



Postlethwaite & Netterville

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A Professional Accounting Corporation

February 7, 2022

Legislative Auditors Office
Baton Rouge, LA

Re: Resubmission of East Baton Rouge Parish Sheriff's Office (Entity ID 3081)

This is a resubmission of the East Baton Rouge Parish Sheriff's Office. The original submission included audit reports with an incorrect date. There were no other changes to the original document.

Sincerely,

A handwritten signature in black ink, appearing to read 'T. C. Naquin', written over a horizontal line.

Thomas C. Naquin, CPA
Director

EAST BATON ROUGE PARISH SHERIFF

Baton Rouge, Louisiana

FINANCIAL REPORT

June 30, 2021

EAST BATON ROUGE PARISH SHERIFF
Baton Rouge, Louisiana

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EAST BATON ROUGE PARISH SHERIFF
Baton Rouge, Louisiana

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INDEPENDENT AUDITORS' REPORT

Honorable Sid J. Gautreaux, III
Sheriff and Tax Collector
East Baton Rouge Parish Sheriff
Baton Rouge, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the East Baton Rouge Parish Sheriff (the "Sheriff") as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Sheriff's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and the aggregate remaining fund information of the East Baton Rouge Parish Sheriff as of June 30, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.



Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, the budgetary comparison schedule, the Schedule of Changes in Total Other Post-Employment Benefit Plan Liability and Related Ratios, the Schedule of Proportionate Share of the Net Pension Liability – Sheriffs' Pension and Relief Fund, the Schedule of the Employer's Contributions to the Sheriff's Pension and Relief Fund, and the Notes to Required Supplementary Information presented on pages 4 through 9, page 36, page 37, page 38, page 39, and pages 40 through 41, respectively, 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 Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Sheriff's basic financial statements. The Schedule of Compensation, Benefits, and Other Payments to the East Baton Rouge Parish Sheriff and the Justice System Funding Schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is also presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The Schedule of Compensation, Benefits, and Other Payments to the East Baton Rouge Parish Sheriff, the Justice System Funding Schedules, and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 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 information is fairly stated in all material respects in relation to the basic financial statements as a whole.



Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 19, 2022, on our consideration of the Sheriff's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Sheriff's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Sheriff's internal control over financial reporting and compliance.

Postlethwaite & Netterville

Baton Rouge, Louisiana
January 19, 2022

EAST BATON ROUGE PARISH SHERIFF
Baton Rouge, Louisiana

Management's Discussion and Analysis

This section of the East Baton Rouge Parish Sheriff's (the Sheriff's) annual financial report provides a narrative discussion and analysis of the financial activities of the Sheriff for the fiscal years ended June 30, 2021 and 2020. The Sheriff's financial performance is discussed and analyzed within the context of the financial statements and disclosures, which follow this section.

Financial Highlights

- The Sheriff's net position reflects a deficit of approximately \$37 million for the fiscal year ended June 30, 2021 compared to the deficit of approximately \$35 million for fiscal year ended June 30, 2020. This deficit net position reflects, among other things, the Sheriff's proportionate share of net pension liability for the defined benefit pension plan in which his office participates. Additionally, the Sheriff is required to recognize and report his total other post-employment benefit liability. See notes 7 and 8 to the financial statements. These two liabilities account for approximately \$114.9 million of the total liabilities and are the primary reasons for the net position deficit.
- Total revenues of approximately \$108.5 million were below total expenses of approximately \$110.7 million, resulting in a decrease in the net position of approximately \$2.2 million for the year ended June 30, 2021 (an increase in net position deficit). For the year ended June 30, 2020, total revenues of approximately \$111.9 million exceeded total expenses of \$100.9 million, resulting in an increase in net position of approximately \$11.0 million for that year (a decrease in net position deficit).
- The Sheriff's governmental funds contained total ending fund balances of approximately \$41.0 million and \$34.4 million as of June 30, 2021 and 2020, respectively. This level of fund balance provides a reasonably adequate level of operating reserves.
- Total net position is comprised of the following:
 - (1) Net investment in capital assets of \$11.0 million and \$11.8 million for the years ended June 30, 2021 and 2020, respectively. This investment in capital assets includes property and equipment net of accumulated depreciation and debt used to purchase or fund the assets.
 - (2) Restricted net position of \$0.2 million and \$0.1 million for the years ended June 30, 2021 and 2020, respectively. These resources consist primarily of seized assets, net of liabilities, or other accounts whose use is restricted by statute.
 - (3) Unrestricted net position deficit of \$48.5 million and \$47.0 million for the years ended June 30, 2021 and 2020, respectively indicates net liabilities for the long-term that must be paid from future resources.

Greater detail of these financial highlights is provided in the "financial analysis" section of this document.

Overview of the Financial Statements

Management's Discussion and Analysis introduces the Sheriff's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. The Sheriff also includes information in this report to supplement the basic financial statements.

Government-wide Financial Statements

The Sheriff's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the Sheriff's overall financial status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in accrual accounting and elimination or reclassification of activities between funds.

The first of these government-wide statements is the *Statement of Net Position*. This is the government-wide statement of position presenting information that includes all of the Sheriff's assets, deferred outflows, liabilities, and deferred inflows with the difference among them reported as *net position (deficit)*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Sheriff's office as a whole is improving or deteriorating. Evaluation of the overall financial health of the Sheriff's office would extend to other non-financial factors such as diversification of the taxpayer base in addition to the financial information provided in this report.

EAST BATON ROUGE PARISH SHERIFF
Baton Rouge, Louisiana

Management's Discussion and Analysis

The second government-wide statement is the *Statement of Activities*, which reports how the Sheriff's net position changed during the current fiscal year. All current year revenues and expenses are included and reported when earned or owed regardless of when cash is received or paid. An important purpose of the design of the statement of activities is to show the financial reliance of the Sheriff's distinct activities or functions on revenues provided by taxpayers.

The government-wide financial statements present governmental activities of the Sheriff that are principally supported by tax revenue. The sole purpose of these governmental activities is public safety.

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The Sheriff uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the Sheriff's most significant funds, rather than the Sheriff as a whole.

The Sheriff uses governmental funds and fiduciary funds as follows:

Governmental funds are reported in the fund financial statements and encompass the same function reported as governmental activities in the government-wide financial statements. However, the focus is different with fund statements providing a distinctive view of the Sheriff's governmental funds, including object classifications. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund operating statement provide a reconciliation to assist in understanding the differences between these two perspectives.

Fiduciary funds are combined and reported in the fiduciary fund financial statements. These funds account for taxes collected for other taxing bodies, deposits and settlements held pending court action, the individual prison inmate accounts, and funds held for evidence in criminal proceedings. The only fiduciary type funds presented by the Sheriff are custodial funds. The Sheriff adopted GASB Statement 84, *Fiduciary Activities* as amended by GASB Statement 97 during the year ended June 30, 2021. As a result, a statement of net position and statement of changes in net position is now presented for the Sheriff's Fiduciary (custodial) funds. This resulted in a restatement of the beginning net position from \$0 to \$5,960,452 across all custodial funds.

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.

Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Sheriff's budget presentations and post-employment benefit plans. Budgetary comparison statements are included as "required supplementary information" for the general fund. This schedule demonstrates compliance with the Sheriff's initially adopted and final revised budget.

EAST BATON ROUGE PARISH SHERIFF
Baton Rouge, Louisiana

Management's Discussion and Analysis

Financial Analysis

The Sheriff's net position deficit was \$37 million and \$35 million at June 30, 2021 and 2020, respectively.

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

Summary Statements of Net Position

	June 30, 2021	June 30, 2020
	Governmental Activities	Governmental Activities
Assets:		
Current assets	\$ 47,527,033	\$ 40,324,969
Capital assets	11,024,325	11,792,843
Total assets	58,551,358	52,117,812
Deferred Outflows of Resources	44,351,146	27,887,111
Liabilities:		
Current liabilities	6,491,135	5,942,312
Long-term liabilities	126,244,666	100,688,175
Total liabilities	132,735,801	106,630,487
Deferred Inflows of Resources	7,412,250	8,423,092
Net position (deficit):		
Net investment in capital assets	11,024,325	11,792,843
Restricted	182,337	132,590
Unrestricted	(48,452,209)	(46,974,089)
Total net position	\$ (37,245,547)	\$ (35,048,656)

The Sheriff had \$11,024,325 and \$11,792,843 invested in capital assets at June 30, 2021 and 2020, respectively, consisting primarily of law enforcement and telecommunications equipment and vehicles. The unrestricted net deficit reflects liabilities incurred in excess of non-capital assets available to satisfy those liabilities.

Long-term liabilities (Including current portion of long-term liabilities) consisting primarily of the total other post-employment benefit liability, compensated absences payable, and the net pension liability were \$126,244,666 versus \$100,688,175 at June 30, 2021 and 2020, respectively. The change is primarily the result of the increase in the net pension liability and other post-employment benefit liability. These increases were primarily the result of fluctuating discount rates and changes in actuarial assumptions.

EAST BATON ROUGE PARISH SHERIFF
Baton Rouge, Louisiana

Management's Discussion and Analysis

The following table provides a Summary Statement of Activities that accounts for the Sheriff's changes in net position:

Summary Statements of Activities		
	June 30, 2021	June 30, 2020
	Governmental Activities	Governmental Activities
Revenues:		
Program:		
Fees, charges, and commissions for services	\$ 18,821,106	\$ 20,354,712
Grants and contributions	6,465,671	13,610,270
	25,286,777	33,964,982
General:		
Ad valorem taxes	74,780,674	69,667,074
State grants not restricted to specific programs	4,208,084	4,215,615
Interest income	252,658	581,662
Contributions not restricted to specific programs	2,929,124	2,754,075
Miscellaneous	1,044,433	719,468
Total revenues	108,501,750	111,902,876
Expenses:		
Public safety:		
Personnel services and benefits	84,058,365	75,273,023
Operating services	18,109,389	16,049,653
Materials and supplies	6,469,935	7,132,572
Transporting and other charges	2,060,952	2,435,902
Total expenses	110,698,641	100,891,150
Change in net position	(2,196,891)	11,011,726
Beginning net position	(35,048,656)	(46,060,382)
Ending net position	\$ (37,245,547)	\$ (35,048,656)

REVENUES

Ad-valorem taxes funded approximately 69% and 62% of the Sheriff's operations for the years ended June 30, 2021 and 2020, respectively. Ad-valorem taxes in terms of dollars, increased \$5,113,600 or 7%. Program revenues consist of fees, charges and commissions for services as well as operating grants and contributions. Program revenues from fees, charges, and commissions for services funded 17% and 18% of operations for the years ended June 30, 2021 and 2020, respectively. Those revenues decreased approximately \$1,534,000 or 7% as a result of decreased revenues collected from the City-Parish government for feeding and housing prisoners (primarily out-of-parish prisoners). Grants and contributions comprised 6% and 12% of revenue for the years ended June 30, 2021 and 2020, respectively. Those revenues decreased approximately \$7,145,000 due to federal assistance in the prior year provided in response to the COVID-19 pandemic to cover eligible payroll costs.

EAST BATON ROUGE PARISH SHERIFF
Baton Rouge, Louisiana

Management's Discussion and Analysis

EXPENSES

The primary function of the Sheriff's Office is public safety activities. Therefore, all expenses are presented within this category on the Statement of Activities. To highlight certain components of this broad category of expenses, we offer the following analysis.

Personnel expenses increased approximately \$8.8 million or 12%. The increased personnel expenses are attributable to pay adjustments and increased overtime associated with the COVID-19 pandemic. Operating service expenses increased approximately \$2.0 million or 13%. This is primarily the result of increases in insurance expense. Expenses for materials and supplies decreased approximately \$663,000 million or 9% as a result of decreased out-of-parish prisoner maintenance costs. Transporting and other costs decreased approximately \$375,000 or 15% as a result of decreased guard services and payments to the City-Parish to reimburse for prisoner expenses.

Financial Analysis of the Sheriff's Funds

Governmental funds

As discussed, governmental funds are reported in the fund statements with a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Governmental funds reported ending fund balances of approximately \$41.0 million and \$34.4 million at June 30, 2021 and 2020, respectively. The fund balance as of June 30, 2021 represents approximately 41% of annual expenditures. This level of fund balance is necessary to allow the Sheriff to sustain operations during periods of decreased revenues without having to obtain significant short or long-term borrowings to fund operations. The Sheriff's management team is monitoring the fund balance level to ensure it is maintained at an adequate level.

Budgetary Highlights

The General Fund — The original budget for the General Fund included anticipated revenues of approximately \$97.0 million and \$97.9 million for the years ended June 30, 2021 and 2020, respectively, a decrease of approximately \$0.9 million from 2020 to 2021. For the fiscal year ended June 30, 2021, the budget was amended to reflect net changes among various revenue accounts for an increase totaling approximately \$7.6 million. This budget increase is attributable to higher revenues associated with ad valorem taxes and grant revenues. The total actual revenues of \$105 million, as reported in the General Fund, was consistent with the amended budget.

The original budget for the General Fund included anticipated expenditures of approximately \$99.3 million and \$97.8 million for the years ended June 30, 2021 and 2020, respectively, an increase of approximately \$1.5 million from 2020 to 2021. For the year ended June 30, 2021, the budget was amended to reflect a minimal decrease of approximately \$54,000 in anticipated expenditures. The total actual expenditures of \$98.5 million, as reported in the General Fund, were less than the amended budget by approximately \$747,000, primarily due to less than expected prisoner costs.

Overall, the net change (increase) in fund balance for the year ended June 30, 2021 of \$6.6 million was \$952,000 more than anticipated, primarily the result of higher than anticipated General Fund revenues associated with ad valorem tax and federal program grant revenue.

EAST BATON ROUGE PARISH SHERIFF
Baton Rouge, Louisiana

Management's Discussion and Analysis

Capital Assets and Debt Administration

Capital assets

The Sheriff's investment in capital assets was \$11,024,325, net of accumulated depreciation of \$21,868,994 at June 30, 2021 and \$11,792,843 net of accumulated depreciation of \$21,633,143 at June 30, 2020. Under the Sheriff's capitalization policy, assets with a cost of \$5,000 or more are capitalized for purposes of financial reporting. All assets with a cost of \$500 or more, as well as certain assets with a cost of less than \$500, are inventoried and tracked. See Note 3 within the notes to the financial statements for additional information about changes in capital assets during the fiscal year and the balance at the end of the year.

The following table provides a summary of capital asset categories:

	Capital Assets (net of accumulated depreciation, where applicable)	
	<u>June 30, 2021</u>	<u>June 30, 2020</u>
Land	\$ 68,566	\$ 68,566
Work-in-progress	204,800	-
Buildings	2,208,108	2,307,069
Vehicles	5,332,560	6,136,427
Office furniture & equipment	453,185	309,291
Law enforcement equipment	2,529,963	2,701,648
Telecommunications equipment	227,143	269,842
Total capital assets	<u>\$ 11,024,325</u>	<u>\$ 11,792,843</u>

At June 30, 2021 and 2020, the depreciable capital assets for governmental activities were 67% and 65% depreciated, respectively.

Long-term liabilities

The Sheriff has no long-term bonded debt or borrowings outstanding at June 30, 2021. Other long-term liabilities consisted of total other post-employment benefits liability of \$69,533,820; general liability and auto claims payable of \$2,862,500, compensated absences of \$8,521,521, and the net pension liability of \$45,326,825 as of June 30, 2021. These long-term liabilities increased approximately \$25.3 million in total from June 30, 2020 primarily as a result of increases in the net pension and total other post-employment benefits liabilities. (see Notes 7 & 8). These increases were primarily the result of fluctuations in discount rates and actuarial assumptions.

Economic Conditions and Budgets of Future Periods

In setting the fiscal year 2022 General Fund budget, property tax revenues were projected to increase by approximately 2%. Federal grant revenues are expected to decrease as a result of one-time funding associated with the COVID-19 pandemic recognized in fiscal year 2021. Expenditures are expected to increase because of more expenditures related to personnel and services.

Contacting the Sheriff's Financial Management

This financial report is designed to provide a general overview of the Sheriff's finances, comply with laws and regulations related to finance, and demonstrate the Sheriff's commitment to public accountability. If you have questions about this report or would like to request additional information, contact the Sheriff's Office, Edward "Skip" Rhorer, Chief Civil Deputy, at (225) 389-5000 or email at srhorer@ebrso.org.

EAST BATON ROUGE PARISH SHERIFF

Baton Rouge, Louisiana

STATEMENT OF NET POSITION

June 30, 2021

ASSETS

Cash	\$ 44,720,311
Receivables	1,209,983
Due from other governments	990,075
Other	606,664
Capital assets not being depreciated:	
Land	68,566
Work-in-progress	204,800
Capital assets, net of depreciation	<u>10,750,959</u>
Total assets	<u>58,551,358</u>

DEFERRED OUTFLOWS OF RESOURCES

Deferred pension contributions	6,017,228
Deferred outflow amounts related to total other post-employment benefits	15,242,091
Deferred outflow amounts related to pension liability	<u>23,091,827</u>
Total deferred outflows of resources	<u>44,351,146</u>

LIABILITIES

Accounts payable and accrued liabilities	4,026,012
Health claims payable	2,050,000
Due to others	415,123
Long-term liabilities:	
Due in one year:	
Compensated absences payable	4,242,334
Total other post-employment benefit liability	1,525,000
Due in more than one year:	
Compensated absences payable	4,279,187
General liability and auto claims payable	2,862,500
Total other post-employment benefit liability	68,008,820
Net pension liability	<u>45,326,825</u>
Total liabilities	<u>132,735,801</u>

DEFERRED INFLOWS OF RESOURCES

Deferred inflow amounts related to total other post-employment benefits	1,151,047
Deferred inflow amounts related to pension liability	<u>6,261,203</u>
Total deferred inflows of resources	<u>7,412,250</u>

NET POSITION

Net investment in capital assets	11,024,325
Restricted	182,337
Unrestricted	<u>(48,452,209)</u>
Total net deficit	<u>\$ (37,245,547)</u>

The accompanying notes are an integral part of this statement.

EAST BATON ROUGE PARISH SHERIFF

Baton Rouge, Louisiana

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2021

	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenues and Changes in Net Position</u>
		<u>Fees, Fines, and Charges for Services</u>	<u>Capital Grants and Contributions</u>	<u>Operating Grants and Contributions</u>	
Governmental Activities:					
Public Safety	<u>\$ 110,698,641</u>	<u>\$ 18,821,106</u>	<u>\$ 215,723</u>	<u>\$ 6,249,948</u>	<u>\$ (85,411,864)</u>
General revenues:					
Ad valorem taxes					74,780,674
State grants not restricted to specific programs					4,208,084
Interest income					252,658
Contributions not restricted to specific programs					2,929,124
Other					<u>1,044,433</u>
Total general revenues					<u>83,214,973</u>
Change in net position					(2,196,891)
Net position - beginning					<u>(35,048,656)</u>
Net position - ending					<u>\$ (37,245,547)</u>

The accompanying notes are an integral part of this statement.

EAST BATON ROUGE PARISH SHERIFF

Baton Rouge, Louisiana

BALANCE SHEET - GOVERNMENTAL FUNDS

JUNE 30, 2021

	<u>General Fund</u>	<u>Non-Major Canteen Fund</u>	<u>Total</u>
<u>ASSETS</u>			
Cash	\$ 44,294,828	\$ 200,452	\$ 44,495,280
Cash restricted	225,031	-	225,031
Receivables	1,209,983	-	1,209,983
Due from other governments	990,075	-	990,075
Other	586,900	19,764	606,664
Total assets	<u>\$ 47,306,817</u>	<u>\$ 220,216</u>	<u>\$ 47,527,033</u>
<u>LIABILITIES</u>			
Accounts payable and accrued liabilities	\$ 4,022,777	\$ 3,235	\$ 4,026,012
Health claims payable	2,050,000	-	2,050,000
Due to others	415,123	-	415,123
Total liabilities	<u>6,487,900</u>	<u>3,235</u>	<u>6,491,135</u>
<u>FUND BALANCE</u>			
Restricted	182,337	-	182,337
Committed	-	216,981	216,981
Assigned	9,800,000	-	9,800,000
Unassigned	30,836,580	-	30,836,580
Total fund balances	<u>40,818,917</u>	<u>216,981</u>	<u>41,035,898</u>
Total liabilities and fund balances	<u>\$ 47,306,817</u>	<u>\$ 220,216</u>	<u>\$ 47,527,033</u>

The accompanying notes are an integral part of this statement.

EAST BATON ROUGE PARISH SHERIFF
Baton Rouge, Louisiana

RECONCILIATION OF THE GOVERNMENTAL FUNDS' BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2021

Total Fund Balances for governmental funds at June 30, 2021 \$ 41,035,898

Total Net Position reported for governmental activities in the Statement of Net Position is different because:

Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds. Total capitalized cost, net of \$21,868,994 accumulated depreciation: 11,024,325

Long-term liabilities at June 30, 2021:

Total other post-employment benefits liability	(69,533,820)
Claims payable - general liability and auto	(2,862,500)
Compensated absences payable	(8,521,521)
Pension liabilities, deferred inflows and deferred outflows of resources:	
Net pension liability	(45,326,825)
Deferred inflows related to pension liability	(6,261,203)
Deferred outflows related to other post employment benefits	15,242,091
Deferred outflows related to pension liability	29,109,055
Deferred inflows related to other post employment benefits	<u>(1,151,047)</u>

Total Net Position of governmental activities at June 30, 2021 \$ (37,245,547)

The accompanying notes are an integral part of this statement.

EAST BATON ROUGE PARISH SHERIFF

Baton Rouge, Louisiana

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES

IN FUND BALANCE - GOVERNMENTAL FUNDS

YEAR ENDED JUNE 30, 2021

<u>REVENUES</u>	General Fund	Non-Major Canteen Fund	Total
Ad valorem taxes	\$ 74,780,674	\$ -	\$ 74,780,674
Intergovernmental revenues:			
Federal grants and other financial assistance	5,807,843	-	5,807,843
State grants	295,400	-	295,400
State supplemental pay	3,516,005	-	3,516,005
State revenue sharing	692,079	-	692,079
Fees, charges, and commissions for services:			
Civil and criminal fees	7,156,845	-	7,156,845
Court attendance	102,374	-	102,374
Transporting prisoners	197,326	-	197,326
Feeding and keeping prisoners	6,113,910	-	6,113,910
Sales of merchandise	-	59,377	59,377
Fines and forfeitures	169,638	-	169,638
Narcotics seizures	555,399	-	555,399
Other	3,990,568	475,669	4,466,237
Interest income	252,632	26	252,658
Donations	362,428	-	362,428
Miscellaneous	798,922	48,341	847,263
Total Revenues	104,792,043	583,413	105,375,456
 <u>EXPENDITURES</u>			
Public safety:			
Personnel services and related benefits	72,881,747	-	72,881,747
Operating services	15,064,984	453,380	15,518,364
Materials and supplies	6,469,717	58,922	6,528,639
Transporting and other charges	2,035,249	25,703	2,060,952
Capital outlay	2,014,601	-	2,014,601
Total Expenditures	98,466,298	538,005	99,004,303
 EXCESS OF REVENUES OVER EXPENDITURES	6,325,745	45,408	6,371,153
 Other financing sources:			
Sale of fixed assets	282,088	-	282,088
Total other financing sources	282,088	-	282,088
 Net change in fund balance	6,607,833	45,408	6,653,241
 FUND BALANCE AT BEGINNING OF YEAR	34,211,084	171,573	34,382,657
 FUND BALANCE AT END OF YEAR	\$ 40,818,917	\$ 216,981	\$ 41,035,898

The accompanying notes are an integral part of this statement.

EAST BATON ROUGE PARISH SHERIFF

Baton Rouge, Louisiana

RECONCILIATION OF THE GOVERNMENTAL FUNDS'
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2021

Total Net Change in Fund Balance for year ended June 30, 2021, S 6,653,241
per Statement of Revenues, Expenditures and Changes in Fund Balances

The change in net position reported for governmental activities in the
Statement of Activities is different because:

Governmental funds report capital asset purchases 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.

Purchases of capital assets	2,073,305	
Depreciation expense	(2,756,905)	
Net book value of capital assets disposed	<u>(84,918)</u>	(768,518)
Excess of compensated absences earned over compensated absences taken		(942,638)
Change in general and auto claims payable		(287,500)
Net change in other post-employment benefits liability and deferred inflows/outflows of resources		(4,597,195)
Net change in pension liability and deferred inflows/outflows of resources		<u>(2,254,281)</u>
Total change in Net Position for year ended June 30, 2021, per Statement of Activities		<u>S (2,196,891)</u>

The accompanying notes are an integral part of this statement.

EAST BATON ROUGE PARISH SHERIFF
Baton Rouge, Louisiana

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2021

	<u>Sheriff's Fund</u>	<u>Prison Inmate Fund</u>	<u>Tax Collector Fund</u>	<u>Evidence Fund</u>	<u>Total</u>
<u>ASSETS</u>					
Cash and cash equivalents	\$ 8,501,535	\$ 513,680	\$ 4,986,593	\$ 3,629,326	\$ 17,631,134
Receivables	108,014	-	602,848	27	710,889
Total assets	<u>\$ 8,609,549</u>	<u>\$ 513,680</u>	<u>\$ 5,589,441</u>	<u>\$ 3,629,353</u>	<u>\$ 18,342,023</u>
<u>LIABILITIES</u>					
Due to taxing bodies and others:					
Due to taxing bodies	\$ -	\$ -	\$ 3,013,216	\$ -	\$ 3,013,216
Due to individuals and other organizations	6,787,572	513,680	-	-	7,301,252
Total Liabilities	<u>6,787,572</u>	<u>513,680</u>	<u>3,013,216</u>	<u>-</u>	<u>10,314,468</u>
<u>NET POSITION</u>					
Restricted for individuals and other governments	<u>\$ 1,821,977</u>	<u>\$ -</u>	<u>\$ 2,576,225</u>	<u>\$ 3,629,353</u>	<u>\$ 8,027,555</u>

The accompanying notes are an integral part of this statement.

EAST BATON ROUGE PARISH SHERIFF
Baton Rouge, Louisiana

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2021

	<u>Sheriff's Fund</u>	<u>Prison Inmate Fund</u>	<u>Tax Collector Fund</u>	<u>Evidence Fund</u>	<u>Total</u>
<u>REVENUES</u>					
Deposits:					
Suits, successions, etc.	\$ 11,799,065	\$ -	\$ -	\$ -	\$ 11,799,065
Garnishments	11,756,357	-	-	-	11,756,357
Surety bonds	806,513	-	-	-	806,513
Taxes, fees, etc. paid to tax collector	-	-	504,008,592	-	504,008,592
Interest on investments	-	-	1,290,175	-	1,290,175
Other Additions					
Prisoner deposits	-	661,915	-	-	661,915
Evidence cash received	-	-	-	2,682,712	2,682,712
Total additions	<u>24,361,935</u>	<u>661,915</u>	<u>505,298,767</u>	<u>2,682,712</u>	<u>533,005,329</u>
<u>EXPENSES</u>					
Taxes, fees, etc. distributed					
to taxing bodies and others	-	-	505,298,513	-	505,298,513
Payments to litigants, etc.	23,184,740	-	-	-	23,184,740
Fees to other entities	277,577	-	-	-	277,577
Surety bond refunds	496,338	-	-	-	496,338
Refunds to released inmates and prisoner program disbursements	-	661,915	-	-	661,915
Authorized program disbursements	-	-	-	1,019,143	1,019,143
Total deductions	<u>23,958,655</u>	<u>661,915</u>	<u>505,298,513</u>	<u>1,019,143</u>	<u>530,938,226</u>
Net increase (decrease) in fiduciary net position	403,280	-	254	1,663,569	2,067,103
<u>NET POSITION, BEGINNING (Restated)</u>	<u>1,418,697</u>	<u>-</u>	<u>2,575,971</u>	<u>1,965,784</u>	<u>5,960,452</u>
<u>NET POSITION, ENDING</u>	<u>\$ 1,821,977</u>	<u>\$ -</u>	<u>\$ 2,576,225</u>	<u>\$ 3,629,353</u>	<u>\$ 8,027,555</u>

The accompanying notes are an integral part of this statement.

EAST BATON ROUGE PARISH SHERIFF
Baton Rouge, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As provided by Article V, Section 27 of the Louisiana Constitution of 1974, the East Baton Rouge Parish Sheriff (Sheriff) serves a four-year term as the chief executive officer of the law enforcement district and ex-officio tax collector of the parish. The Sheriff administers the parish jail system and exercises duties required by the parish court system, such as providing bailiffs, executing orders of the court, and serving subpoenas.

As the chief law enforcement officer of the parish, the Sheriff has the responsibility for enforcing state and local laws and ordinances within the territorial boundaries of the parish. The Sheriff provides protection to the residents of the parish through on-site patrols and investigations and serves the residents of the parish through the establishment of neighborhood watch programs, anti-drug abuse programs, et cetera. In addition, when requested, the Sheriff provides assistance to other law enforcement agencies within the parish.

As the ex-officio tax collector of the parish, the Sheriff is responsible for collecting and distributing ad valorem property taxes, state revenue sharing funds, proceeds of sales of seized property and fines, costs, and bond forfeitures imposed by the district court.

A. BASIS OF PRESENTATION, BASIS OF ACCOUNTING

BASIS OF PRESENTATION

The accompanying financial statements of the Sheriff have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

GOVERNMENT-WIDE STATEMENTS:

The statement of net position and the statement of activities display information about the primary government. They include all of the non-fiduciary type funds of the reporting entity, which are considered to be governmental activities. Information contained in these statements reflects the economic resources measurement focus and the accrual basis of accounting.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the Sheriff's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore are clearly identifiable to a particular function. Program revenues are derived directly from fees and charges paid by the recipient of services offered by the Sheriff and grants and contributions that are restricted to meeting the operational or capital requirement of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

FUND FINANCIAL STATEMENTS:

The fund financial statements provide information about the Sheriff's funds, including its fiduciary funds. Separate statements for each fund category, governmental and fiduciary, are presented. The emphasis of fund financial statements is on major governmental funds.

EAST BATON ROUGE PARISH SHERIFF
Baton Rouge, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

A. **BASIS OF PRESENTATION, BASIS OF ACCOUNTING** (continued)

The Sheriff reports the following major governmental fund:

General Fund

The General Fund, as provided by Louisiana Revised Statute 33:1422, is the principal fund of the Sheriff's Office and accounts for a majority of the operations of the Sheriff's Office. The Sheriff's primary source of revenue are ad valorem taxes levied by the law enforcement district. Other sources of revenue include commissions on state revenue sharing, state supplemental pay for deputies, civil and criminal fees, fees for court attendance, and maintenance of prisoners, et cetera. General operating expenditures are paid from this fund.

The Sheriff reports the following non-major governmental fund:

Special Revenue Fund

Special Revenue Funds account for the proceeds of restricted or committed revenue sources. The Canteen Fund accounts for the operation of the prison commissary which is funded through sales of goods and services to prisoners.

Additionally, the Sheriff reports a fiduciary fund type as follows:

Custodial Funds

The custodial funds are used as depositories for civil suits, cash bonds, ad-valorem taxes collected, fees, evidence seized, prisoner deposits, et cetera. Disbursements from these funds are made to various local government agencies, litigants in suits, detainees, et cetera, in the manner prescribed by law. These funds are custodial in nature.

B. **REPORTING ENTITY**

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

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

EAST BATON ROUGE PARISH SHERIFF
Baton Rouge, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. BASIS OF ACCOUNTING/MEASUREMENT FOCUS

The Government-Wide Financial Statements (GWFS) and fiduciary fund statements are reported using the economic resources measurement focus. The government-wide and fiduciary fund financial statements are reported using 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. Non-exchange transactions, in which the Sheriff gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied and enabling legislation occurred making the funds available from the grantor. Fiduciary funds record expenses when compelled to disburse.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The Sheriff considers all property tax revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Property taxes and interest are considered to be susceptible to accrual. Revenues from grants, entitlements, and donations are considered available if it's probable that the revenues will be collected within six months after year end. Expenditures are recorded when the related fund liability is incurred, except for claims and judgments and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds.

D. BUDGET PRACTICES

The proposed budget for the year ended June 30, 2021, was made available for public inspection and comments from taxpayers at the Sheriff's office on June 5, 2020. A public hearing was held on the proposed budget at least 10 days after publications of the call of the hearing. The proposed budget was published in the official journal ten days prior to the public hearing, which was held at the Sheriff's Office on June 23, 2020 for the comments from taxpayers. The budget was legally adopted and amended, as necessary, by the Sheriff.

All expenditure appropriations lapse at year end. Unexpended appropriations and any excess of revenues over expenditures are carried forward to the subsequent year as beginning fund balance.

The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP). The budget presented in the accompanying budgetary comparison schedule includes the originally adopted budget and the final budget which includes all subsequent amendments.

E. CASH AND CASH EQUIVALENTS

Cash includes amounts in demand deposit accounts, interest-bearing demand deposits, and money market accounts. Under state law, the Sheriff may deposit funds in demand deposit accounts, interest-bearing demand deposit accounts, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. Tax collections must be deposited in a bank domiciled in the parish where the funds are collected.

Under state law, the Sheriff may invest in United States bonds, treasury notes, U.S. Agency obligations or investment grade commercial paper. These are classified as investments if their original maturity exceeds 90 days.

EAST BATON ROUGE PARISH SHERIFF
Baton Rouge, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

F. **CAPITAL ASSETS**

All capital assets are capitalized at historical cost, or estimated historical costs for assets where actual cost is not available. Donated fixed assets are recorded as capital assets at their acquisition value at the date of donation. The Sheriff maintains a threshold level of \$5,000 or more for capitalizing assets. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets' lives are not capitalized.

Capital assets are recorded in the Statement of Net Position and depreciation thereon within the Statement of Activities. Since surplus assets are sold for an immaterial amount when declared no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Buildings and Improvements	40
Vehicles	5
Office Furniture and Equipment	5 - 15
Law Enforcement Equipment	7 - 10
Telecommunications Equipment	10 - 15

G. **COMPENSATED ABSENCES**

Employees of the Sheriff's Office earn from 16 to 22 hours of paid time off (PTO) every 28 days of uninterrupted full-time employment. Maximum accrual of PTO is 1,040 hours, depending upon length of service. During the year ended June 30, 2010, the Sheriff discontinued the accrual of sick leave. The unused sick leave was transferred to PTO to the extent that the transfer did not cause accumulated PTO to exceed 1,040 hours. The remaining sick leave that could not be transferred will be available for the respective employees to use. However, upon termination, accumulated sick leave that was not transferred to PTO, will not be paid out. Upon termination of employment, employees are paid for accrued but unused PTO up to 300 hours.

Law enforcement employees receive overtime compensation for compensable hours worked in excess of 171 hours in a 28-day work period. Non-law enforcement employees receive overtime compensation for compensable hours worked in excess of 40 hours during a 7-day work week. Exempt employees are not compensated for overtime unless in the case of emergency response as approved by the Sheriff. As a condition of employment with the Sheriff's Office, nonexempt employees receive compensatory time (CT), at the rate of time and a half, in lieu of immediate cash payment for overtime. CT is time off with full pay and benefits (insurance, pension, and accrual of PTO). A maximum of 480 hours of CT may be accumulated for law enforcement personnel. A maximum of 240 hours of CT may be accumulated by non-law enforcement personnel.

The cost of leave privileges is recognized as current year expenditure in the General Fund when leave is actually taken or paid upon termination. The cost of leave privileges not requiring current resources is reported as a liability in the Statement of Net Position. As such, all accumulated CT and up to 300 hours of PTO is accrued as a liability in the Statement of Net Position.

EAST BATON ROUGE PARISH SHERIFF
Baton Rouge, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

H. **FUND EQUITY OF FUND FINANCIAL STATEMENTS**

Accounting standards require governmental fund balances to be reported in as many as five classifications as listed below in accordance with Governmental Accounting Standards Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*:

Nonspendable – represent permanently nonspendable balances that are not expected to be converted to cash.

Spendable

Restricted – represent balances where constraints have been established by external parties or by enabling legislation.

Committed – represent balances where constraints have been established by formal action of the Sheriff.

Assigned – represent balances where informal constraints have been established by the Sheriff or his delegate, but that are not restricted nor committed.

Unassigned – represent balances for which there are no constraints.

When expenditures are incurred for purposes for which both restricted and unrestricted amounts are available, the Sheriff reduces restricted amounts first, followed by unrestricted amounts. When expenditures are incurred for purposes for which committed, assigned, and unassigned amounts are available, the Sheriff reduces committed amounts first, followed by assigned amounts and then unassigned amounts.

I. **USE OF ESTIMATES**

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows, liabilities, deferred inflows, disclosure of contingent assets, liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

J. **RESTRICTED NET POSITION**

For the government-wide statement of net position, net position is reported as restricted when constraints placed on net position use either externally imposed by creditors (such as debt covenants), grants, contributors, laws, or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation.

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

K. **PENSION PLANS**

The East Baton Rouge 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.

EAST BATON ROUGE PARISH SHERIFF
Baton Rouge, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

L. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and as such will not be recognized as an outflow of resources (expense/expenditure) until then. See Note 7 for additional information on deferred outflows of resources related to defined benefit pension plans and Note 8 for additional information on deferred outflows of resources related to other post-employment benefits.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and as such, will not be recognized as an inflow of resources (revenues) until that time. See Note 7 for additional information on deferred inflows of resources related to defined benefit pension plans and Note 8 for additional information on deferred inflows of resources related to other post-employment benefits.

M. NEWLY ADOPTED ACCOUNTING STANDARD

The Sheriff adopted GASB Statement 84, *Fiduciary Activities* during the year ended June 30, 2021. As a result, a statement of net position and statement of changes in net position is now presented for the Sheriff's Fiduciary (custodial) funds. The adoption of this standard resulted in certain items previously reported as liabilities being reclassified as net position. The beginning net position is therefore restated as follows:

	<u>Fiduciary Funds</u>
Total Net Position June 30, 2020, as previously reported	\$ -
Implementation of GASB Statement 84	<u>5,960,452</u>
Total Net Position, June 30, 2020, Restated	<u>\$ 5,960,452</u>

N. ACCOUNTING PRONOUNCEMENTS ISSUED BUT NOT YET ADOPTED

In June 2017, the Governmental Accounting Standards Board issued Statement No. 87 – *Leases*. The accounting guidance outlines new accounting and financial reporting requirements for leases. It requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Statement No. 87 will be effective for annual periods beginning after June 15, 2021. The Sheriff will include the requirements of this standard, as applicable, in its June 30, 2022 financial statements.

The Sheriff is currently assessing the impact of this pronouncement on its financial statements.

2. PROPERTY TAXES

The 1974 Louisiana Constitution (Article 7 Section 18) provided that land and improvements for residential purposes be assessed at 10% of fair market value; other property and electric cooperative properties, excluding land, are to be assessed at 15%; and public service properties, excluding land, are to be assessed at 25% of fair market value. Fair market value is determined by the elected assessor of the parish on all property subject to taxation except public service properties, which are valued by the Louisiana Tax Commission (LRS 47:1957). The correctness of assessments by the assessor is subject to review and certification by the Louisiana Tax Commission. The assessor is required to reappraise all property subject to taxation at intervals of not more than four years.

EAST BATON ROUGE PARISH SHERIFF
Baton Rouge, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

2. PROPERTY TAXES (continued)

The Sheriff, by State Law (LRS 33:1435), is the official tax collector of general property taxes levied by the Parish. Taxes collected are distributed to the various taxing authorities, including the Sheriff's General Fund on a monthly basis.

The 2020 property tax calendar is as follows:

Levy date:	November 15, 2020
Millage rates adopted:	November 15, 2020
Tax bills mailed:	November 25, 2020
Due date:	December 31, 2020
Lien date:	September 30, 2021

State Law requires the Sheriff to collect property taxes in the calendar year in which the levy is made. Property taxes become delinquent January 1st of the following year. If taxes are not paid by the due date, taxes bear interest at the rate of one and one-fourth percent per month until the taxes are paid (LRS 47:2101). After notice is given to the delinquent taxpayers, the Sheriff is required by the Constitution of the State of Louisiana to sell the least quantity of property necessary to settle the taxes and interest owed (LRS 47:2181).

The following is a summary of authorized and levied property taxes:

	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
Special law enforcement	4.36	4.36	None
Additional special law enforcement	6.90	6.90	12/31/2023
Special law enforcement	3.73	3.73	12/31/2030

3. CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended June 30, 2021, are as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<u>Cost</u>				
Land	\$ 68,566	\$ -	\$ -	\$ 68,566
Work-in-progress	-	204,800	-	204,800
Buildings	4,194,734	25,597	-	4,220,331
Vehicles	20,161,721	1,119,059	(2,524,068)	18,756,712
Office furniture and equipment	1,971,456	271,515	-	2,242,971
Law enforcement equipment	6,532,631	452,334	(81,904)	6,903,061
Telecommunications equipment	496,878	-	-	496,878
Total	<u>33,425,986</u>	<u>2,073,305</u>	<u>(2,605,972)</u>	<u>32,893,319</u>
<u>Accumulated Depreciation</u>	<u>(21,633,143)</u>	<u>(2,756,905)</u>	<u>2,521,054</u>	<u>(21,868,994)</u>
Total Capital Assets (net)	<u>\$ 11,792,843</u>	<u>\$ (683,600)</u>	<u>\$ (84,918)</u>	<u>\$ 11,024,325</u>

For the year ended June 30, 2021, depreciation expense was \$2,756,905.

EAST BATON ROUGE PARISH SHERIFF
Baton Rouge, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

4. CASH AND CASH EQUIVALENTS

At June 30, 2021, the Sheriff has cash and cash equivalents consisting solely of deposits in financial institutions. These deposits are stated at cost, which approximates market. 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.

Custodial credit risk is the risk that an entity may fail to receive its deposits upon failure of a financial institution. To protect against such risks, the market values of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. Standby letters of credit from federally sponsored lending institutions can also be used to protect against this risk. At June 30, 2021, the deposits are not exposed to custodial credit risk as a result of an adequate level of pledged securities, standby letters of credit and FDIC insurance. The Sheriff does not maintain a separate custodial credit risk policy.

5. RECEIVABLES

Receivables at June 30, 2021 are as follows:

Feeding, keeping and transporting prisoners	\$ 398,184
Grant revenue	363,589
Fees, charges and commissions	429,224
Other	18,986
	<u>\$ 1,209,983</u>

6. RESTRICTED ASSETS ON NET POSITION

Restricted cash held in the general fund of \$225,031 represents funds received from grants, narcotic seizures, litigation settlements, and amounts received under Act 942. These amounts are held in these accounts until disbursements are properly authorized. Restricted net position of \$182,337 represents these same funds received less amounts due to others at June 30, 2021.

7. PENSION PLAN

The East Baton Rouge Parish Sheriff's Office is a participating employer in the Louisiana Sheriffs' Pension and Relief Fund (Fund), which is a cost-sharing defined benefit pension plan. The Fund is a public corporation created in accordance with the provision of Louisiana Revised Statute 11:2171 to provide retirement, disability and survivor benefits to employees of sheriffs' offices throughout the State of Louisiana, employees of Louisiana Sheriffs' Association and Sheriffs' Pension and Relief Fund's office. The Fund is governed by a Board of Trustees composed of 14 elected members and two legislators who serve as ex-officio members, all of whom are voting members.

The Fund issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. The report may be obtained by writing to the Louisiana Sheriff's Pension and Relief Fund, 1225 Nicholson Drive, Baton Rouge, Louisiana 70802, or by calling (225) 219-0500.

EAST BATON ROUGE PARISH SHERIFF
Baton Rouge, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

7. **PENSION PLAN** (continued)

Plan Description

The Louisiana Sheriffs' Pension and Relief Fund is the administrator of a cost-sharing, multiple employer defined benefit plan. The plan provides retirement, disability and survivor benefits to employees of sheriff's offices throughout the state of Louisiana, employees of the Louisiana Sheriff's Association and the Sheriff's Pension and Relief Fund's office as provided for in LRS 11:2171. Eligibility for retirement benefits and the computation of retirement benefits are provided for in LRS 11:2178.

Cost of Living Provisions

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.

Funding Policy

According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ending June 30, 2021, the actual employer contribution rate was 12.25%. Employer contributions for the year ended June 30, 2021 were \$6,017,228. In accordance with state statute, the Fund receives ad valorem taxes, insurance premium taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities, but are not considered special funding situations. Non-employer contributions are recognized as revenue and excluded from pension expense. Non-employer contributions for the year ended June 30, 2021 were \$2,929,124.

Plan members are required by state statute to contribute 10.25 percent of their annual covered salary.

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

At June 30, 2021, the Sheriff reported a liability of \$45,326,825 for its proportionate share of the net pension liability of the Louisiana Sheriffs' Pension and Relief Fund. The net pension liability was measured as of June 30, 2020 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Sheriff's proportion of the net pension liability was based on actual contributions to the plan for the year ended June 30, 2020. At June 30, 2020, the Sheriff's proportion was 6.5490%, which was an increase of 0.048% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the Sheriff recognized pension expense of \$11,200,633.

EAST BATON ROUGE PARISH SHERIFF
Baton Rouge, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

7. **PENSION PLAN** (continued)

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

At June 30, 2021, the Sheriff reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ 11,140,893	\$ (5,297,788)
Net difference between projected and actual earnings on pension plan investments	10,905,348	-
Changes in proportion	1,041,501	(907,251)
Difference in contributions	4,085	(56,164)
Employer contributions subsequent to the measurement date	6,017,228	-
Total	\$ 29,109,055	\$ (6,261,203)

The Sheriff reported a total of \$6,017,228 as deferred outflow of resources related to pension contributions made subsequent to the measurement period of June 30, 2020 which will be recognized as a reduction in net pension liability in the year ended June 30, 2021.

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

Year	LSPRF
2022	\$ 2,377,357
2023	4,720,994
2024	5,029,649
2025	4,095,108
2026	607,516
	\$ 16,830,624

EAST BATON ROUGE PARISH SHERIFF
Baton Rouge, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

7. **PENSION PLAN** (continued)

Actuarial Assumptions

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

Valuation Date	June 30, 2020
Actuarial Cost Method	Entry Age Normal
Expected Remaining Service Lives	6 years
Investment Rate of Return	7.00%, net of investment expense
Projected salary increases	5.0% (2.50% inflation, 2.50% merit)
Mortality	<p>Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Employees multiplied by 120% for males and 115% for females for active members, each with full generational projection using the appropriate MP2019 scale</p> <p>Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Healthy Retirees multiplied by 120% for males and 115% for females for annuitants and beneficiaries, each with full generational projection using the appropriate MP2019 scale</p> <p>Pub-2010 Public Retirement Plans Mortality Table for Safety Disabled Retirees multiplied by 120% for males and 115% for females for disabled annuitants, each with full generational projection using the appropriate MP2019 scale</p>

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.

The target allocation and best estimates of geometric real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2020 are summarized in the following table:

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Real Return Arithmetic Basis</u>	<u>Long-Term Expected Real Rate of Return</u>
Equity Securities	62%	6.8%	4.20%
Fixed Income	23%	2.4%	0.60%
Alternative Investments	15%	4.7%	0.70%
Total	<u>100%</u>		<u>5.50%</u>
Inflation			<u>2.40%</u>
Expected Arithmetic Nominal Return			<u>7.90%</u>

EAST BATON ROUGE PARISH SHERIFF
Baton Rouge, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

7. **PENSION PLAN** (continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.00%. 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 Public Retirement Systems' Actuarial Committee (PRSAC) taking into consideration the recommendation of the Fund's actuary. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following table presents the Sheriff's proportionate share of the net pension liability (NPL) using the discount rate of the Retirement System as well as what the Sheriff'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 used by the Retirement System:

	<u>1.0% Decrease</u>	<u>Current Discount Rate</u>	<u>1.0% Increase</u>
LSPRF			
Rates	6.00%	7.00%	8.00%
EBRSO Share of NPL (Asset)	\$82,329,257	\$45,326,825	\$14,468,607

Amounts Payable to Pension Plans

The Sheriff had amounts due to the Retirement System of approximately \$836,000 at June 30, 2021.

8. **OTHER POST-EMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS**

General Information about the OPEB Plan

Plan description – The East Baton Rouge Parish Sheriff's Office (the Sheriff) provides certain continuing health care and life insurance benefits for its retired employees. The East Baton Rouge Parish Sheriff's OPEB Plan (the OPEB Plan) is a single-employer defined benefit OPEB plan administered by the Sheriff. The authority to establish and/or amend the obligation of the employer, employees and retirees rests with the Sheriff. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Governmental Accounting Standards Board (GASB) Statement No. 75.

Benefits Provided – Medical and life insurance benefits are provided to employees upon actual retirement. Retirees with less than twenty years of service at retirement pay 100% of the blended medical premium, while a reduced schedule based on the blended premiums applies to retirees with twenty or more years of service at retirement. Employees are covered by a retirement system whose retirement eligibility (D.R.O.P. entry) provisions as follows: 30 years of service at any age or, age 55 and 15 years of service.

Life insurance coverage is continued to retirees based on a blended rate for active employees and retirees. The retiree pays 100% of the "cost" of the retiree's life insurance after retirement but that "cost" is based on the blended active/retired rate and there is thus an additional implied subsidy.

EAST BATON ROUGE PARISH SHERIFF
Baton Rouge, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

8. OTHER POST-EMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS (continued)

General Information about the OPEB Plan (continued)

Employees covered by benefit terms – At July 1, 2020, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	117
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	823
	940

Total OPEB Liability

The Sheriff's total OPEB liability of \$69,533,820 was measured as of July 1, 2020 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and other inputs – The total OPEB liability in the July 1, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.5%
Salary increases	4.0%, including inflation
Discount rate	2.21% annually (Beginning of year to determine ADC)
	2.16% annually (As of End of Year Measurement Date)
Healthcare cost trend rates	5.5% annually for ten years, 4.5% thereafter
Mortality	SOA RP-2014 Table
Remaining Service Lives	6 years

The discount rate was based on the Bond Buyers' 20 Year General Obligation municipal bond index over the 52 weeks immediately preceding the applicable measurement dates.

The actuarial assumptions used in the July 1, 2020 valuation were based on the results of ongoing evaluations of the assumptions from July 2, 2008 to June 20, 2021.

Changes in the Total OPEB Liability

Balance at June 30, 2020	\$ 59,780,609
Changes for the year:	
Service cost	1,595,510
Interest	1,305,351
Differences between expected and actual experience	7,821,255
Changes of assumptions	461,027
Benefit payments and net transfers	(1,429,932)
Net changes	9,753,211
Balance at June 30, 2021	\$ 69,533,820

The amount of total OPEB liability due and payable within one year is \$1,525,000.

EAST BATON ROUGE PARISH SHERIFF
Baton Rouge, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

8. OTHER POST-EMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS (continued)

Changes in the Total OPEB Liability (continued)

Sensitivity of the total OPEB liability to changes in the discount rate – The following presents the total OPEB liability of the Sheriff, as well as what the Sheriff's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.16%) or 1-percentage-point higher (3.16%) than the current discount rate:

	1.0% Decrease (1.16%)	Current Discount Rate (2.16%)	1.0% Increase (3.21%)
Total OPEB Liability	\$ 84,035,326	\$ 69,533,820	\$ 58,340,525

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates – The following presents the total OPEB liability of the Sheriff, as well as what the Sheriff's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (4.5%) or 1-percentage-point higher (6.5%) than the current healthcare trend rates:

	1.0% Decrease (4.5%)	Current Healthcare Cost Trend Rate (5.5%)	1.0% Increase (6.5%)
Total OPEB Liability	\$ 59,748,528	\$ 69,533,820	\$ 82,326,334

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

For the year ended June 30, 2021, the Sheriff recognized OPEB expense of \$4,597,198. At June 30, 2021, the Sheriff reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 7,165,057	\$ (120,475)
Changes in assumption and other inputs	8,077,034	(1,030,572)
Total	\$ 15,242,091	\$ (1,151,047)

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 June 30:	
2022	\$ 3,126,267
2023	3,126,267
2024	3,126,267
2025	3,126,267
2026	1,406,078
Thereafter	179,898
	\$ 14,091,044

EAST BATON ROUGE PARISH SHERIFF
Baton Rouge, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

9. TAXES PAID UNDER PROTEST

Amounts held in escrow for protested taxes at June 30, 2021, were \$2,576,225, consisting of taxes paid under protest, plus interest earned to date on the investment of these funds. These funds are held pending resolution of the protest and are accounted for in the Tax Collector Fiduciary Fund.

10. RISK MANAGEMENT

A. Accounting for Risk

In accordance with Section C50 of the GASB *Codification of Governmental Accounting and Financial Reporting Standards*, the Sheriff accounts for and reports risk management activities in the General Fund within the constraints of the modified accrual basis of accounting. Claims paid under the Sheriff's self-insurance risk program are recorded as expenditures against the General Fund.

B. Risk Management – Workers Comp, Auto, General Liability

At June 30, 2021, the Sheriff was a defendant in multiple lawsuits in the ordinary course of business. These suits, arising from various claims involving worker's compensation issues, automobile accidents (subject to \$100,000 or a \$200,000 deductible), police misconduct, general liability (subject to \$25,000/\$100,000/\$200,000 plus a \$100,000/\$200,000/\$400,000 corridor deductible) and others are mostly covered through private insurance policies. However, the Sheriff is exposed for certain uninsured claims and deductibles. An estimate of \$2,862,500 has been accrued in the financial statements to account for claims and deductibles not covered through insurance that have been incurred and likely be paid, based on estimates of the Sheriff's legal counsel. Based upon the opinion of the Sheriff's legal counsel, the ultimate resolution of these matters, as well as other claims not covered by insurance policies, is not expected to materially impact the operations of the Sheriff.

C. Risk Management – Employee Health

The Sheriff assumes the risk of all medical and pharmacy claims of participants in its employee health plan up to \$175,000 per individual, with an insurance policy covering the claims in excess of that amount. For duty related claims, the excess policy is limited to \$2,000,000 per individual per year. The excess policy also covers the aggregate of claims below \$150,000 in excess of the annual attachment point, up to a \$1,000,000 limit. For the year ended June 30, 2021, the minimum annual attachment point was \$13,375,205.

The Sheriff is exposed to various risks of loss related to health insurance for its employees. The Sheriff does not report risks covered by excess insurance as liabilities unless it is probable that those claims are denied. Settlements did not materially exceed excess insurance coverage for the year. Claims activity and the estimated claims incurred but not paid at year-end are as follows:

Unpaid claims as of July 1, 2020	\$	1,510,000
Current year claims incurred and changes in estimates		11,055,704
Claims paid		<u>(10,515,704)</u>
Unpaid claims as of June 30, 2021	\$	<u>2,050,000</u>

The above unpaid claims as of June 30, 2021, include amounts for claims incurred but not yet reported, as determined from actual claims paid subsequent to year-end as well as an estimate based upon historical lag trends.

EAST BATON ROUGE PARISH SHERIFF
Baton Rouge, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

11. COMPENSATED ABSENCE LIABILITY

At June 30, 2021, employees of the Sheriff have accumulated and vested \$8,521,521 of employee leave benefits according to the Sheriff's PTO policy, which were computed in accordance with GASB Codification Section C60. The following is a summary of the compensated absence liability activity during the year:

	<u>Compensated Absences</u>
Balance as of July 1, 2020	\$ 7,578,883
Additions (amounts earned)	4,903,413
Deductions (amounts paid)	<u>(3,960,775)</u>
Balance as of June 30, 2021	<u>\$ 8,521,521</u>

The compensated absence liability is reported in the statement of net position as follows:

Compensated absences - due within one year	\$ 4,242,334
Compensated absences - due in more than one year	<u>4,279,187</u>
Total compensated absences	<u>\$ 8,521,521</u>

12. INTERFUND TRANSACTIONS

There were no interfund transactions noted to have occurred during the current fiscal year.

13. LEASE OBLIGATIONS

The Sheriff has entered into operating lease agreements for vehicles used in operations. Lease expense incurred during the year ended June 30, 2021 was approximately \$807,000. The following are annual future minimum lease payments as of June 30, 2021:

<u>Year Ending June 30,:</u>	
2022	\$ 768,140
2023	654,654
2024	501,297
2025	<u>152,441</u>
	<u>\$ 2,076,532</u>

The Sheriff has also entered into various building leases which range in terms from 5 to 20 years. Building lease expense for the year ended June 30, 2021 was approximately \$195,000.

14. TAX REVENUES ABATED

The Louisiana Industrial Ad Valorem Tax Exemption program (Louisiana Administrative Code, Title 13, Chapter 5) is a state incentive program which abates, up to ten years, local ad valorem taxes on a manufacturer's new investment and annual capitalized additions related to the manufacturing site. Applications to exempt qualified property for five years are approved by the Board of Commerce and Industry. The exemption may be renewed for an additional five years.

EAST BATON ROUGE PARISH SHERIFF
Baton Rouge, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

14. TAX REVENUES ABATED (continued)

For applications made after June 24, 2016 but before July 1, 2018, the program abates local ad valorem taxes on a manufacturer's new investment and annual capitalized additions related to the manufacturing site for up to eight years. Applications to exempt qualified property for five years are approved by the individual local taxing entities whose taxes are being abated. The exemption may be renewed for an additional three years at 80% abatement. For the fiscal year ending June 30, 2021, approximately \$4,450,000 of the Sheriff's ad valorem tax revenues were abated by the state of Louisiana through the Louisiana Industrial Tax Exemption program.

15. DISAGGREGATION OF ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts, salaries and other payables as of June 30, 2021, were as follows:

Vendors	\$	1,319,175
Salaries and benefits		<u>2,706,837</u>
Total accounts payable and accrued liabilities	\$	<u><u>4,026,012</u></u>

16. GOVERNMENTAL FUND BALANCE

Details of the fund balance categories at year-end are as follows:

	General Fund	Canteen Fund
Restricted for:		
State Law Act 942	\$ 182,337	\$ -
Committed to:		
Prisoner Services	-	216,981
Assigned to:		
Special Projects	<u>9,800,000</u>	<u>-</u>
Total Constrained Fund Balance	9,982,337	216,981
Unassigned Fund Balances	<u>30,836,580</u>	<u>-</u>
Total Fund Balance	<u><u>\$ 40,818,917</u></u>	<u><u>\$ 216,981</u></u>

EAST BATON ROUGE PARISH SHERIFF
Baton Rouge, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

17. CONTINGENCY

In March, 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a global pandemic, which continues to spread throughout the United States. The COVID-19 pandemic has negatively impacted the global economy and created significant volatility and disruption of financial markets. The extent of the impact of the COVID-19 pandemic on the Sheriff's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak and the impact on the community, employees and vendors, all of which are uncertain and cannot be predicted. As of the date of these financial statements were available to be issued, the entire extent to which the COVID-19 pandemic may impact the Sheriff's financial condition or results of operations cannot be reasonably estimated at this time.

REQUIRED
SUPPLEMENTARY INFORMATION

EAST BATON ROUGE PARISH SHERIFF
Baton Rouge, Louisiana
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED JUNE 30, 2021

	Budget		Actual	Variance with Final
	Original	Final		Budget Positive (Negative)
<u>REVENUES</u>				
Ad valorem taxes	\$ 70,580,000	\$ 74,675,000	\$ 74,780,674	\$ 105,674
Intergovernmental revenues:				
Federal grants	845,000	5,775,000	5,807,843	32,843
State grants	100,000	280,000	295,400	15,400
State supplemental pay	3,608,000	3,515,000	3,516,005	1,005
State revenue sharing	692,000	692,000	692,079	79
Fees, charges, and commissions for services:				
Civil and criminal fees	7,180,500	6,857,000	7,156,845	299,845
Court attendance	110,000	92,000	102,374	10,374
Transporting prisoners	330,000	170,000	197,326	27,326
Feeding and keeping prisoners	8,026,000	6,260,000	6,113,910	(146,090)
Fines and forfeitures	240,000	165,000	169,638	4,638
Narcotics seizures and other	3,787,900	4,036,000	4,545,967	509,967
Interest income	300,000	204,000	252,632	48,632
Donations and miscellaneous	1,205,000	1,898,000	1,161,350	(736,650)
Total Revenues	<u>97,004,400</u>	<u>104,619,000</u>	<u>104,792,043</u>	<u>173,043</u>
<u>EXPENDITURES</u>				
Public safety:				
Personnel services and related benefits	72,365,800	72,752,000	72,881,747	(129,747)
Operating services	14,514,000	15,338,000	15,064,984	273,016
Materials and supplies	7,247,500	6,627,000	6,469,717	157,283
Travel and other charges	2,474,000	2,126,000	2,035,249	90,751
Capital outlay	2,666,000	2,370,000	2,014,601	355,399
Total Expenditures	<u>99,267,300</u>	<u>99,213,000</u>	<u>98,466,298</u>	<u>746,702</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(2,262,900)	5,406,000	6,325,745	919,745
Other financing sources:				
Sale of fixed assets	100,000	250,000	282,088	32,088
Total other financing sources	<u>100,000</u>	<u>250,000</u>	<u>282,088</u>	<u>32,088</u>
NET CHANGE IN FUND BALANCE	(2,162,900)	5,656,000	6,607,833	951,833
FUND BALANCE AT BEGINNING OF YEAR	<u>20,813,898</u>	<u>34,211,086</u>	<u>34,211,084</u>	<u>(2)</u>
FUND BALANCE AT END OF YEAR	<u>\$ 18,650,998</u>	<u>\$ 39,867,086</u>	<u>\$ 40,818,917</u>	<u>\$ 951,831</u>

EAST BATON ROUGE PARISH SHERIFF
Baton Rouge, Louisiana

SCHEDULE OF CHANGES IN TOTAL OTHER POST-EMPLOYMENT BENEFIT PLAN LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED JUNE 30, 2021

<u>Financial Statement Reporting Date</u>	<u>Measurement Date</u>	<u>Service Cost</u>	<u>Interest</u>	<u>Difference between actual and expected experience</u>	<u>Changes of assumptions</u>	<u>Benefit Payments</u>	<u>Net change in Total OPEB Liability</u>	<u>Total OPEB Liability - Beginning</u>	<u>Total OPEB Liability - Ending</u>	<u>Covered Employee Payroll</u>	<u>Total OPEB Liability as a Percentage of Covered Employee Payroll</u>
June 30, 2021	June 30, 2021	\$ 1,595,510	\$ 1,305,351	\$ 7,821,255	\$ 461,027	\$ (1,429,932)	\$ 9,753,211	\$ 59,780,609	\$ 69,533,820	\$ 49,510,782	140.4418%
June 30, 2020	June 30, 2020	\$ 1,134,199	\$ 1,665,193	\$ 863,105	\$ 9,458,031	\$ (1,833,701)	\$ 11,286,827	\$ 48,493,782	\$ 59,780,609	\$ 46,724,545	127.9426%
June 30, 2019	June 30, 2019	\$ 860,214	\$ 1,744,758	\$ 89,926	\$ 1,734,362	\$ (2,039,318)	\$ 2,389,942	\$ 46,103,840	\$ 48,493,782	\$ 44,927,447	107.9380%
June 30, 2018	June 30, 2018	\$ 1,045,967	\$ 1,632,642	\$ (160,635)	\$ (1,374,096)	\$ (1,289,115)	\$ (145,237)	\$ 46,249,077	\$ 46,103,840	\$ 43,218,177	106.6770%

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

EAST BATON ROUGE PARISH SHERIFF
Baton Rouge, Louisiana

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
SHERIFFS' PENSION AND RELIEF FUND
FOR THE YEAR ENDED JUNE 30, 2021 (*)

Year	Employer's Proportion of the Net Pension Liability (Asset)	Employer's Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2021	6.5490%	\$ 45,326,825	\$ 48,437,385	93.5782%	84.73%
2020	6.5015%	30,753,683	45,363,200	67.7943%	88.91%
2019	6.3029%	24,169,398	43,190,541	55.9599%	90.41%
2018	6.7168%	29,085,422	46,327,147	62.7827%	88.49%
2017	6.6509%	42,212,684	45,421,234	92.9360%	82.10%
2016	6.5089%	29,013,544	43,140,239	67.2540%	86.61%
2015	6.4226%	25,433,541	40,660,119	62.5516%	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 FYE June 30, 2015.

(*) The amounts presented have a measurement date of June 30th of the previous year.

Changes of assumptions:

2018

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

2019

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

2020

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

EAST BATON ROUGE PARISH SHERIFF
Baton Rouge, Louisiana

SCHEDULE OF THE EMPLOYER'S CONTRIBUTIONS TO THE
SHERIFFS' PENSION AND RELIEF FUND
FOR THE YEAR ENDED JUNE 30, 2021

<u>Year</u>	<u>Contractually Required Contribution¹</u>	<u>Contributions in Relation to Contractually Required Contribution²</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered Payroll³</u>	<u>Contributions as a % of Covered Payroll</u>
2021	\$ 6,017,228	\$ 6,017,228	\$ -	\$ 49,120,229	12.2500%
2020	5,933,580	5,933,580	-	48,437,388	12.2500%
2019	5,556,992	5,556,992	-	45,363,200	12.2500%
2018	5,506,794	5,506,794	-	43,190,541	12.7500%
2017	6,138,347	6,138,347	-	46,327,147	13.2500%
2016	6,218,416	6,218,416	-	45,224,844	13.7500%
2015	6,228,688	6,228,688	-	43,710,091	14.2500%

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 FYE June 30, 2015.

For reference only:

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

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

³ *Employer's covered payroll amount for the fiscal year ended June 30th of each year*

EAST BATON ROUGE PARISH SHERIFF
Baton Rouge, Louisiana

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2021

GENERAL BUDGET POLICIES

The Sheriff follows these procedures in establishing the budgetary data reflected in the budgetary comparison schedules

State statute requires budgets be adopted for the general fund and all special revenue funds.

Each year the chief administrative deputy prepares a proposed budget for the General and special revenue funds and submits it to the Sheriff for the fiscal year no later than fifteen days prior to the beginning of each fiscal year. A summary of the proposed budget is published, and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is legally adopted prior to the

All budgetary appropriations lapse at the end of each fiscal year.

Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments. All budget revisions are approved by the Sheriff.

The budgets are prepared under the modified accrual basis of accounting.

CHANGES IN BENEFIT TERMS AND ASSUMPTIONS RELATED TO OTHER POST-EMPLOYMENT BENEFIT PLAN

No assets are accumulated in a trust that meet the criteria of paragraph 4 of GASB 75 to pay related benefits.

Changes in benefit terms -

There were no changes in benefit terms for the years presented.

Changes of assumptions -

The following changes in actuarial assumptions for each year are as follows:

Discount Rate:		
Measurement		
Date	Rate	Change
6/30/2021	2.160%	-0.050%
6/30/2020	2.210%	-1.290%
6/30/2019	3.500%	-0.370%
6/30/2018	3.870%	0.290%
6/30/2017	3.580%	

Mortality Table Used:	
6/30/2021	RP-2014 Mortality Table
6/30/2020	RP-2014 Mortality Table
6/30/2019	RP-2014 Mortality Table
6/30/2018	RP-2000 Mortality Table

Decline Rate:	
6/30/2021	25% decline coverage at retirement and an additional 75% decline coverage at age 65.
6/30/2020	25% decline coverage at retirement and an additional 75% decline coverage at age 65.
6/30/2019	25% decline coverage at retirement and an additional 75% decline coverage at age 65.
6/30/2018	N/A

EAST BATON ROUGE PARISH SHERIFF
Baton Rouge, Louisiana

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2021

CHANGES IN BENEFIT TERMS AND ASSUMPTIONS RELATED TO DEFINED BENEFIT PENSION PLAN

Changes of assumptions -

The following changes in actuarial assumptions for each year are as follows:

Discount Rate:				Merit:			
Measurement				Measurement			
Year End	Date	Rate	Change	Year End	Date	Rate	Change
6/30/2021	6/30/2020	7.000%	-0.100%	6/30/2021	6/30/2020	2.500%	-0.500%
6/30/2020	6/30/2019	7.100%	-0.150%	6/30/2020	6/30/2019	3.000%	0.100%
6/30/2019	6/30/2018	7.250%	-0.150%	6/30/2019	6/30/2018	2.900%	0.175%
6/30/2018	6/30/2017	7.400%	-0.100%	6/30/2018	6/30/2017	2.725%	0.100%
6/30/2017	6/30/2016	7.500%	-0.100%	6/30/2017	6/30/2016	2.625%	0.000%
6/30/2016	6/30/2015	7.600%	-0.100%	6/30/2016	6/30/2015	2.625%	-0.375%
6/30/2015	6/30/2014	7.700%		6/30/2015	6/30/2014	3.000%	

Investment Rate of Return:				Inflation Rate:			
Measurement				Measurement			
Year End	Date	Rate	Change	Year End	Date	Rate	Change
6/30/2021	6/30/2020	7.000%	-0.100%	6/30/2021	6/30/2020	2.500%	0.000%
6/30/2020	6/30/2019	7.100%	-0.150%	6/30/2020	6/30/2019	2.500%	-0.100%
6/30/2019	6/30/2018	7.250%	-0.250%	6/30/2019	6/30/2018	2.600%	-0.175%
6/30/2018	6/30/2017	7.500%	-0.100%	6/30/2018	6/30/2017	2.775%	-0.100%
6/30/2017	6/30/2016	7.600%	-0.100%	6/30/2017	6/30/2016	2.875%	0.000%
6/30/2016	6/30/2015	7.700%	0.000%	6/30/2016	6/30/2015	2.875%	-0.125%
6/30/2015	6/30/2014	7.700%		6/30/2015	6/30/2014	3.000%	

Salary Increases:			
Measurement			
Year End	Date	Rate	Change
6/30/2021	6/30/2020	5.000%	-0.500%
6/30/2020	6/30/2019	5.500%	0.000%
6/30/2019	6/30/2018	5.500%	0.000%
6/30/2018	6/30/2017	5.500%	0.000%
6/30/2017	6/30/2016	5.500%	0.000%
6/30/2016	6/30/2015	5.500%	-0.500%
6/30/2015	6/30/2014	6.000%	

OTHER SUPPLEMENTARY INFORMATION

EAST BATON ROUGE PARISH SHERIFF
Baton Rouge, Louisiana

SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS
TO THE EAST BATON ROUGE PARISH SHERIFF
FOR THE YEAR ENDED JUNE 30, 2021

East Baton Rouge Parish Sheriff, Sid J. Gautreaux, III

<u>Purpose:</u>	<u>Amount</u>
Salary	\$ 185,869
Act 123: LSCP compensation	11,828
Benefits - insurance	7,952
Benefits - retirement contribution	22,769
Benefits - medicare	2,771
Reimbursements	726
Registration fees	5,890
Conference travel	3,142
	<u>\$ 240,947</u>

EAST BATON ROUGE PARISH SHERIFF
Baton Rouge, Louisiana

JUSTICE SYSTEM FUNDING SCHEDULE - RECEIVING ENTITY (CASH BASIS)
YEAR ENDED JUNE 30, 2021

	First Six Month Period Ended <u>12/31/2020</u>	Second Six Month Period Ended <u>6/30/2021</u>
Receipts From:		
<i>East Baton Rouge Clerk of Court - Civil Fees</i>	\$ 653,222	\$ 788,167
<i>East Baton Rouge District Attorney - Asset Forfeiture/Sale</i>	55,643	482,196
Total Receipts	<u>\$ 708,865</u>	<u>\$ 1,270,363</u>

EAST BATON ROUGE PARISH SHERIFF
Baton Rouge, Louisiana

JUSTICE SYSTEM FUNDING SCHEDULE - COLLECTING/DISBURSING ENTITY (CASH BASIS)
YEAR ENDED JUNE 30, 2021

	First Six Month Period Ended 12/31/2020	Second Six Month Period Ended 6/30/2021
Beginning Balance of Amounts Collected	\$ 10,863,460	\$ 11,510,347
Add: Collections		
Civil Fees	15,867,725	13,684,173
Bond Fees	1,290,984	1,292,078
Asset Forfeiture/Sale	158,270	92,820
Pre-Trial Diversion Program Fees	33,908	39,173
Criminal Court Costs/Fees	612,026	695,305
Criminal Fines - Contempt	4,902	3,412
Criminal Fines - Other	445,374	504,490
Restitution	-	-
Probation/Parole/Supervision Fees	197	293
Service/Collection Fees (e.g. credit card fees, report fees, 3rd party service fees)	260	247
Interest Earnings on Collected Balances	6	16
Other	1,137,170	1,545,542
Subtotal Collections	19,550,822	17,857,549
Less: Disbursements to Governments and Nonprofits		
19th Judicial District Court Drug Lab, Court Costs & Fees	34,665	35,795
19th Judicial District Court Drug Lab, Court Costs & Fees	52,031	64,049
19th Judicial District Court Drug Treatment Program, Court Costs Fees	1,440	4,592
19th Judicial District Court Indigent Transcript Fund, Court Costs & Fees	39,742	40,391
19th Judicial District Court Judicial Expense Fund, Court Costs & Fees	42,510	42,169
19th Judicial District Court, Bond & Asset Forfeitures	128,086	21,858
19th Judicial District Court, Bond Fees	217,828	198,460
19th Judicial District Court, Criminal Fines	330,743	351,337
Ascension Parish Clerk of Court, Civil Fees	33	-
Ascension Parish Sheriff's Office, Civil Fees	270	384
Avoyelles Parish Clerk of Court, Civil Fees	-	21
Baker City Court, Bond Fees	679	405
Baton Rouge City Court, Bond Fees	1,270	9,975
Baton Rouge City Prosecutor, Bond Fees	-	-
Bossier Parish Sheriff's Office, Civil Fees	-	57
City of Baton Rouge Police Dept., Court Costs & Fees	704	840
City of Baton Rouge Treasurer, Civil Fees	996	-
City of Baton Rouge, Civil Fees	779	1,862
City of Zachary Clerk of Court, Bond Fees	-	-
City of Zachary Police Department, Court Costs & Fees	-	75
City of Zachary Prosecutor, Bond Fees	-	-
Division of Admin. State Uniform Payroll, Civil Fees	22,121	31,055
East Baton Rouge Clerk of Court, Bond & Asset Forfeitures	2,070	390

EAST BATON ROUGE PARISH SHERIFF
Baton Rouge, Louisiana

JUSTICE SYSTEM FUNDING SCHEDULE - COLLECTING/DISBURSING ENTITY (CASH BASIS)
YEAR ENDED JUNE 30, 2021

	First Six Month Period Ended 12/31/2020	Second Six Month Period Ended 6/30/2021
East Baton Rouge Clerk of Court, Court Costs and Fees	55,928	60,230
East Baton Rouge Clerk of Court, Criminal Fines	31,473	31,534
East Baton Rouge District Attorney, Asset Forfeiture/Sale	131,563	810,395
East Baton Rouge District Attorney, Bond Fees	1,550	-
East Baton Rouge Parish Clerk of Court, Bond Fees	-	-
East Baton Rouge Parish Clerk of Court, Civil Fees	707,065	185,409
East Baton Rouge Parish Coroner, Court Costs & Fees	2,684	3,532
East Baton Rouge Parish Crime Stoppers, Court Costs & Fees	9,118	9,222
East Baton Rouge Parish District Attorney Pre-Trial Intervention Court, Costs & Fees	17,420	19,933
East Baton Rouge Parish District Attorney, Bond & Asset Forfeitures	153,703	26,229
East Baton Rouge Parish District Attorney, Bond Fees	217,828	198,460
East Baton Rouge Parish District Attorney, Court Costs & Fees	78,499	78,829
East Baton Rouge Parish District Attorney, Court Fines	52,222	55,500
East Baton Rouge Parish Expert Witness, Court Costs & Fees	7,876	8,414
East Baton Rouge Parish Family Court, Filing Fees	17,400	23,935
East Baton Rouge Parish Jury Compensation Fund, Court Costs & Fees	52,816	54,366
East Baton Rouge Parish School Board, Civil Fees	1,346	6,017
East Baton Rouge Parish, Bond & Asset Forfeitures	102,469	17,486
East Baton Rouge Parish, Bond Fees	217,828	198,460
East Baton Rouge Public Defender Pre-Trial Intervention, Court Costs & Fees	15,986	16,186
East Feliciana Parish Sheriff's Office, Civil Fees	30	116
Iberville Parish Clerk of Court, Civil Fees	-	118
Iberville Parish Sheriff's Office, Civil Fees	35	127
Jefferson Parish Clerk of Court, Civil Fees	79	-
Jefferson Parish Sheriff's Office, Civil Fees	120	240
Lafayette Parish Sheriff's Office, Civil Fees	37	111
Lake Charles City Court, Civil Fees	-	79
Livingston Parish Sheriff's Office, Civil Fees	725	372
Louisiana Commission on Law Enforcement, Court Costs & Fees	31,721	32,139
Louisiana Community & Technical College, Civil Fees	-	451
Louisiana Court Appointed Special Advocates, Court Costs & Fees	23,269	23,405
Louisiana Dept. of Justice, Civil Fees	268,452	458,966
Louisiana Division of Probation & Parole, Court Costs & Fees	302	369
Louisiana Head & Spine Injury Fund, Court Costs & Fees	11,272	12,364
Louisiana Judicial College, Court Costs & Fees	1,957	1,947
Louisiana State Court Management & Information System, Court Costs & Fees	13,620	13,817
Louisiana State Police Crime Lab, Bond Fees	-	-
Louisiana State Police DPS - Court Costs & Fees	1,093	1,779
Louisiana State University Police, Court Costs & Fees	13	-
Louisiana State University, Civil Fees	1,836	1,437
Office of Motor Vehicles, Civil Fees	80	80
Orleans Parish Sheriff's Office, Civil Fees	150	-

(Continued)

EAST BATON ROUGE PARISH SHERIFF
Baton Rouge, Louisiana

JUSTICE SYSTEM FUNDING SCHEDULE - COLLECTING/DISBURSING ENTITY (CASH BASIS)
YEAR ENDED JUNE 30, 2021

	First Six Month Period Ended <u>12/31/2020</u>	Second Six Month Period Ended <u>6/30/2021</u>
Parish of East Baton Rouge Indigent Defender Fund, Court Costs & Fees	181,105	184,127
Parish of East Baton Rouge Public Defender, Bond Fees	-	-
Point Coupee Parish Sheriff's Office, Civil Fees	47	-
Secretary of State, Civil Fees	-	100
St. Charles Parish Clerk of Court, Civil Fees	-	40
St. James Parish Sheriff's Office, Civil Fees	-	34
St. Landry Parish Sheriff's Office, Civil Fees	83	-
St. Tammany Parish Sheriff's Office, Civil Fees	177	61
Tangipahoa Parish Sheriff's Office, Civil Fees	84	-
The Bail Bond Project, Bond Fees	48,100	-
West Baton Rouge Parish Clerk of Court, Civil Fees	-	48
West Carroll Parish Clerk of Court, Civil Fees	-	21
West Feliciana Parish Sheriff's Office, Civil Fees	68	-
Zachary City Court, Bond Fees	-	20,500
 Less: Amounts Retained by Collecting Agency		
Collection Fee for Collecting/Disbursing to Others Based on Percentage of Collection	349,490	467,166
Collection Fee for Collecting/Disbursing to Others Based on Fixed Amount	2,638,230	2,250,394
Amounts "Self-Disbursed to Collecting Agency:		
Bond Fee	217,828	198,460
Civil	-	-
Criminal Court Costs/Fees	17,084	17,253
Criminal Fines - Contempt	-	-
Criminal Fines - Other	52,222	55,500
Service/Collection Fee	-	-
Asset Forfeiture/Sale	128,086	21,858
 Less: Disbursements to Individuals/3rd Party Collection		
Civil Fee Refunds	12,040,164	10,173,486
Bond Fee Refunds	118,450	305,400
Restitution Payments to Individuals	-	-
Other Disbursements to Individuals	7,185	70,000
Payments to 3rd Party Collection/Processing Agencies	-	-
Subtotal Disbursements/Retainage	<u>18,903,935</u>	<u>16,920,217</u>
Ending Balance of Amounts Collected but not Disbursed/Retained	<u>\$ 11,510,347</u>	<u>\$ 12,447,679</u> (Concluded)

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*

Honorable Sid J Gautreaux, III
East Baton Rouge Parish Sheriff
Baton Rouge, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the East Baton Rouge Parish Sheriff (the “Sheriff”) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Sheriff’s basic financial statements, and have issued our report thereon dated January 19, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Sheriff’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Sheriff’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Sheriff’s internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Sheriff’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Postlethwaite & Netterville

Baton Rouge, Louisiana
January 19, 2022

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

Honorable Sid J Gautreaux, III
East Baton Rouge Parish Sheriff
Baton Rouge, Louisiana

Report on Compliance for Each Major Federal Program

We have audited the East Baton Rouge Parish Sheriff's (the "Sheriff") 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 Sheriff's major federal programs for the year ended June 30, 2021. The Sheriff's major federal programs are 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 the requirements of laws, regulation, contracts and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Sheriff'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* 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 Sheriff'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 Sheriff's compliance.

Opinion on Each Major Federal Program

In our opinion, the Sheriff complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of the Sheriff 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 Sheriff'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 an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with 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 Sheriff'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 Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Postlethwaite & Netterville

Baton Rouge, Louisiana
January 19, 2022

EAST BATON ROUGE PARISH SHERIFF
Baton Rouge, Louisiana

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2021

FEDERAL DEPARTMENT/PASS-THROUGH ENTITY/PROGRAM	ASSISTANCE LISTING NUMBER	GRANT NUMBER	FEDERAL EXPENDITURES	AMOUNTS PROVIDED TO SUBRECIPIENTS
<u>United States Department of Justice</u>				
<u>Direct Program:</u>				
<i>Office of Justice Programs:</i>				
Justice Assistance Grant 2017	16.738	2017-DJ-BX-0519	\$ 17,575	\$ 17,575
Justice Assistance Grant 2018	16.738	2018-DJ-BX-0644	6,062	6,062
Justice Assistance Grant 2019	16.738	2019-DJ-BX-0482	79,951	26,716
Justice Assistance Grant 2020	16.738	2020-DJ-BX-0665	33,745	-
 <i>Equitable Sharing Agreement & Certification Program:</i>				
Justice Funds	16.922	N/A	46,140	-
Treasury Funds	21.016	N/A	64,510	-
 <u>Passed Through:</u>				
Justice Assistance Grant 2018, subrecipient of District Attorney	16.738	2018-DG-BX-0008	58,000	-
DNA Capacity Enhancement & Backlog Reduction Program-LSP	16.741	2018-DN-BX-0121	37	-
 <u>Passed Through:</u>				
<i>Louisiana Commission on Law Enforcement and Administration of Criminal Justice:</i>				
Violent Crime Task Force	16.738	2018-DJ-01 5369	8,713	-
Targeting Violent Criminals	16.738	2018-DJ-01 5368	11,450	-
Multi-Jurisdictional Task Force	16.738	2017-DJ-01 4702	13,053	-
Multi-Jurisdictional Task Force	16.738	2018-DJ-01 5664	10,484	-
Crime Victims Unit	16.575	2018-VA-01/02/03/04 5230	86,514	-
CESF 2020	16.751	2020-DJ-01 5521	156,053	-
Total United States Department of Justice			592,287	50,353
 <u>United States Department of Transportation</u>				
<u>Passed Through:</u>				
<i>Louisiana Department of Public Safety and Corrections:</i>				
State and Community Highway Safety	20.600	1 2020-30-18	134,880	-
State and Community Highway Safety	20.600	1 2021-30-18	274,676	-
Total United States Department of Transportation			409,556	-
 <u>United States Department of Homeland Security</u>				
<u>Passed Through:</u>				
<i>Governor's Office of Homeland Security & Emergency Preparedness:</i>				
High Intensity Drug Trafficking Areas Program	95.001	G20GC0001A	100,639	-
High Intensity Drug Trafficking Areas Program	95.001	G21GC0001A	6,393	-
Port Security Grant 20	97.056	EMW2020PU00384	56,400	-
FEMA Disaster Grants - Public Assistance	97.036	FEMA-DR-4277	39,915	-
FEMA Disaster Grants - Public Assistance	97.036	FEMA-DR-4458-LA	15,377	-
Total United States Department of Homeland Security			218,724	-
 <u>United States Department of Treasury</u>				
<u>Passed Through:</u>				
<i>State of Louisiana, Division of Administration:</i>				
COVID-19 Coronavirus Relief Fund	21.019	COVID-19-CRF-005356	14,498,618	-
			14,498,618	-
Total Expenditures			\$ 15,719,184	\$ 50,353

See accompanying notes to this schedule.

1 - Highway Safety Cluster - Total \$409,556

EAST BATON ROUGE PARISH SHERIFF

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021**

NOTE A – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the East Baton Rouge Parish Sheriff and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE B – INDIRECT COST RATE

The Sheriff has not negotiated an indirect cost rate. Also, the Sheriff elected not to use the 10% de minimis cost rate as allowed by 2 CFR 200.414 Indirect (F&A) costs.

NOTE C – Reconciliation to Financial Statements

The federal grant expenditures are reported within the various expenditure categories of the general fund and are not readily distinguishable to the Schedule of Expenditures of Federal Awards. However, revenue is generally recorded for these grants in an amount equal to allowable costs incurred and therefore the following reconciliation to reported federal grant revenue is provided:

Total expenditures per SEFA	\$ 15,719,184
Prior year revenue expended for Cares Act Relief Funds	(9,799,755)
Revenue expended over collected for Equitable Sharing Program	(110,856)
Other prior year revenues expended in current year	<u>(730)</u>
Federal grants revenue per financial statements	\$ <u>5,807,843</u>

EAST BATON ROUGE PARISH SHERIFF
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2021

A. Summary of Auditors' Results

Financial Statements

Type of auditor's report issued: *Unmodified*

Internal Control over Financial Reporting:

- Material weakness(es) identified? _____ yes x no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? _____ yes x none reported

Noncompliance material to financial statements noted? _____ yes x no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? _____ yes x no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? _____ yes x none reported

Type of auditor's report issued on compliance for major programs: *Unmodified*

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance? _____ yes x no

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
21.019	Coronavirus Relief Fund

The threshold for distinguishing types A & B programs was program expenditures exceeding \$750,000.

The East Baton Rouge Parish Sheriff was determined to be a low-risk auditee.

EAST BATON ROUGE PARISH SHERIFF
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2021

B. Findings – Financial Statement Audit

None

C. Findings and Questioned Costs – Major Federal Award Programs

None

EAST BATON ROUGE PARISH SHERIFF
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2020

Findings – Financial Statement Audit

None

Findings and Questioned Costs – Major Federal Award Programs

None