ANNUAL FINANCIAL REPORT

ORLEANS PARISH SHERIFF'S OFFICE

NEW ORLEANS, LOUISIANA

FOR THE YEAR ENDED

DECEMBER 31, 2019

P&N
Postlethwaite & Netterville
A Professional Accounting Corporation
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Independent Auditors' Report

The Honorable Marlin N. Gusman
Orleans Parish Sheriff's Office
New Orleans, Louisiana

Report of the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Orleans Parish Sheriff's Office (the Office) as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Office's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Orleans Parish Sheriff's Office as of December 31, 2019, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 16 to the financial statements, on March 11, 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a global pandemic. Given the uncertainty of the situation, the duration of any operational impacts and related financial impact cannot be reasonably estimated at this time.

Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages iv through xvii, budgetary comparison information on pages 43 through 44, schedule of employer's contributions to the Louisiana Sheriffs' Pension and Relief Fund on page 45, schedule of proportionate share of net pension liability on page 46, schedule of changes in total OPEB liability and related ratios on page 47, and the schedule of OPEB employer contributions on page 48, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

We also have previously audited, in accordance with auditing standards generally accepted in the United States of America, the Orleans Parish Sheriff's Office's basic financial statements for the years ended December 31, 2018 and 2017, which are not presented with the accompanying financial statements and we expressed unmodified opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information. Those audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the Orleans Parish Sheriff's Office's basic financial statements as a whole. The comparative schedule of expenses, comparative balance sheets – general fund, and comparative statements of revenues, expenditures, and changes in fund balances – general fund for the years ended December 31, 2018 and 2017, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2018 and 2017 basic financial statements. The information has been subjected to the auditing procedures applied in the audits of those basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2018 and 2017 comparative schedule of expenses, comparative balance sheets – general fund, and comparative statements of revenues, expenditures, and changes in fund balances – general fund are fairly stated in all material respects in relation to the basic financial statements from which they have been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 8, 2021, on our consideration of the Office's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Office's internal control over financial reporting and compliance.

Postlethwaite & Netterville

New Orleans, Louisiana
June 8, 2021

REQUIRED SUPPLEMENTARY INFORMATION

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, 2019. 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, 2019 by $247.4 million (presented as "net position"). Balances are comprised of the following: (1) net investment in capital assets of $267 million, (2) restricted for future intergovernmental transfers of $15 million, (3) restricted for debt service of $.5 million, (4) restricted for capital improvements $2.5 million, and (5) a deficit in unrestricted net position of $37.6 million.

The deficit in unrestricted net position was negatively impacted by the application of new and impactful accounting standards. During the year ended December 31, 2015 as described in note 7 to the financial statements, the Office was required to record its proportionate share of net pension liability for the defined benefit plan in which it participates. Additionally, during the year ended December 31, 2018, the Office implemented Governmental Accounting Standards Board (GASB) Statement No. 75 which required the recording of additional other post-employment benefits liability. These liabilities and associated deferred inflows and outflows have approximately a cumulative $33.3 million negative impact on net position through 2019.

The Office's net position at December 31, 2019 decreased by $15.2 million, or a 5.8% decrease from December 31, 2018. For the year ended December 31, 2019 total expenses of approximately $108.9 million exceeded total revenues of $93.8 million. The office recognized a $10.1 million loss on disposal of assets which is included in total expenses.

Louisiana Sheriff's Pension and Relief Fund

Under the GASBs 68 and 71, 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 $3.6 million and pension-related deferred inflows decreased by $2 million. The Office's proportionate share of the net pension liability, determined by actuarial calculations, increased from $17.3 million at December 31, 2018 to $23.1 million at December 31, 2019. More information is included in Note 7 to the financial statements.

Fund Level

At December 31, 2019, the Office's governmental funds reported combined ending fund balances of $23.7 million, a decrease of $1.3 million from the prior year. The Debt Service Fund's fund balance decreased by $.25 million to a total fund balance of $.5 million. The General Fund's fund balance increased by $.10 million to a fund balance of $5.7 million. The Capital Projects Fund's fund balance decreased by $1.2 million to a total fund balance of $17.5 million.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

GOVERNMENT WIDE FINANCIAL STATEMENTS

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

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

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

FUND FINANCIAL STATEMENTS

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

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

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

FUND FINANCIAL STATEMENTS (continued)

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

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS

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

OTHER INFORMATION

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Office's budget presentations. Budgetary comparison statements are included as "required supplementary information" for the general fund and debt service fund. These schedules demonstrate compliance with the Office's adopted original and final revised budgets. Other required supplementary information includes pension–related schedules and OPEB – related schedules. Required supplemental information can be found on pages 3 through 48, Schedules "A-1", "A-2", "A-3", "A-4", "A-5" and "A-6" of this report. This report also includes as other supplementary information for combining statements and statements with comparative data to prior years on pages 49 through 52. 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 53. A single audit section, which includes a Schedule of Expenditures of Federal Awards, begins on page 54.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

	Primary Government Totals			
	Governmental Activities		Change	
	2019	2018	$	%
Assets:				
Current and other	$ 45,692,871	$ 45,285,154	$ 407,717	0.9%
Capital	288,759,125	305,829,873	(17,070,748)	-5.6%
Total	334,451,996	351,115,027	(16,663,031)	-4.7%
Deferred outflows:				
Deferred outflows - OPEB related	2,999,065	-	2,999,065	-100.0%
Deferred outflows - pension related	12,532,008	8,911,142	3,620,866	40.6%
	15,531,073	8,911,142	6,619,931	74.3%
Liabilities:				
Current	21,829,105	19,941,575	1,887,530	9.5%
Long-term				
Due within one year	7,319,596	7,741,343	(421,747)	100.0%
Due after one year	41,119,044	41,971,498	(852,454)	-2.0%
Net pension liability	23,072,467	17,329,809	5,742,658	33.1%
Total	93,340,212	86,984,225	6,355,987	7.3%
Deferred inflows:				
Deferred inflows-OPEB related	2,583,275	1,835,735	747,540	40.7%
Deferred inflows-pension related	6,708,395	8,685,882	(1,977,487)	-22.8%
Total	9,291,670	10,521,617	(1,229,947)	-11.7%
Net Position:				
Net investment in capital assets	266,954,328	282,639,873	(15,685,545)	-5.5%
Restricted for:				
Debt service	514,575	767,139	(252,564)	-32.9%
Capital improvements	2,501,278	1,031,998	1,469,280	142.4%
Intergovernmental transfers	14,982,843	17,629,058	(2,646,215)	-15.0%
Unrestricted (deficit)	(37,601,837)	(39,547,741)	1,945,904	-4.9%
Total net position	$ 247,351,187	$ 262,520,327	$ (15,169,140)	-5.8%

GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)

There are several components to net position. Net investment in capital assets decreased by $15.7 million as a result of the removal of $10.2 million of capital assets including improvements to closed City owned buildings, closed Office buildings and other fixed asset deletions, and $9.2 million depreciation offset by the retirement of $3.6 million of capital outlay related debt, and $2.3 million additions of capital assets primarily leased assets. Net position restricted for debt service decreased $.3 million since debt retirement principal and interest payments of $4.4 million exceeded the $4.1 million of ad valorem tax revenue dedicated to debt retirement. Net position restricted for capital improvements increased by $1.5 million due to recoveries of prior year expenditures from FEMA exceeding 2019 expenditures from capital projects fund. Net position restricted for intergovernmental transfers decreased by $2.6 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 increased from a $39.5 million deficit to a $37.6 million deficit.

The restricted net position includes $.5 million set aside to liquidate debt. There is approximately $21.4 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 $2.6 million decrease to a remaining balance of $15 million. The Office cannot use these intergovernmental funds as they are restricted for other criminal justice governmental agencies' capital improvements. The Office has $2.5 million held for capital improvements for the Office at December 31, 2019.

Current and other assets increased slightly by $.4 million (.9%). Capital assets decreased $17.1 million primarily due to depreciation and the removal of improvements to City owned buildings.

Current liabilities increased $1.8 million (9.5 %). Long-term liabilities increased by $4.26 million in 2019 due primarily to a $5.7 million increase in net pension liability, a $2.7 million increase in other post-employment benefits (OPEB) liability, a $3.3 million increase for leases and a $.2 million increase in compensated absences. Reductions in long-term liabilities were $3.6 million under regularly scheduled principal payments for general obligation bonds, payments of $2.9 million on private placements and a $2.7 million decrease in claims and judgments.

GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)

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

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

	Governmental Activities		Change	
Revenues:	2019	2018	$	%
Program:				
Charges for custody of inmates services	$ 70,729,892	$ 62,303,811	$ 8,426,081	13.5%
Charges for civil division services	4,996,249	5,237,185	(240,936)	-4.6%
Operating grants	5,513,518	4,784,541	728,977	15.2%
Capital grants	1,959,491	1,835,984	123,507	6.7%
General:				
Ad-valorem taxes	9,803,691	9,876,989	(73,298)	-0.7%
Other	770,340	650,420	119,920	18.4%
Total revenues and other	93,773,181	84,688,930	9,084,251	10.7%
Expenses:				
Program expenses:				
Custody of prisoners	88,958,320	79,352,458	9,605,862	12.1%
Civil division	6,112,271	5,308,971	803,300	15.1%
Interest	948,125	996,908	(48,783)	-4.9%
General:				
Loss on disposal of assets	10,080,360	1,827,844	8,252,516	451.5%
Transfers to other governmental agencies	2,843,245	2,669,016	174,229	6.5%
Total expenses and other	108,942,321	90,155,197	18,787,124	21%
Net (decrease)	(15,169,140)	(5,466,267)	(9,702,873)	177.5%
Beginning net position	262,520,327	267,986,594	(5,466,267)	-2.0%
Ending net position	$ 247,351,187	$ 262,520,327	$ (15,169,140)	-5.8%

Charges for custody of inmates, the primary funding source, increased by $8.4 million from 2018 to 2019. The Civil Division generated fees decreased 4.6% in 2019. Grants, primarily FEMA, increased as FEMA projects were completed, versioned and closed. Ad-valorem taxes had no significant change since the millage remained the same at 2.8 mills.

Program expenses of the Office increased by 12.1% primarily for personnel and medical costs. There was a $10.1 million loss on disposal of assets due primarily to the improvements on City-owned buildings that have been shuttered. Other agencies spent $2.8 million of bond money for capital projects in 2019 resulting in a 6.5% increase in transfers to other government agencies. Interagency transfers are described in note 8.

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, 2019, the Office's governmental funds reported combined ending fund balances of $23.7 million. This is a decrease of $1.3 million or approximately a 5.3% decrease from the prior year. Unassigned fund balance remained $5.1 million.

Major Governmental Funds

Capital projects had a $1.2 million decrease from $18.7 million to $17.5 million restricted fund balance. This was primarily due to other agencies (primarily the Criminal District Courts) expending funds. Of this capital projects fund balance, $15 million is restricted for other criminal justice agencies.

The Debt Service Fund's fund balance decreased by $.25 million. Ad valorem taxes of $4.1 million ($3.9 million for 2018) were collected for debt service. The increase in ad valorem tax revenue in 2019 was offset by $4.4 million that was expended from the Debt Service Fund to pay fees and interest and to retire debt. For 2019, 1.6 mills (1.7 for 2018) are for operations/General Fund and 1.2 mills (1.1 for 2018) are for debt service.

The General Fund is the Office's primary operating fund. The General Fund's fund balance increased by $.1 million in 2019 for an ending fund balance of $5.7 million (less than one month of operations).

FINANCIAL ANALYSIS OF THE OFFICE'S FUNDS (continued)

Major Governmental Funds (continued)

The following schedule shows General Fund Revenues and Expenditures:

	General Fund			
	2019	2018	$ change	% change
REVENUES:				
City of New Orleans charges	$ 59,854,498	$ 51,518,130	$ 8,336,368	16.2%
State of Louisiana DOC charges	2,613,772	2,328,364	285,408	12.3%
Civil fees and commissions	3,971,516	4,263,700	(292,184)	-6.9%
Civil security services	1,024,733	973,485	51,248	5.3%
Investment income	145,489	72,024	73,465	102.0%
On-behalf payments	6,293,717	6,453,284	(159,567)	-2.5%
Inmate telephone	865,168	973,421	(108,253)	-11.1%
Release processing fees	359,171	355,217	3,954	1.1%
State supplemental pay	2,024,856	1,911,760	113,096	5.9%
Federal and state grants	3,596,508	2,889,103	707,405	24.5%
Restitution/administration	266,345	208,945	57,400	27.5%
Commissary	477,221	466,450	10,771	2.3%
Other income	454,369	436,765	17,604	4.0%
Ad valorem tax revenue	5,696,437	6,011,806	(315,369)	-5.2%
Total revenues	87,643,800	78,862,454	8,781,346	11.1%
EXPENDITURES:				
Central services	8,072,900	8,480,342	(407,442)	-4.8%
Court services	5,375,179	4,465,838	909,341	20.4%
Security services	17,714,129	15,262,193	2,451,936	16.1%
Investigative services	3,473,731	3,244,395	229,336	7.1%
Administrative services	6,037,627	5,059,823	977,804	19.3%
Records and booking	6,225,826	5,972,833	252,993	4.2%
Inmate services	22,821,231	19,724,755	3,096,476	15.7%
Grants and special programs	422,495	371,813	50,682	13.6%
Plant and maintenance	8,230,811	7,602,083	628,728	8.3%
Debt retirement	3,086,939	3,185,173	(98,234)	-3.1%
Interest payments	306,225	134,965	171,260	126.9%
Civil administrative services	3,164,251	3,035,523	128,728	4.2%
Civil security services	2,215,538	1,779,267	436,271	24.5%
Capital outlays	579,360	1,194,977	(615,617)	-51.5%
Total expenditures	87,726,242	79,513,980	8,212,262	10.3%
Deficiency of revenues over expenditures	(82,442)	(651,526)	569,084	-87.3%
OTHER FINANCING SOURCES	181,853	3,514,687	(3,332,834)	-94.8%
Net changes in fund balances	99,411	2,863,161	(2,763,750)	-96.5%
FUND BALANCES, BEGINNING	5,604,724	2,741,563	2,863,161	104.4%
FUND BALANCES, ENDING	$ 5,704,135	$ 5,604,724	$ 99,411	1.8%

FINANCIAL ANALYSIS OF THE OFFICE'S FUNDS (continued)

Major Governmental Funds (continued)

Revenues for the General Fund increased by 11.1% ($8.8 million increase). This is primarily attributable to a $8.3 million increase in City of New Orleans revenue. There was no change in the overall ad valorem tax millage but there was a .1 mill decrease in allocation to the General Fund in 2019 and a corresponding .1 mill increase in millage for the Debt Service Fund. Civil fees and commissions decreased $.3 million, which is 6.9% lower than 2018.

Operating expenditures for the General Fund increased 10.3%, or $8.2 million, from $79.5 million to $87.7 million. Most departments had increases in personnel costs due to an increase in employees and 2018 raises were in effect for all of 2019. Inmate services increased $3.1 million or 15.7% due primarily to the medical contract exceeding projected costs.

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 $86 million. The budget was amended to reflect a decrease to $85 million primarily due to decreases in FEMA grant revenue in the amount of $1.7 million and City charges of $1.4 million. These decreased revenues were offset by increases in on-behalf payments of $1.2 million and Civil revenues of $.8 million. The on behalf under estimated revenues are offset by an equal amount of under estimated personnel expenses. The increase in operating expenses for on-behalf of $1.2 million was allocated across all departments. The amended budget also adjusted the beginning fund balance from $.7 million to the actual 2018 ending balance of $5.6 million.

The actual revenues were $2.7 million higher than the final budget. Grant revenues and City charges exceeded expectations of the amended budget.

The initial 2019 budget expected Federal and state grants of $4.1 million. FEMA revenues are recognized on a reimbursement basis. The amended budget decreased Federal and state grant revenues to $2.49 million, and actual federal and state grants were $3.6 million. FEMA processing of requests for versions has slowed and FEMA is trying to only write versions at close out. Revenues were higher than budgeted due to the recognition of additional revenues for the replacement of the parking lot used for the temporary detention tents. Additional transfers from the general fund to the bond fund were recorded for parking lot expenditures paid in previous years by the bond fund.

BUDGETARY HIGHLIGHTS (continued)

The General Fund (continued)

The final expenditures were in line with the final budget except for inmate services Inmate services exceeded the budget by $2.4 million. This is the result of additional billings in 2019 for overages in the medical services contract for 2019.

The original budget expected a minimal decrease in fund balance. The amended budget expected a minimal increase in fund balance. Actual results were a $100 thousand increase in fund balance.

The Debt Service Fund

The 2019 debt service budget had minimal changes in revenues and expenditures. Ad valorem tax originally budgeted at $4.6 million were reduced to $4.1 million when collections did not meet expectations.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The following table provides a comparative summary of capital assets:

	2019	2018	Percentage change
Land	$ 6,052,681	$ 6,052,681	0.0%
Construction in progress	-	2,142,986	-100.0%
Depreciable assets:			
Building and improvements	329,654,211	343,559,882	-4.0%
Operating equipment	1,263,088	1,627,460	-22.4%
Leased operating equipment	1,101,845	-	100.0%
Furniture and equipment	1,016,709	1,205,017	-15.6%
Vehicles including leased	7,183,107	7,194,988	-0.2%
Total depreciable assets	340,218,960	353,587,347	-3.8%
Less accumulated depreciation	57,512,516	55,953,141	2.8%
Depreciable assets, net	282,706,444	297,634,206	-5.0%
Total assets	$ 288,759,125	$ 305,829,873	-5.6%

CAPITAL ASSETS AND DEBT ADMINISTRATION (continued)

Capital Assets (continued)

The Office's investment in capital assets, net of accumulated depreciation, as of December 31, 2019, is $288.8 million. This is a 5.6% decrease from 2018. City owned buildings (i.e. House of Detention (HOD) and Community Corrections Center (CCC)) have had limited use since the opening of the Orleans Justice Center (OJC) and therefore the Office has written off to expense the capital improvements that the Office financed. In addition, the Office wrote off to expense the Conchetta building which is no longer in use. These deletions as well as auctions and normal retirements amounted to approximately $10.1 million. Depreciation of $9.2 million also reduced capital assets. Additions to capital assets, funded primarily through capital leases were approximately $2.3 million.

Under the Office's capitalization policy, assets with a cost of $5,000 or more are capitalized for purposes of financial reporting. Therefore, for the Motorola lease discussed below individual radios that did not meet the $5,000 fixed asset capitalization policy were not added to fixed assets. Of the $3 million amount financed by leases, $1.1 million has been capitalized and added to the fixed assets.

Long-term Obligations

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

	2019	2018	Percentage change
Public placement debt	$ 19,555,000	$ 23,190,000	-15.7%
Private placement debt	3,184,984	4,314,827	-26.2%
Leases payable	3,323,752	-	100.0%
Claims and judgments	3,003,666	5,700,283	-47.3%
Compensated absences	2,297,204	2,145,168	7.1%
Other post employment benefits	17,073,944	14,362,563	18.9%
Net pension liability	23,072,467	17,629,058	30.9%
Total long-term obligations	$ 71,511,017	$ 67,341,899	6.2%

In 2019, the long-term obligations of the Office increased by $4.2 million. The Office made regularly scheduled repayments of $3.6 million on public placement debt. Private placement debt was reduced by $1.1 million. A number of claims were settled and case files closed. The claims and judgments, an estimate of future claim payments, decreased $2.7 million. These combined decreases of $7.4 million were offset by increases for accrued compensated absences ($.2 million), OPEB liability ($2.7 million), net pension liability ($5.4 million) and capital leases ($3.3 million).

CAPITAL ASSETS AND DEBT ADMINISTRATION (continued)

Long-term Obligations (continued)

In 2019, the Office has entered into certain capital lease agreements for vehicles to be used in operations. The total amount financed is $.6 million at implicit interest rates between of 4.25% and 4.4%. The leases are payable monthly over 48 to 60 month periods. These vehicles have certain clauses that based on mileage and resale value could have additional payments due at the end of the lease.

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

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

Net Pension Liability and Deferred Inflows and Outflows

On the Statement of Net Position, the Office is also showing a long-term obligation for the net pension liability totaling $23.1 million. This is the Office's proportionate share (approximately 4.9%) of the net pension liabilities of the Louisiana Sheriffs' Pension & Relief Fund. The net pension liability increased $5.4 million due to a reduction in discount rate and an increase of 8% in the Office's proportionate share due to increased salaries and number of personnel. Pension related deferred outflows increased $3.6 million to $12.5 million. Pension related deferred inflows decreased $1.9 million to $6.7 million.

Other Post-Employments Benefits Liability and Deferred Inflows and Outflows

On the Statement of Net Position, the Office is also showing a long-term obligation for the other post-employment benefits (OPEB) liability totaling $17.1 million. This is for life insurance for retired employees and health insurance for a closed group of pre-merger Civil employees for health insurance. The OPEB liability increased $2.7 million due to a reduction in discount rate from 4.10% at the beginning of the year to 2.74% at the end of year. The discount rate is based on the Bond Buyers' 20 Year General Obligation municipal bond index over which the Office has no control. OPEB related deferred outflows of $2.9 million were recorded in 2019. OPEB related deferred inflows increased $.7 million to $2.6 million.

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

The 2020 budget was adopted in late 2019 and there were no expected major changes in operations or funding for 2020.

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 2020, 1.65 mills are levied for operations, and 1.15 mills are levied for debt service. This is a .05 mills increase for the General Fund and a .05 mills decrease for debt service.

The 2020 General Fund budget shows a decrease in fund balance of $1.4 million. Operating revenues and expenditures are based on staffing levels and the inmate population at the end of 2019.

Non-Civil revenues are expected to be $84.1 million and expenditures are expected to be $85.1 million. $.75 million is the difference between the expected debt retirement of $1.75 million and expected new debt of $1 million.

Civil revenues are expected to remain $5.27 million and expenses are expected to be $5.26 million.

FEMA cumulative total grants for Katrina are expected to increase to over $340 million (current obligated funds are $326 million). Cumulative recognized FEMA accrual revenues are over $326 million through the end of 2019. Additional FEMA revenues will be recognized as FEMA obligates the funds, and the Governor's Office of Homeland Security and Emergency Preparedness reimburses the expenditures. FEMA revenues are budgeted at $1.65 million for 2020. Project worksheet versions that are necessary to request reimbursement in 2020 have not been obligated at this time

The Courts have an independent Financial Monitor and a Compliance Director in place to review the financial and budgetary needs of the Office in relation to the Consent Decree.

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

In 2020, the short term impacts of COVID-19 on New Orleans have changed inmate levels and personnel levels. New Orleans, with a strong reliance on the hospitality industry, has been disproportionately affected by COVID-19.

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

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

CONTACTING THE OFFICE'S FINANCIAL MANAGEMENT

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

BASIC FINANCIAL STATEMENTS

Exhibit "A"

ORLEANS PARISH SHERIFF'S OFFICE
STATEMENT OF NET POSITION
DECEMBER 31, 2019

	Governmental Activities
ASSETS:	
Cash and cash equivalents	$ 32,260,501
Intergovernmental receivables	10,524,345
Investments	1,289,045
Interfund receivables	416,383
Other receivables	590,536
Prepaid expenses	8,071
Inventory	603,990
Capital assets, net of accumulated depreciation	288,759,125
Total assets	334,451,996
DEFERRED OUTFLOWS OF RESOURCES:	
Deferred outflow amounts related to other post-employment benefits	2,999,065
Deferred ouflow amounts related to net pension liability	12,532,008
Total deferred outlows of resources	15,531,073
LIABILITIES:	
Accounts payable	21,457,552
Accrued interest	221,952
Interfund payables	149,601
Long-term liabilities:	
Due within one year	7,319,596
Due after one year	41,119,044
Net pension liability	23,072,467
Total liabilities	93,340,212
DEFERRED INFLOWS OF RESOURCES:	
Deferred inflow amounts related to other post-employment benefits	2,583,275
Deferred inflow amounts related to net pension liability	6,708,395
Total deferred inflows of resources	9,291,670
NET POSITION (DEFICIT):	
Net investment in capital assets	266,954,328
Restricted net position:	
Debt service	514,575
Capital improvements, net of related debt	2,501,278
Intergovernmental transfers	14,982,843
Unrestricted net position	(37,601,837)
Total net position	$ 247,351,187

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

Exhibit "B"

ORLEANS PARISH SHERIFF'S OFFICE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019

		Program Revenues			Net (Expense) Revenue and Changes in Net Position Primary Government
Functions/Programs	Expenses	Fees, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities:					
Custody of inmates	$ 88,958,320	$ 70,729,892	$ 5,094,295	$ 1,959,491	$ (11,174,642)
Civil division	6,112,271	4,996,249	419,223	-	(696,799)
Interest on long-term debt	948,125	-	-	-	(948,125)
Total governmental activities	$ 96,018,716	$ 75,726,141	$ 5,513,518	$ 1,959,491	(12,819,566)
			General revenues:		
			Ad valorem taxes		9,803,691
			Investment income		315,971
			Loss on disposal of assets		(10,080,360)
			Other income		454,369
			Transfers to other governmental agencies		(2,843,245)
			Total general revenues, losses and transfers		(2,349,574)
			Change in net position		(15,169,140)
			Net position - beginning		262,520,327
			Net position - ending		$ 247,351,187

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

Exhibit "C"

ORLEANS PARISH SHERIFF'S OFFICE
BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2019

	General Fund	Capital Projects	Debt Service	Total Governmental
ASSETS:				
Cash and cash equivalents	$ 11,938,716	$ 19,796,945	$ 524,840	$ 32,260,501
Investments	1,289,045	-	-	1,289,045
Intergovernmental receivables	10,524,345	-	-	10,524,345
Interfund receivables	2,739,472	-	-	2,739,472
Other receivables	590,536	-	-	590,536
Prepaid expenses	8,071	-	-	8,071
Inventory	603,990	-	-	603,990
Total assets	$ 27,694,175	$ 19,796,945	$ 524,840	$ 48,015,960
LIABILITIES:				
Accounts payable	$ 21,457,552	$ -	$ -	$ 21,457,552
Interfund payables	149,601	2,312,824	10,265	2,472,690
Total liabilities	21,607,153	2,312,824	10,265	23,930,242
DEFERRED INFLOWS OF RESOURCES:				
Unavailable revenues	382,887	-	-	382,887
Total deferred inflows of resources	382,887	-	-	382,887
FUND BALANCES:				
Nonspendable amounts:				
Not in spendable form	612,061	-	-	612,061
Restricted	-	17,484,121	514,575	17,998,696
Unassigned	5,092,074	-	-	5,092,074
Total fund balance	5,704,135	17,484,121	514,575	23,702,831
Total liabilities, deferred inflows, and fund balances	$ 27,694,175	$ 19,796,945	$ 524,840	$ 48,015,960

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, 2019

Total fund balances for governmental funds at December 31, 2019	$ 23,702,831
Total net position reported for governmental activities in the statement of net position is different because:	
Capital asssets 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 $49,122,065 accumulated depreciation	280,532,146
Operating equipment, net of $976,635 accumulated depreciation	286,453
Leased operating equipment, net of $128,360 accumulated amortization	973,485
Office furniture and equipment, net of $991,849 of accumulated depreciation	24,860
Leased vehicles, net of $109,292 accumulated amortization	489,918
Vehicles, net of $6,184,315 accumulated depreciation	399,582
	288,759,125
Inflows of resources – Under modified accrual basis of accounting, revenues are not recognized unless they are deemed "available" to finance the expenditures of the current period. Accrual basis recognition is not limited to availability, so cumulative deferred inflows of resources must be recorded.	382,887
Deferred outflows related to the pension plan and OPEB are a consumption of net assets that is applicable to a future reporting period and therefore are deferred.	
Pension related	12,532,008
OPEB related	2,999,065
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 on bonds and notes	(208,292)
Accrued interest on capitalized leases	(13,660)
Bonds and notes payable	(22,739,984)
Other post employment benefits accrual and related deferred inflows	(17,073,944)
Claims and judgements	(3,003,666)
Accrued compensated absences	(2,297,294)
Leases payable	(3,323,752)
Net pension liability	(23,072,467)
	(71,733,059)
Deferred inflows related to the pension and OPEB plans are an acquisition of net assets that is applicable to a future reporting period and therfore are deferred.	
Pension related	(6,708,395)
OPEB related	(2,583,275)
Total net position of governmental activities at December 31, 2019	$ 247,351,187

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

Exhibit "E"

ORLEANS PARISH SHERIFF'S OFFICE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019

	General Fund	Capital Projects	Debt Service	Total Governmental
REVENUES:				
Custody of inmates:				
City of New Orleans charges	$ 59,854,498	$ -	$ -	$ 59,854,498
State of Louisiana Department of Corrections charges	2,613,772	-	-	2,613,772
Civil fees and commissions	3,971,516	-	-	3,971,516
Civil security services	1,024,733	-	-	1,024,733
Investment income	145,489	162,630	7,852	315,971
On-behalf payments	6,293,717	-	-	6,293,717
Inmate telephone	865,168	-	-	865,168
State supplemental pay	2,024,856	-	-	2,024,856
Federal and state grants	3,596,508	-	-	3,596,508
Restitution/administration	266,345	-	-	266,345
Release processing fees	359,171	-	-	359,171
Commissary	477,221	-	-	477,221
Other income	454,369	-	-	454,369
Ad valorem tax revenue	5,696,437	-	4,107,254	9,803,691
Total revenues	87,643,800	162,630	4,115,106	91,921,536
EXPENDITURES:				
Central services	8,072,900	-	-	8,072,900
Court services	5,375,179	-	-	5,375,179
Security services	17,714,129	-	-	17,714,129
Investigative services	3,473,731	-	-	3,473,731
Administrative services	6,037,627	-	-	6,037,627
Records and booking	6,225,826	-	-	6,225,826
Inmate services	22,821,231	-	-	22,821,231
Grants and special programs	422,495	-	-	422,495
Plant and maintenance	8,230,811	1,829,794	-	10,060,605
Miscellaneous	-	-	25,938	25,938
Debt retirement(including capital leases)	3,086,939	-	3,635,000	6,721,939
Interest payments (including capital leases)	306,225	-	706,732	1,012,957
Civil administrative services	3,164,251	-	-	3,164,251
Civil security services	2,215,538	-	-	2,215,538
Capital outlays	579,360	1,835,840	-	2,415,200
Total expenditures	87,726,242	3,665,634	4,367,670	95,759,546
Excess (deficiency) of revenues over expenditures	(82,442)	(3,503,004)	(252,564)	(3,838,010)

(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, 2019

	General Fund	Capital Projects	Debt Service	Total Governmental
OTHER FINANCING SOURCES (USES), INCLUDING TRANSFERS:				
Proceeds from debt issuance	1,750,000	-	-	1,750,000
Capital leases	-	3,530,849	-	3,530,849
Proceeds from disposal of assets	70,318	-	-	70,318
Transfers in	-	1,638,465	-	1,638,465
Transfers out	(1,638,465)	-	-	(1,638,465)
Transfers to other governmental agencies	-	(2,843,245)	-	(2,843,245)
Total other financing sources (uses), including transfers	181,853	2,326,069	-	2,507,922
Net changes in fund balances	99,411	(1,176,935)	(252,564)	(1,330,088)
FUND BALANCES, BEGINNING	5,604,724	18,661,056	767,139	25,032,919
FUND BALANCES, ENDING	$ 5,704,135	$ 17,484,121	$ 514,575	$ 23,702,831

(concluded)

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

Exhibit "F"

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, 2019

Total net changes in fund balances for the year ended December 31, 2019 per Statement of Revenues, Expenditures and Changes in Fund Balances	$ (1,330,088)
The change in net position reported for governmental activities in the statement of activities is different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense of $9,231,907 exceeded assets of $2,311,837 that were capitalized.	(6,920,070)
Net book value of capital assets disposed during the year	(10,150,678)
New debt issues provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position.	(1,750,000)
New capital leases provide current financial resources to governmental funds, but leases increase long-term liabilities in the statement of net position.	(3,530,849)
Repayments of bond, note and capital lease principal are reported as financing uses in governmental funds and thus contribute to the reduction in fund balance. In the statement of net position, however, repayment of debt decreases long-term liabilities and does not affect the statement of activities.	6,721,939
Change in revenue accruals - 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 certain revenues now available for spending were recognized in the prior year.	(214,556)
Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when paid. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues.	
Accrued interest on bonds, notes and capital leases	64,832
Accrued other post employment benefits	(459,856)
Accrued claims and judgments	2,696,617
Accrued compensated absences	(152,126)
	2,149,467
In the Statement of Activities, certain pension related inflows and outflows of resources are recognized in the current year, while others are deferred. The net effect of these pension related transactions is a reconciling item.	(144,305)
Total change in net position for the year ended December 31, 2019 per Statement of Activities	$ (15,169,140)

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, 2019

	Pension Trust	Agency Funds
ASSETS:		
Cash and cash equivalents	$ -	$ 4,947,271
Interfund receivables	147,269	2,332
Deposits	-	40,000
Investments and interest receivable	1,648,400	-
Total assets	1,795,669	4,989,603
LIABILITIES:		
Due to inmates and others	175,690	4,573,220
Interfund payables	-	416,383
Total liabilities	175,690	4,989,603
NET POSITION:		
Net position held in trust for pension benefits	$ 1,619,979	$ -

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, 2019

	Pension Trust
ADDITIONS:	
Employer contributions	$ 39,747
Employee contributions	39,747
Total contributions	79,494
Investment income	53,686
Total investment income	53,686
Total additions	133,180
DEDUCTIONS:	
Trustee fees	7,672
Benefits paid to participants	53,949
Total deductions	61,621
Change in net position	71,559
NET POSITION, BEGINNING	1,548,420
NET POSITION, ENDING	$ 1,619,979

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

1) NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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

Basis of Presentation

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

Reporting Entity

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

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

Reporting Entity (continued)

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

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

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

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

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

The Office does not allocate indirect costs.

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

This government-wide focus is more on the 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.

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

Basic Financial Statements – Fund Financial Statements (FFS)

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

The following fund types are used by the Office:

Governmental Funds:

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

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

General Fund

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

Capital Projects Fund

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

Debt Service Fund

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

Governmental Non-Major Funds:

The Office has no non-major governmental funds.

Fiduciary Funds:

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

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

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

Fiduciary Funds (continued):

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

Pension Trust Fund

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

Agency Funds

The agency 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 (assets equal liabilities) and do not involve measurement of results of operations. Consequently, the agency funds have no measurement focus, but use the modified accrual basis of accounting.

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

Modified Accrual

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

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

Revenues

Substantially all governmental fund revenues are accrued except for 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 2019, 1.6 mills are levied for operations and 1.2 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).

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

Deferred Outflows/Inflows of Resources

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

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

Deferred Outflows and Deferred Inflows - Pension Related. 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.

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

Cash and Cash Equivalents

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

Investments

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

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

Short-Term Interfund Receivables/Payables

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

Inventories

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

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

Capital Assets

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

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

Description	Estimated Lives
Buildings and improvements	40 years
Operating equipment	7 years
Office furniture and equipment	5 years
Vehicles	5 years

Compensated Absences

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

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

Long-Term Debt and Bond Discounts/Premiums

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

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

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

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

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

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

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

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

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

Fund Balance

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

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

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

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

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

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

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

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

Interfund Transactions

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

Receivables

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

Estimates

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

2) CASH AND CASH EQUIVALENTS

At December 31, 2019, The Office has cash and cash equivalents (book balances) as follows:

Non-interest bearing demand deposits	$ 13,465,945
Interest-bearing demand deposits	23,726,357
Cash on hand	15,470
Total	$ 37,207,772

Reconciliation to Government-Wide Statement of Net Position:

Per Government-Wide Statement of Net Position:	
Cash and cash equivalents	$ 32,260,501
Fiduciary Funds (not included in Government-Wide Financial Statements)	4,947,271
Total	$ 37,207,772

2) CASH AND CASH EQUIVALENTS (continued)

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, 2019, the carrying amount of the Office's demand deposits and certificates of deposit were \$37,192,302 and the bank balances were \$41,373,104. The difference between the carrying amount and the bank balances is primarily due to outstanding checks or deposits in transit at December 31, 2019. The Office does not have any custodial credit risk at December 31, 2019.

3) INVESTMENTS

As of December 31, 2019, the Office's investment balances were as follows:

U.S. Treasury Obligations	$	1,354,934
Federal Agency Obligations		26,665
Money Market Funds		1,550,722
Interest Receivable		5,124
Total	$	2,937,445

Reconciliation to the financial statements:

Per Government-Wide Statement of Net Position:		
Investments	$	1,289,045
Fiduciary Funds (not included in Government-Wide Financial Statements)		
Pension Trust		1,648,400
Total	$	2,937,445

3) INVESTMENTS (continued)

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

The Office has the following fair value measurements by hierarchy:

	Level 1	Level 2	Level 3
U.S. Treasury Obligations	$ 1,354,934	$ -	$ -
Federal Agency Obligations	26,665	-	-
Money Market	1,550,722	-	-
	$ 2,932,321	$ -	$ -

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

Credit Risk

State law limits investments as described in note 1. The Office's investment policy does not further limit its investment choices. The treasury obligations are fully guaranteed by the federal government. The federal agency obligations are guaranteed by the respective agencies or U.S. government's instrumentalities. As of December 31, 2019, the Office's investments in Federal Agency Obligations were rated AAA by Moody's Investors Service. 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.

3) INVESTMENTS (continued)

Interest Rate Risk (continued)

As of December 31, 2019 the Office had the following investment types and maturities for investments subject to interest rate risk:

		Remaining Maturity (in Years)	
	Fair Value	Less Than One	1 – 5
U.S. Treasury Obligations	$ 1,354,934	$ 150,123	$ 1,204,811
Federal Agency Obligations	26,665	-	26,665
	$ 1,381,599	$ 150,123	$ 1,231,476

Concentration of Credit Risk

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

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Office would not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investments are exposed to custodial credit risk if they are uninsured, are not registered in the in the Office's name, and are held by either the counterparty to the investment purchase or the counterparty's trust department or agent but not held in the Office's name. The investments of the Office at December 31, 2019 were not subject to custodial credit risk.

4) INTERGOVERNMENTAL RECEIVABLES

Intergovernmental receivables at December 31, 2019 are as follows:

Custody of Inmates	
City of New Orleans	$ 6,507,505
State of Louisiana	898,325
	7,405,830
Grants	
FEMA Grants	3,118,515
	$ 10,524,345

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, 2019 was $0.

5) INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances at December 31, 2019 is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Fiduciary Funds	$ 416,383
General Fund	Debt Service Fund	10,265
General Fund	Capital Projects Fund	2,312,824
Fiduciary Funds	General Fund	149,601
		$ 2,889,073

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.

6) CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended December 31, 2019 are as follows:

	December 31, 2018	Additions	Disposals	December 31, 2019
Capital assets not being depreciated:				
Land	$ 6,052,681	$ -	$ -	$ 6,052,681
Construction in progress	2,142,986	-	(2,142,986)	-
Total non-depreciable assets	8,195,667	-	(2,142,986)	6,052,681
Capital assets being depreciated:				
Buildings and improvements	343,559,882	545,510	(14,451,181)	329,654,211
Operating equipment	1,627,460	7,551	(371,923)	1,263,088
Leased 0perating equipment	-	1,101,845	-	1,101,845
Office furniture and equipment	1,205,017	-	(188,308)	1,016,709
Vehicles	7,194,988	57,720	(668,811)	6,583,897
Leased vehicles	-	599,210	-	599,210
Total depreciable assets	353,587,347	2,311,836	(15,680,223)	340,218,960
Total capital assets	361,783,014	2,311,836	(17,823,209)	346,271,641
Less accumulated depreciation and amortization:				
Buildings and improvements	46,932,096	8,637,501	(6,447,532)	49,122,065
Operating equipment	1,240,634	107,925	(371,924)	976,635
Leased Operating equipment	-	128,360	-	128,360
Office furniture and equipment	1,168,664	7,450	(184,265)	991,849
Vehicles	6,611,747	241,379	(668,811)	6,184,315
Leased vehicles	-	109,292	-	109,292
Total accumulated depreciation and amortization	55,953,141	9,231,907	(7,672,532)	57,512,516
Capital assets, net	$ 305,829,873	$ (6,920,071)	$ (10,150,677)	$ 288,759,125

Depreciation expense in the amount of $9,231,907 was charged $9,181,205 to custody of inmates and $50,702 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.

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, 2019 of $39,747. The employees contributed to the Plan through payroll withholdings a total of $39,747 for the year ended December 31, 2019, which represents both the required and additional voluntary contributions.

b) Defined Benefit Pension Plan

Effective July 1, 1997, the Office contributed to 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.lla.la.gov.

7) PENSION PLANS (continued)

b) Defined Benefit Pension Plan (continued)

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

Plan Description:

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

Members who joined the system on or before December 31, 2011, are eligible for regular retirement benefits upon attaining 30 years of creditable service at any age, or 12 years of creditable service and aged 55 years. Retirement benefit 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.

7) PENSION PLANS (continued)

b) Defined Benefit Pension Plan (continued)

Plan Description (continued):

A member is eligible to receive disability benefits if the member has at least 10 years of creditable service when a non-service related disability is incurred; there are no service requirements for a service related disability. Disability benefits shall be the lesser of a sum equal to the greatest of 45% of final average compensation or the members' accrued retirement benefit at the time of termination of employment due to disability, or the retirement benefit which would be payable assuming continued service to the earliest normal retirement age. Members who become partially disabled receive 75% of the amount payable for total disability.

Survivor benefits for death solely as a result of injuries received in the line of duty are based on the following. For a spouse alone, a sum equal to 50% of the member's final average compensation with a minimum of $150 per month. If a spouse is entitled to benefits and has a child or children under 18 years of age (or over said age if physically or mentally incapacitated and dependent upon the member at the time of his death), an additional sum of 15% of the member's final average compensation is paid to each child with total benefits paid to spouse and children not to exceed 100%. If a member dies with no surviving spouse, surviving children under age eighteen will receive monthly benefits of 15% of the member's final average compensation up to a maximum of 60% of final average compensation if there are more than 4 children. If a member is eligible for normal retirement at the time of death, the surviving spouse receives an automatic Option 2 benefit. The additional benefit payable to children shall be the same as those available for members who die in the line of duty. In lieu of receiving Option 2 benefit, the surviving spouse may receive a refund of the member's accumulated contributions. All benefits payable to surviving children shall be extended through age twenty-two, if the child is a full time student in good standing enrolled at a board approved or accredited school, college, or university.

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

In lieu of receiving a service retirement allowance, any member of the Fund who has more than sufficient service for a regular service retirement may elect to receive a "Back-DROP" benefit. The Back-DROP benefit is based upon the Back-DROP period selected and the final average compensation prior to the period selected. The Back-DROP period is the lesser of three years or the service accrued between the time a member first becomes eligible for retirement and his actual date of retirement. For those individuals with thirty or more years, the Back-DROP period is the lesser of four years or service accrued between the time a member first becomes eligible for retirement and his actual date of retirement. At retirement the member's maximum monthly retirement benefit is based upon his service, final average compensation and plan provisions in effect on the last day of creditable service immediately prior to the commencement of the Back-DROP period. In addition to the monthly benefit at retirement, the member receives a lump-sum payment equal to the maximum monthly benefit as calculated above multiplied by the number of months in the Back-DROP period. In addition, the member's Back-DROP account will be credited with employee contributions received by the retirement fund during the Back-DROP period. Participants have the option to opt out of this program and take a distribution, if eligible, or to rollover the assets to another qualified plan.

7) PENSION PLANS (continued)

b) Defined Benefit Pension Plan (continued)

Plan Description (continued):

Cost of living provisions for the Fund allows the board of trustees to provide an annual cost of living increase of 2.5% of the eligible retiree's original benefit if certain funding criteria are met. Members are eligible to receive a cost of living adjustment once they have attained the age of sixty and have been retired at least one year. Funding criteria for granting cost of living adjustments is dependent on the funded ratio.

In accordance with state statute, the Fund receives ad valorem taxes, insurance premium taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities, but are not considered special funding situations. Non-employer contributions are recognized as revenue and excluded from pension expense.

Plan members are required by state statute to contribute 10.25 percent of their annual covered salary and the Office is required to contribute at an actuarially determined rate. For the year ended June 30, 2019 the employer rate is 12.25 percent of annual covered payroll. Effective July 1, 2019 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, 2019, 2018, and 2017, were $4,493,355, $3,850,464, and $3,860,617 respectively.

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

At December 31, 2019, the Office reported a liability of $23,072,467 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The 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, 2019, the Office proportion was 4.877664%, which was an increase of 0.358395% from its proportion measured as of June 30, 2018.

For the year ended December 31, 2019, the Sheriff recognized pension expense of $6,703,862.

7) PENSION PLANS (continued)

b) Defined Benefit Pension Plan (continued)

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

At December 31, 2019 the Office reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ (4,420,217)
Changes of assumptions	7,051,270	-
Net difference between projected and actual earnings on pension plan investments	830,273	-
Changes in proportion	2,203,592	(2,010,358)
Difference between the Office's contributions and its proportionate share of contributions	-	(277,820)
Employer contributions subsequent to the measurement date	2,446,873	-
Total	$ 12,532,008	$ (6,708,395)

The Office reported a total of $2,446,873 as deferred outflow of resources related to pension contributions made subsequent to the measurement date of June 30, 2019 which will be recognized as a reduction in net pension liability in the year ended December 31, 2020.

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:

Year	
2020	$ 1,507,228
2021	(872,196)
2022	873,326
2023	1,204,063
2024	664,319
	$ 3,376,740

7) PENSION PLANS (continued)

b) Defined Benefit Pension Plan (continued)

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

Actuarial Assumptions:

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2019 is as follows:

Valuation Date	June 30, 2019
Actuarial Cost Method	Entry Age Normal Method
Actuarial Assumptions:	
Expected Remaining Service Lives	7 years (2017 and 2016); 6 years (2019, 2018, 2015 and 2014)
Investment Rate of Return	7.10%, net of investment expense
Discount Rate	7.10%
Projected Salary Increases	5.5% (2.5% inflation, 3.00% merit)
Mortality Rates	RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Table for active members, healthy annuitants and beneficiaries RP-2000 Disabled Lives Mortality Table for disabled annuitants.
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The projected benefit payments do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.
Changes in Valuation Methods and Assumptions	The discount rate used to measure pension liability was lowered from 7.25% to 7.10% and the investment rate of return was lowered from 7.25% to 7.1%.

7) PENSION PLANS (continued)

b) Defined Benefit Pension Plan (continued)

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

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

Estimates of arithmetic real rates of return for each major asset class based on the System's target asset allocation as of June 30, 2019 are summarized in the following table:

Asset Class	Target Allocation	Real Return Arithmetic Basis	Long-term Expected Real Rate of Return
Equity securities	62%	7.10%	4.40%
Fixed income	23%	3.00%	0.70%
Alternative Investments	15%	4.60%	0.60%
Total	100%		5.70%
Inflation			2.40%
Expected Arithmetic Nominal Return			8.10%

Discount Rate

The discount rate used to measure the total pension liability was 7.10%. 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.

7) PENSION PLANS (continued)

b) Defined Benefit Pension Plan (continued)

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

The following table presents the Office's proportionate share of the net pension liability (NPL) using the discount rate of 7.10% 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.

	1.0% Decrease	Current Discount Rate	1.0% Increase
Rates	6.10%	7.10%	8.10%
Office's Share of NPL	$48,248,057	$23,072,467	$1,884,913

Payables to the Pension Plan

At December 31, 2019, the Office had accrued payables to the Pension Plan of $160,355 for the accrued payroll at December 31, 2019.

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 2019, the Plan allowed employees to contribute up to the lesser of $19,000 for employees 49 years of age or younger; $25,000 for employees 50 years of age or older ($38,000 for those eligible for catch-up) or 100% of their salary. The Office has the option to match certain contributions but is not exercising this option currently. Employees contributed through payroll withholdings a total of $362,382 for the year ended December 31, 2019.

8) LONG-TERM OBLIGATIONS

The following is a summary of long-term obligation transactions for the year ended December 31, 2019:

	Balance at December 31, 2018	Additions	Reductions	Balance at December 31, 2019	Due Within One Year
PUBLIC PLACEMENT					
General Obligation Bonds (Series 2010): $15,000,000 originally issued with interest rate ranging from 3.0% to 4.0%, maturing September 1, 2011 through September 1, 2024, secured by collections of ad valorem taxes.	7,635,000	-	(1,110,000)	6,525,000	1,110,000
General Obligation Bonds (Series 2011): $5,000,000 originally issued with interest rate at 2.97% (interest payable beginning March 1, 2012: principal payable beginning September 1, 2012), maturing through September 1, 2026, secured by collections of ad valorem taxes.	2,920,000	-	(330,000)	2,590,000	330,000
General Obligation Bonds (Series 2012): $5,000,000 originally issued with interest rate at 2.85% (interest payable beginning March 1, 2013; principal payable beginning September 1, 2013), maturing through September 1, 2026, secured by collections of ad valorem taxes.	2,945,000	-	(330,000)	2,615,000	330,000
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.	4,475,000	-	(1,080,000)	3,395,000	1,080,000
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.	5,215,000	-	(785,000)	4,430,000	785,000
Total Public Placement	23,190,000	-	(3,635,000)	19,555,000	3,635,000

8) LONG-TERM DEBT OBLIGATIONS (continued)

	Balance at December 31, 2018	Additions	Reductions	Balance at December 31, 2019	Due Within One Year
PRIVATE PLACEMENT					
Taxable Certificates of Indebtedness (Series 2018): $2,500,000 originally issued with interest rate at 4.40%, maturing June 30, 2019, secured by revenues of the Office.	2,500,000	-	(2,500,000)	-	-
Taxable Certificates of Indebtedness (Series 2019): $1,750,000 originally issued with interest rate at 3.25%, maturing June 30, 2020, secured by revenues of the Office.	-	1,750,000	-	1,750,000	1,750,000
$2,000,000 note issued April 30, 2018 issued with interest rate at 3.40%, principal payable starting October 30, 2018, maturing June 30, 2023 collateralized by civil tyler software not capitalized and unexpended Chase escrow	1,814,827	-	(379,843)	1,434,984	392,867
Total Private Placement	4,314,827	1,750,000	(2,879,843)	3,184,984	2,142,867
Total Debt	27,504,827	1,750,000	(6,514,843)	22,739,984	5,777,867
OTHER LONG-TERM LIABILITIES:					
Leases	-	3,530,848	(207,096)	3,323,752	845,630
Claims and judgments (see note 10)	5,700,283	(1,358,759)	(1,337,858)	3,003,666	308,500
Compensated absences	2,145,168	2,462,065	(2,309,939)	2,297,294	-
Other post employment benefits (see note 15)	14,362,563	3,098,980	(387,599)	17,073,944	387,599
	$ 49,712,841	$ 9,483,134	$ (10,757,335)	$ 48,438,640	$ 7,319,596

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

Year Ending	Principal	Interest	Total
2020	$ 3,770,000	$ 563,633	$ 4,333,633
2021	3,915,000	451,548	4,366,548
2022	4,070,000	334,745	4,404,745
2023	3,035,000	231,766	3,266,766
2024	3,170,000	152,933	3,322,933
2025-2026	1,595,000	69,983	1,664,983
	$ 19,555,000	$ 1,804,608	$ 21,359,608

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

Year Ending	Principal	Interest	Total
2020	$ 2,142,867	$ 80,439	$ 2,223,306
2021	406,338	29,705	436,043
2022	420,271	15,692	435,963
2023	215,508	2,443	217,951
	$ 3,184,984	$ 128,279	$ 3,313,263

8) LONG-TERM DEBT OBLIGATIONS (continued)

Interest expense on long-term debt for the year ended December 31, 2019 was $948,125 including interest on capital leases of $141,371.

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

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

Agency	Original Balance	Transferred to other Agencies	Estimated Interest Earned	Remaining Balance at December 31, 2019
Orleans Parish District Attorney	$ 2,500,000	$ 1,473,918	$ 432,219	$ 1,458,301
Orleans Parish District Courts	8,500,000	8,425,692	1,469,543	1,543,851
Orleans Parish Clerk of Criminal District Courts	800,000	800,000	138,310	138,310
Orleans Parish Juvenile Courts	1,000,000	1,157,902	172,887	14,985
Orleans Parish Municipal and Traffic Courts	700,000	700,000	121,021	121,021
	$ 13,500,000	$ 12,557,512	$ 2,333,980	$ 3,276,468

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

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, 2019
Orleans Parish District Attorney	$ 3,290,000	$ 241,466	$ 56,530	$ 3,105,064
New Orleans Forensic Center	5,000,000	5,000,000	85,912	85,912
Orleans Parish Clerk of Criminal District Courts	2,825,000	121,650	48,541	2,751,891
Orleans Parish Juvenile Courts	3,720,000	3,720,500	63,919	63,419
Orleans Parish Municipal and Traffic Courts	7,500,000	1,928,780	128,869	5,700,089
	$ 22,335,000	$ 11,012,396	$ 383,771	$ 11,706,375

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

8) LONG-TERM DEBT OBLIGATIONS (continued)

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

Following is a summary of principal and interest payments to amortize the capitalized leases.

	Vehicle leases			Motorola leases		
Year Ending	Principal	Interest	Total	Principal	Interest	Total
2020	$ 142,913	$ 18,917	$ 161,830	$ 702,717	$ 97,051	$ 799,768
2021	149,294	12,536	161,830	747,075	66,684	813,759
2022	155,952	5,869	161,821	775,489	38,270	813,759
2023	49,396	683	50,079	600,916	9,403	610,319
	$ 497,555	$ 38,005	$ 535,560	$ 2,826,197	$ 211,408	$ 3,037,605

9) FUND BALANCE

Fund balances for the Office's governmental funds consisted of the following:

Not in spendable form – This amount represents prepaid expenses and inventory.

Restricted – The capital projects fund includes $2,501,278 restricted for capital improvements and $14,982,843 restricted for intergovernmental transfers (see note 8). The debt service fund includes $514,575 restricted for debt service.

Unassigned – Includes all amounts not included in other classifications.

10) 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.

10) RISK MANAGEMENT (continued)

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
2018	$ 6,521,148	$ 1,078,385	$ (1,899,250)	$ 5,700,283
2019	$ 5,700,283	$ (1,358,759)	$ (1,337,858)	$ 3,003,666

11) ON-BEHALF PAYMENTS

In accordance with generally accepted accounting principles the accompanying basic financial statements do not include certain portions of the Office's expenses paid directly by the City of New Orleans. These expenses include building space, utilities, and gasoline. Hospitalization premiums, unemployment benefits, and workers' compensation premiums paid by the City of New Orleans on behalf of the Office totaled $6,293,717. These are included in the accompanying financial statements as on-behalf payment revenues and expenditures in the General Fund.

12) TAX ABATEMENTS

The Office is subject to certain property tax abatements granted by the Louisiana State Board of Commerce and Industry (the "State Board"). Abatements to which the Office may be subject include those issued for property taxes under the Restoration Tax Abatement Program ("RTAP"). Under the RTAP, as authorized by Article 7, Section 21(H) of the Louisiana Constitution and Louisiana Revised Statutes 47:4311, companies that expand, restore, improve or develop an existing structure or structures in a downtown, historic, or economic development district can apply to the State Board and the local governing authority (City of New Orleans) for a property tax exemption. The exemptions are granted for a 5-year term and are renewable for an additional 5-year term upon the approval of the State Board and the local governing authority. The property tax abatements have resulted in reductions of property taxes. During the year ended December 31, 2019 ad valorem taxes abated applicable to the Office totaled approximately $245,000.

13) ECONOMIC DEPENDENCY

The Office derives a material part of its revenues for the housing of state and municipal prisoners. These revenues are received from the City of New Orleans and the State of Louisiana Department of Corrections. For the year ended December 31, 2019, revenues from these sources exceeded $62 million.

14) CONTINGENCIES

Litigation

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

Intergovernmental Assistance

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

The Office of Inspector General – OIG has issued reports questioning FEMA's funding of approximately $6.3 million of costs relating to certain grants from 2005 through 2011 related to Hurricane Katrina. Of the total questioned amounts approximately $4.9 million have been resolved and $1.4 million is still disputed. The ultimate outcome of the remainder of the questioned costs is undetermined at this time.

On August 29, 2005, Hurricane Katrina, a major hurricane, struck southeastern Louisiana and the Mississippi and Alabama Gulf Coast. The Office incurred significant hurricane-related expenses and property losses. As of December 31, 2019, the Office has received reimbursements from the Federal Emergency Management Association (FEMA) of $322,849,438.

Included in accounts receivable at December 31, 2019 is $2,735,628 of reimbursements from FEMA which were considered available (collected within the current period or soon enough thereafter to be used to pay liabilities of the current period) and $382,887 of additional accruals related to FEMA that were deferred at the fund level and recognized as revenue at the government-wide level. Unobligated FEMA grants, which are awaiting final approval and are expected to be reimbursed for $914,576 of recorded expenditures, are not recorded in accounts receivable. Advances and receipts for unrecorded expenses of $1,800,708 are recorded as a payable to the State of Louisiana, the pass through agency for FEMA funds. FEMA obligated grants total $326,066,675 at December 31, 2019.

14) CONTINGENCIES (continued)

Other

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

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

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

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

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

15) POST-EMPLOYMENT BENEFITS

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

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

These retirees participate in the City's OPEB plan. Benefits payments are paid directly by the City and are included in on-behalf payments on the financial statements. The amount of on-behalf payments related to health benefits for active and retired employees for the year ended December 31, 2019 totaled $4,760,603. The proportionate share of the plan's OPEB liability related to the Office's retirees is 7.98% and the City's share of the liability related to the Office's retirees is $13,867,202. For additional information on the plan and benefit terms, etc. please refer to the Comprehensive Annual 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.

15) POST-EMPLOYMENT BENEFITS (continued)

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 employees. The Orleans Parish Sheriff's OPEB Plan (the OPEB Plan) is a single-employer defined benefit OPEB plan administered by the Office. The authority to establish and/or amend the obligation of the employer, employees and retirees rests with the Office. No assets are accumulated in a trust that meets the criteria in Governmental Accounting Standards Board (GASB) Codification Section P52 *Postemployment Benefits Other Than Pensions—Reporting for Benefits Not Provided Through Trusts That Meet Specified Criteria—Defined Benefit.*

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

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

Employees covered by benefit terms – At December 31, 2019, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	157
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	727
	884

Total OPEB Liability

The Office's total OPEB liability of $17,073,944 was measured as of December 31, 2019 and was determined by an actuarial valuation as of January 1, 2019.

15) POST-EMPLOYMENT BENEFITS (continued)

Total OPEB Liability (continued)

Actuarial Assumptions and other inputs – The total OPEB liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.5%
Salary increases	4.0%, including inflation
Discount rate	4.10% annually (Beginning of Year to Determine ADC)
	2.74%, annually (As of End of Year Measurement Date)
Healthcare cost trend rates	Flat 5.5% annually

The discount rate was based on the average of the Bond Buyers' 20 Year General Obligation municipal bond index as of December 31, 2019, the end of the applicable measurement period.

Mortality rates were based on the RP-2000 without projection 50% unisex blend.

The actuarial assumptions used in the December 31, 2019 valuation were based on the results of ongoing evaluations of the assumptions from January 1, 2009 to December 31, 2019.

Changes in the Total OPEB Liability

Balance at December 31, 2018	$14,362,563
Changes for the year:	
Service cost	225,138
Interest	580,919
Differences between expected and actual experience	(936,839)
Changes in assumptions	3,229,762
Benefit payments and net transfers	(387,599)
Net changes	2,711,381
Balance at December 31, 2019	$17,073,944

15) POST-EMPLOYMENT BENEFITS (continued)

Sensitivity of the total OPEB liability to changes in the discount rate – The following presents the total OPEB liability of the Office, as well as what the Office's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.74%) or 1-percentage-point higher (3.74%) than the current discount rate:

	1.0% Decrease (1.74%)	**Current Discount Rate (2.74%)**	**1.0% Increase (3.74%)**
Total OPEB liability	$ 20,194,102	$ 17,073,944	$ 14,614,993

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 (4.5%) or 1-percentage-point higher (6.5%) than the current healthcare trend rates:

	1.0% Decrease (4.5%)	**Current Trend (5.5%)**	**1.0% Increase (6.5%)**
Total OPEB liability	$ 15,405,512	$ 17,073,944	$ 20,840.105

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

For the year ended December 31, 2019, the Office recognized OPEB expense of $847,455. At December 31, 2019, the Office reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ (1,526,165)
Changes in assumptions	2,999,065	(1,057,110)
Total	$ 2,999,065	$ (2,583,275)

15) POST-EMPLOYMENT BENEFITS (continued)

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

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

Years ending December 31	Deferred Outflows of Resources	Deferred Inflows of Resources
2020	$ 230,697	$ (189,299)
2021	230,697	(189,299)
2022	230,697	(189,299)
2023	230,697	(189,299)
2024	230,697	(189,299)
Thereafter	1,845,580	(1,636,780)
	$ 2,999,065	$ (2,583,275)

16) SUBSEQUENT EVENTS

In early 2020, an outbreak of a novel strain of coronavirus (COVID-19) emerged globally, including the United States. In March 2020, the World Health Organization made the assessment that the outbreak COVID-19 can be characterized as a pandemic. As a result, uncertainties have arisen that may have a negative impact on the operating activities of the Office. The occurrence and extent of such impact will depend on future development including (i) the duration and the spread of the virus, (ii) government response measures, (iii) voluntary or required precautionary limitations on travel or business operations, (iv) the effects on the financial markets, and (v) the effects on the overall economy, all of which are uncertain. At this time, it is not possible to reliably estimate the length or severity of this outbreak and hence its potential financial impact if any. The Office has a plan in place for illnesses such as pandemic flu, which has been modified to better fit the recommended COVID-19 response procedures. The Office responded by actively reducing inmate levels by all available means, furloughing non-essential personnel, purchasing personnel protective gear, and testing inmates and personnel. The Office received $1,157,935 of Coronavirus Relief Funds for the reimbursement of payroll-related expenditures, $250,000 of Coronavirus Emergency Supplemental Funding (CESF) from the Commission on Law Enforcement used for the purchase of radios, and repurposed Justice Assistance Grant (JAG) funds of $125,027 for the purchase of medical and sanitary supplies and protective equipment. In addition, the Office has applied for $310,100 of additional CESF awards.

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, 2019

	Budgeted Amounts		Actual	Variance With Final Budget -
	Original	Final	Amounts	Over (Under)
REVENUES:				
Custody of prisoners:				
City of New Orleans charges	$ 59,570,700	$ 58,429,451	$ 59,854,498	$ 1,425,047
State of Louisiana Department of Corrections charges	2,824,000	2,470,134	2,613,772	143,638
Civil fees and commissions	3,600,000	4,250,000	3,971,516	(278,484)
Civil security services	911,507	1,024,773	1,024,733	(40)
On-behalf payments	5,229,505	6,453,284	6,293,717	(159,567)
Other income	1,828,400	2,284,397	2,567,763	283,366
State supplemental pay	1,536,000	2,000,115	2,024,856	24,741
Federal and state grants	4,115,000	2,377,000	3,596,508	1,219,508
Ad valorem tax revenue	6,424,611	5,676,692	5,696,437	19,745
Total revenues	86,039,723	84,965,846	87,643,800	2,677,954
EXPENDITURES:				
Central services	7,655,282	8,634,479	8,072,900	(561,579)
Court services	5,359,860	5,401,089	5,375,179	(25,910)
Security services	17,536,446	17,507,973	17,714,129	206,156
Investigative services	3,827,136	3,038,423	3,473,731	435,308
Administrative services	5,710,312	5,931,156	6,037,627	106,471
Records and booking	7,221,474	6,402,480	6,225,826	(176,654)
Inmate services	20,431,336	20,444,525	22,821,231	2,376,706
Interest	90,000	119,382	306,225	186,843
Debt retirement	2,500,000	2,500,000	3,086,939	586,939
Grants and special programs	503,228	392,829	422,495	29,666
Civil administrative services	2,715,705	3,002,243	3,164,251	162,008
Civil security services	1,795,802	2,206,065	2,215,538	9,473
Plant and maintenance	8,778,141	8,867,881	8,230,811	(637,070)
Capital outlays	2,560,000	1,727,000	579,360	(1,147,640)
Total expenditures	86,684,722	86,175,525	87,726,242	1,550,717
Excess (deficiency) of revenues over expenditures	(644,999)	(1,209,679)	(82,442)	1,127,237
OTHER FINANCING SOURCES (USES):				
Proceeds from note issuance	1,750,000	1,750,000	1,750,000	-
Proceeds from sale of assets	-	-	70,318	70,318
Transfers out	(1,500,000)	(400,000)	(1,638,465)	(1,238,465)
Total other financing sources (uses)	250,000	1,350,000	181,853	(1,168,147)
Net change in fund balance	(394,999)	140,321	99,411	(40,910)
FUND BALANCES, BEGINNING	727,790	5,604,724	5,604,724	-
FUND BALANCES, ENDING	$ 332,791	$ 5,745,045	$ 5,704,135	$ (40,910)

Schedule "A-2"

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, 2019

	Budgeted Amounts		Actual	Variance With Final Budget -
	Original	Final	Amounts	Over (Under)
REVENUES:				
Investment income	$ 4,000	$ 8,911	$ 7,852	$ (1,059)
Ad valorem tax revenue	4,648,698	4,092,956	4,107,254	14,298
Total revenues	4,652,698	4,101,867	4,115,106	13,239
EXPENDITURES:				
Miscellaneous	27,000	-	25,938	25,938
Debt retirement	3,635,000	3,635,000	3,635,000	-
Interest payments	706,732	706,462	706,732	270
Total expenditures	4,368,732	4,341,462	4,367,670	26,208
Excess of expenditures over revenues	283,966	(239,595)	(252,564)	(12,969)
Net change in fund balance	283,966	(239,595)	(252,564)	(12,969)
FUND BALANCES, BEGINNING	2,366,308	767,139	767,139	-
FUND BALANCES, ENDING	$ 2,650,274	$ 527,544	$ 514,575	$ (12,969)

ORLEANS PARISH SHERIFF'S OFFICE
SCHEDULE OF THE THE EMPLOYER'S CONTRIBUTIONS
LOUISIANA SHERIFFS' PENSION AND RELIEF FUND
FOR THE YEAR ENDED DECEMBER 31, 2019

	2019	2018	2017	2016	2015	2014
Contractually Required Contribution[1]	$ 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]	4,493,555	3,850,464	3,860,617	4,142,653	4,631,826	4,638,581
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -
Employer's Covered Employee Payroll[3]	$ 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%	12.75%/12.25%	13.25%/12.75%	13.75%/13.25%	14.25%/13.75%	13.89%/14.25%

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

For reference only:

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

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

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

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

Schedule "A-4"

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, 2019 (*)

	2019	2018	2017	2016	2015	2014
Employer's Proportion of the Net Pension Liability (Asset)	4.8777%	4.5193%	4.2820%	4.9902%	5.0016%	4.6837%
Employer's Proportionate Share of the Net Pension Liability (Asset)	$ 23,072,467	$ 17,329,809	$ 18,542,423	$31,672,341	$ 22,294,701	$ 18,547,520
Employer's Covered-Employee Payroll	$ 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 (Asset) as a Percentage of its Covered-Employee Payroll	69.21%	57.07%	64.17%	95.16%	68.57%	64.16%
Plan Fiduciary Net Positon as a Percentatge of the Toral Pension Liability	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.

Schedule "A-5"

ORLEANS PARISH SHERIFF'S OFFICE
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
AS OF DECEMBER 31, 2019

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%

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.

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

Measurement Date	Discount Rate
1/1/2018	3.44%
12/31/2018	4.10%
12/31/2019	2.74%

ORLEANS PARISH SHERIFF'S OFFICE
SCHEDULE OF OPEB EMPLOYER CONTRIBUTIONS
AS OF DECEMBER 31, 2019

		12/31/2019		12/31/2018
Actuarially determined contribution	$	1,065,841	$	1,157,076
Contributions in relation to the actuarially determined contribution				
(a) Employer contributions to trust		-		-
(b) Employer-paid retiree premiums		387,599		331,373
(c) Employer-paid expenses		-		-
(d) = (a) + (b) −(c)		387,599		331,373
Contribution deficiency (excess)	$	678,242	$	825,703
Covered annual payroll	$	29,335,121	$	28,206,847
Contributions as a percentage of covered payroll		1.32%		1.17%

Notes to Schedule

This schedule is intended to cover 10 fiscal years. As each year ensues in the future, the information will be added until the schedule covers 10 years.

Valuation date	1/1/2019	1/1/2018
	Actuarially determined contributions are calculated as of the last day of the fiscal year in which contributions are reported	Actuarially determined contributions are calculated as of the last day of the fiscal year in which contributions are reported
Actuarial cost method	Individual Entry Age Normal	Individual Entry Age Normal
Amortization method	Level dollar, open	Level dollar, open
Amortization period	30 years	30 years
Asset valuation method	Market value	Market value
Inflation	2.5% annually	2.5% annually
Healthcare trend	5.5% annually	5.5% annually
Salary increases	4.0% annually	4.0% annually
Discount Rate (Beginning Year to Determine ADC)	4.10% annually	3.44% annually
Discount Rate (As of End of Year Meausrement Date)	2.74% annually	4.10% annually
Retirement age	Retirement age 3 years delay after: 30 years of service at any age; or, age 55 and 12 years of service, if hired 1/1/2012 or later; age 55 and 30 years of service or, age 60 and 20 years of service;or age 61 and 12 years of service	Retirement age 3 years delay after: 30 years of service at any age; or, age 55 and 12 years of service, if hired 1/1/2012 or later; age 55 and 30 years of service or, age 60 and 20 years of service;or age 61 and 12 years of service
Mortality	RP-2000 without projection, 50% unisex blend	SOA RP-2000 Combined Table
Turnover	Zero turnover for grandfathered civil employees. Age spedific table with an average of 20% when applied to the active census for non-grandfathered	Zero turnover for grandfathered civil employees. Age spedific table with an average of 20% when applied to the active census for non-grandfathered

OTHER SUPPLEMENTARY INFORMATION

Schedule"B-1"

ORLEANS PARISH SHERIFF'S OFFICE
COMBINING STATEMENT OF FIDUCIARY NET POSITION
AGENCY FUNDS
DECEMBER 31, 2019

	Fines	Criminal Justice	Property Room	Cash Bonds and Fines	Civil	Total Agency
ASSETS:						
Cash	$ 4,301	$ 100	$ 320,593	$ 66,856	$ 4,555,421	$ 4,947,271
Interfund receivable	-	2,332	-	-	-	2,332
Deposits	-	-	40,000	-	-	40,000
Total assets	4,301	2,432	360,593	66,856	4,555,421	4,989,603
LIABILITIES:						
Due to inmates and others	2,996	2,432	352,372	20,479	4,194,941	4,573,220
Interfund payable	1,305	-	8,221	46,377	360,480	416,383
Total liabilities	4,301	2,432	360,593	66,856	4,555,421	4,989,603
NET POSITION	$ -	$ -	$ -	$ -	$ -	$ -

See accompanying Independent Auditors' Report.

ORLEANS PARISH SHERIFF'S OFFICE
COMPARATIVE SCHEDULE OF EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2019, 2018, AND 2017

	2019	2018	2017
Functions/Programs			
Governmental activities:			
Custody of inmates:			
Personnel	$ 45,320,775	$ 39,709,675	$ 38,065,583
Contractual	28,904,288	27,029,789	30,220,486
Materials and supplies	5,552,052	3,481,889	3,299,669
Depreciation	9,181,205	9,131,105	9,124,571
Total custody of inmates	88,958,320	79,352,458	80,710,309
Civil division	6,112,271	5,308,971	5,136,637
Interest on long-term debt	948,125	996,908	1,143,698
Total governmental activities	$ 96,018,716	$ 85,658,337	$ 86,990,644

See accompanying Independent Auditors' Report.

ORLEANS PARISH SHERIFF'S OFFICE
COMPARATIVE BALANCE SHEETS - GENERAL FUND
DECEMBER 31, 2019, 2018, AND 2017

	2019	2018	2017
ASSETS:			
Cash and cash equivalents	$ 11,938,716	$ 16,475,245	$ 13,847,821
Investments	1,289,045	1,253,567	-
Intergovernmental receivables	10,524,345	2,436,700	3,217,203
Interfund receivables	2,739,472	4,919,709	6,585,784
Other receivables	590,536	470,991	886,214
Prepaid expenses	8,071	-	27,264
Inventory	603,990	400,987	246,773
Total assets	$ 27,694,175	$ 25,957,199	$ 24,811,059
LIABILITIES:			
Accounts payable	$ 21,457,552	$ 19,576,577	$ 19,805,720
Interfund payables	149,601	178,455	1,640,991
Total liabilities	21,607,153	19,755,032	21,446,711
DEFERRED INFLOWS OF RESOURCES:			
Unavailable revenues	382,887	597,443	622,785
Total deferred inflows of resources	382,887	597,443	622,785
FUND BALANCES:			
Nonspendable amounts:			
Not in spendable form	612,061	426,581	274,037
Restricted	-	125,551	125,588
Unassigned	5,092,074	5,052,592	2,341,938
Total fund balance	5,704,135	5,604,724	2,741,563
Total liabilities and fund balances	$ 27,694,175	$ 25,957,199	$ 24,811,059

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, 2019, 2018, AND 2017

	2019	2018	2017
REVENUES:			
Custody of inmates:			
City of New Orleans charges	$ 59,854,498	$ 51,518,130	$ 52,490,520
State of Louisiana Department of Corrections charges	2,613,772	2,328,364	2,930,638
Civil fees and commissions	3,971,516	4,263,700	5,549,029
Civil security services	1,024,733	973,485	816,872
Investment income	145,489	72,024	44,090
On-behalf payments	6,293,717	6,453,284	6,023,258
Inmate telephone	865,168	973,421	934,431
State supplemental pay	2,024,856	1,911,760	2,132,149
Federal and state grants	3,596,508	2,889,103	2,014,249
Restitution/administration	266,345	208,945	182,926
Commissary	477,221	466,450	440,221
Release processing fees	359,171	355,217	393,890
Ad valorem tax revenue	5,696,437	6,011,806	8,097,044
Other income	454,369	436,765	463,796
Total revenues	87,643,800	78,862,454	82,513,113
EXPENDITURES:			
Central services	8,072,900	8,480,342	11,956,778
Court services	5,375,179	4,465,838	4,418,913
Security services	17,714,129	15,262,193	13,660,929
Investigative services	3,473,731	3,244,395	3,336,442
Administrative services	6,037,627	5,059,823	6,135,905
Records and booking	6,225,826	5,972,833	5,841,589
Inmate services	22,821,231	19,724,755	19,081,205
Grants and special programs	422,495	371,813	394,634
Plant and maintenance	8,230,811	7,602,083	6,885,485
Debt retirement	3,086,939	3,185,173	3,500,000
Interest payments	306,225	134,965	96,566
Civil administrative services	3,164,251	3,035,523	2,981,125
Civil security services	2,215,538	1,779,267	1,525,364
Capital outlays	579,360	1,194,977	1,576,867
Total expenditures	87,726,242	79,513,980	81,391,802
Excess (deficiency) of revenues over expenditures	(82,442)	(651,526)	1,121,311
OTHER FINANCING SOURCES (USES):			
Proceeds from notes	1,750,000	4,500,000	3,000,000
Proceeds from disposal of assets	70,318	3,165	5,231
Transfers out	(1,638,465)	(988,478)	-
Total other financing sources (uses)	181,853	3,514,687	3,005,231
Net changes in fund balances	99,411	2,863,161	4,126,542
FUND BALANCES, BEGINNING	5,604,724	2,741,563	(1,384,979)
FUND BALANCES, ENDING	$ 5,704,135	$ 5,604,724	$ 2,741,563

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, 2019

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

Purpose	Amount
Salary	$ 166,338
Expense Allowance	16,638
Benefits-insurance[1]	9,327
Benefits-retirement[2]	22,415
Benefits- cell phone[3]	-
Car allowance	-
Vehicle provided by government (amounts reported on W-2 adjusted for various fiscal years)[4]	-
Per diem	-
Reimbursements	-
Travel	-
Registration fees	275
Conference travel	722
Continuing professional education fees	-
Housing	-
Membership dues	550
Unvouchered expenses	-
Special meals	-

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

3 - No amount is reported on the W-2 since the Sheriff and other employees pay $5.00 per month for departmental cell phone - IRS guidelines

4 - The Sheriff is provided with a vehicle. The Sheriff and other employees provided with a vehicle pay $60.00 per month for departmental vehicle - IRS guidelines

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, 2019

Funding Agencies/ Program Title	Federal CFDA Number	Grant Number	Disbursements/ Expenditures	
U.S. Department of Homeland Security				
Pass-Through Awards:				
Louisiana Office of Homeland Security and Emergency Preparedness				
Disaster Grants - Public Assistance	97.036	FEMA	$ 2,899,133	(M)
Total U.S. Department of Homeland Security			2,899,133	
U.S. Department of Transportation				
Pass-Through Awards:				
Louisiana Highway Safety Commission				
Click It or Ticket	20.600	2019-35-15	3,437	
Total Highway Safety Cluster			3,437	
Total U.S. Department of Transportation			3,437	
U.S. Department of Justice				
Pass-Through Awards:				
Office of Justice Programs, Bureau of Justice Assistance				
Passed Through Louisiana Comission on Law Enforcement				
and Administration of Criminal Justice				
Victims of Crime Act -Victims Assistance	16.575	2016-VA 01/02- 4062	32,740	
Victims of Crime Act -Victims Assistance	16.575	2018-VA-01/02/03/04-4858	8,860	
Total Victims of Crime Act			41,600	
Drug Enforcement Administration				
Passed through Jefferson Parish Sheriff's Office				
Gulf Coast High Intensity Drug Trafficking Area	95.001	G19GC001A	8,985	
Total U.S. Department of Justice			50,585	
Total Federal Awards			$ 2,953,155	

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

Notes to the Schedule of Expenditures of Federal Awards

Note 1
This schedule of expenditures of federal awards includes the federal grant activity of the Orleans Parish Sheriff's Office and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in preparation of, the basic financial statements.

Note 2
During the year ended December 31, 2019 the Orleans Parish Sheriff's Office did not elect to use the 10% de minimus cost rate as covered in Section 200.414 of the Uniform Guidance.

Note 3
Federal revenues are included as state and federal grants in the Office's financial statements.

Note 4
Approximately $2 million of the FEMA disaster grant expenditures were incurred in prior years and approved through an obligation of FEMA in 2019.

See accompanying Independent Auditors' Report.

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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 Marlin N. Gusman
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, 2019, and the related notes to the financial statements, which collectively comprise the Office's basic financial statements, and have issued our report thereon dated June 8, 2021.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses and significant deficiencies may exist that have not been identified.

Postlethwaite & Netterville

Compliance and Other Matters

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

Purpose of this Report

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

Postlethwaite & Netterville

New Orleans, Louisiana
June 8, 2021

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

The Honorable Marlin N. Gusman
Orleans Parish Sheriff's Office:

Report on Compliance for Each Major Federal Program

We have audited the Orleans Parish Sheriff's Office's (the Office) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Office's major federal programs for the year ended December 31, 2019. The Office's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the Office complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2019.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2019-001. Our opinion on the major federal program is not modified with respect to this matter.

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

Report on Internal Control Over Compliance

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

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

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

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

Postlethwaite & Netterville

New Orleans, Louisiana
June 8, 2021

(1) Summary of Auditors' Results

(a) The type of report issued on the basic financial statements: unmodified opinion

(b) Significant deficiencies in internal control were disclosed by the audit of the financial statements: none reported; Material weaknesses were identified: no

(c) Noncompliance which is material to the financial statements: none reported

(d) Significant deficiencies in internal control over major program were identified: none reported; Material weaknesses were identified: no

(e) The type of report issued on compliance for major program: unmodified opinion

(f) Any audit findings which are required to be reported under 2 CFR Section 200.516(a): Yes

(g) Major programs:

United States Department of Homeland Security
- CFDA No. 97.036 Public Assistance – Disaster Grants

(h) Dollar threshold used to distinguish between Type A and Type B programs: $750,000

(i) Auditee qualified as a low-risk auditee: yes

(1) Findings Relating to the Financial Statements Reported in accordance with *Government Auditing Standards*: none

(2) Findings and Questioned Costs relating to Federal Awards

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

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

In March 2021, the Office of Management and Budget issued Memorandum M-21-20, which states that awarding agencies should allow recipients and subrecipients with fiscal year ends through June 30, 2021, that have not yet filed their single audits with the Federal Audit Clearinghouse to delay the completion and submission of the single audit reporting package to six months beyond the normal due date. As the Office's normal due date was September 30, 2020, the allowed extension was through March 31, 2021.

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

<u>2019-001 Timely Submission of Audit to the Federal Audit Clearinghouse (continued)</u>

Condition:	The Office did not meet the extended March 31, 2021 deadline for reporting to the Federal Audit Clearinghouse.
Context/Cause:	When the Covid-19 outbreak began in 2020, the Office put all non-essential employees on furlough, including most administrative, accounting, and financial personnel. Accounting and financial personnel were gradually brought back, however some remained on a part time basis throughout most of 2020. In addition, the Office also lost some key middle management personnel who were responsible for certain financial information needed for the audit. The lack of staff significantly impacted the completion of schedules provided to the auditors. There were also delays in receiving certain information from third parties that were also impacted by Covid-19.
Effect:	The Office is non-compliant the Uniform Guidance requirement to submit the audit to the Federal Audit Clearinghouse by March 31, 2021.
Recommendations:	The Office should implement procedures to ensure that the 2020 audit is submitted by the deadline.
Views of responsible officials and planned corrective actions:	The Orleans Parish Sheriff's Office accounting department staff was furloughed due to Covid-19 for the months of March 2020 – August 2020. This staffing shortage created a delay in the Office's 2019 audit. As of January 2021, the accounting department has resumed all functions and staff has resumed working full schedules. The Sheriff's Office anticipates filing the audit by the September 30th deadline.

ORLEANS PARISH SHERIFF'S OFFICE

REPORT ON STATEWIDE AGREED-UPON PROCEDURES ON COMPLIANCE AND CONTROL AREAS

FOR THE YEAR ENDED DECEMBER 31, 2019

Postlethwaite & Netterville
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INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the Honorable Marlin N. Gusman and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by Orleans Parish Sheriff's Office ("the Office") and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2019 through December 31, 2019. The Office's management is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described in the attached Schedule A either for the purpose for which this report has been requested or for any other purpose.

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 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. 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.

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

Postlethwaite & Netterville

Metairie, Louisiana
June 4, 2021

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."* If not, then a description of the exception ensues. Additionally, certain procedures listed below may not have been performed in accordance with guidance provided by the Louisiana Legislative Auditor, the specified user of the report. For those procedures, "procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the Office" is indicated.

Written Policies and Procedures

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

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

   No exceptions noted.

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

   The Office has written policies for purchasing; however, the policy does not specifically address (2) how vendors are added to the vendor list.

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

   The Office does not have written policies for disbursements.

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

   No exceptions noted.

   e) ***Payroll/Personnel***, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

   No exceptions noted.

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

   The Office does not have a written policy for contracting.

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

The Office has written policies for credit cards; however, the policy does not specifically address (1) how cards are to be controlled, (3) documentation requirements, (4) required approvers for statements, and (5) monitoring card usage.

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

No exceptions noted.

i) ***Ethics***, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.

The Office has written policies for ethics; however, the policy does not specifically address (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.

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

The Office does not have a written policy for debt service.

k) ***Disaster Recovery/ Business Continuity****, including (1) Identification of critical data and frequency of backups, (2) Storage of backups in a separate physical location isolated from the network, (3) Periodic testing/ verification that backups can be restored, (4) Use of antivirus software on all systems, and (5) Timely application of all available system and software patches/ updates.*

No exceptions noted.

Board or Finance Committee

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

a) Observe that 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 Office. As such, this procedure is not applicable to the Sheriff's Office.

b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds. *Alternately, for those entities reporting on the non-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 Office. As such, this procedure is not applicable to the Sheriff's Office.

c) For governmental entities, obtain the prior year audit report and observe the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted 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 unrestricted 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 Office. As such, this procedure is not applicable to the Sheriff's Office.

Bank Reconciliations

3. Obtain a listing of client 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 selected each account, and observe that:

A listing of bank accounts was provided and included a total of 42 bank accounts. Management identified the entity's main operating account. No exceptions were noted as a result of performing this procedure.

From the listing provided, we selected 5 bank accounts (1 main operating and 4 randomly) and obtained the bank reconciliations for the month ending August 31, 2019, resulting in 5 bank reconciliations obtained and subjected to the below procedures.

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

Of the 5 bank reconciliations obtained, 4 did not show evidence of being prepared within 2 months of the related statement closing date.

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

No exceptions noted.

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

Of the 5 bank accounts selected, 2 bank reconciliations had reconciling items that have been outstanding for more than 12 months. There was no documentation evidencing that these reconciling items were researched for proper disposition.

Collections

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

   A listing of deposit sites was provided and included a total of 3 deposit sites. No exceptions were noted as a result of performing this procedure.

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

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

   A listing of collection locations for each deposit site selected in procedure #4 was provided and included a total of 29 collection locations. We selected 1 collection location for each of the 3 deposit sites and performed the procedures below. No exceptions were noted as a result of performing this procedure.

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

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

      No exceptions noted.

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

      No exceptions noted.

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

No exceptions noted. The employee responsible for collecting cash posts collection entries to the general ledger and reconciles ledger postings to each other and the deposit; however, another employee is responsible for reconciling ledger postings to each other and to the deposit.

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

No exceptions noted.

6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.

The Office stated that all employees who have access to cash are bonded and/or covered under the Office's insurance policy.

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

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

a) Observe that receipts are sequentially pre-numbered.

No exceptions noted.

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

No exceptions noted.

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

No exceptions noted.

d) Observe 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).

Of the 10 deposits selected for testing, 7 were not deposited within one business day.

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

Of the 10 deposits selected for testing, 2 were related to civil department litigant deposits that could not be traced to the general ledger.

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

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

   Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the entity.

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

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

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

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

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

   Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the entity.

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

    a) Observe that the disbursement matched the related original invoice/billing statement.

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

    Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the entity.

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

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

    A listing of cards was provided. The Office has two credit cards. No exceptions were noted as a result of performing this procedure.

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

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

    a) Observe that 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) was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.)]

       We observed documentation of the electronic approval of the two monthly statements selected for testing by someone other than the authorized card holder. No exceptions noted.

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

       For the 2 credit cards tested, one monthly statement reported finance charges for the month selected.

13. Using the monthly statements or combined statements selected under #12 above, <u>excluding fuel cards</u>, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe 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).

    We selected all (4) transactions reported on both statements selected in procedure #12 (excluding fuel cards) and performed the specified procedures. No exceptions noted.

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

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

    a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).

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

c) 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 policy (procedure #1h).

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

Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the entity.

Contracts

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

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

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

    c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.

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

    Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the entity.

Payroll and Personnel

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

    Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the entity.

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

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

b) Observe that supervisors approved the attendance and leave of the selected employees/officials.

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

Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the entity.

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

    Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the entity.

19. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

    Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the entity.

Ethics

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

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

    Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the entity.

    b) Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

    Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the entity.

Debt Service

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

    Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the entity.

22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants.

    Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the entity.

Other

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

    Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the entity.

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

    Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the entity.

Schedule B

Orleans Parish Sheriff's Office (the Office) provided a response and corrective action plan for the exceptions noted in Schedule A as set forth below.

Written Policies and Procedures:

1b) Purchasing, 1c) Disbursements, 1f) Contracting, 1g) Credit Cards, 1i) Ethics, and 1j) Debt Service: *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.*

Bank Reconciliations:

3a) Prepared bank reconciliations: *The Orleans Parish Sheriff's Office accounting continues to be short staffed. All bank reconciliations are not always done within 2 months. The Office will strive to shorten the time for reconciliations.*

Collections:

7d) 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.

7e) Tracing deposit to the general ledger: *Historically the litigant account has only been adjusted at year end in the official general ledger. In the litigant system the specific individual collections are posted to the individual cases and to a cash control account. The posting to the control cash is done on a daily basis. The deposits are cleared in the bank reconciliation process. More frequent posting to the official general ledger is being considered.*

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

12b) Finance and late fees: *Due to limitations in staffing and since the review and approval of credit cards process has multiple steps, the review and payment of credit cards was not completed in time to prevent finance charges and late fees. The Orleans Parish Sheriff's Office will continue to review and modify the steps necessary for more timely processing.*