C. Observe evidenced that the selected terminated employees have been removed or disabled from the network.

We performed the procedure and discussed the results with management.

14) Prevention of Sexual Harassment

- A. Using the 5 randomly selected employees/officials from “Payroll and Personnel” procedure #9A, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.

No exception noted.

- B. Observe that 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).

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No exception noted.

C. 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 that the report includes the applicable requirements of R.S. 42:344:

- i. 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.

- ii. Number of sexual harassment complaints received by the agency;

The Office did not provide an annual sexual harassment report.

- iii. Number of complaints which resulted in a finding that sexual harassment occurred;

The Office did not provide an annual sexual harassment report.

- iv. 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.

- v. 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

Written Policies and Procedures:

1i) Budgeting, 1ii) Purchasing, 1iii) Disbursements, 1iv) Receipts, 1vi) Contracting, 1vii) Travel and Expense Reimbursement, 1viii) Credit Cards, 1ix) Ethics, 1x) Debt Service, and 1xi) Prevention of Sexual Harassment: 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.

Collections:

4D) Deposit of cash collections: 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.

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

6B) 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.

6C) 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.

Travel & Travel – Related Expense Reimbursements:

7Aii) 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.

Ethics:

10Ai) 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.

Sexual Harassment:

14C) The Orleans Parish Sheriff's Office will work with our Compliance Division to better track and develop the Sexual Harassment reporting.