



Caddo Correctional Center
(a component unit of the Caddo Parish Commission)
Shreveport, Louisiana

Financial Report
June 30, 2023



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INDEPENDENT AUDITORS' REPORT

The Honorable Steve Prator, Caddo Parish Sheriff
Caddo Correctional Center
Shreveport, Louisiana

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Caddo Correctional Center, a component unit of the Caddo Parish Commission as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Caddo Correctional Center's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Caddo Correctional Center as of June 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Caddo Correctional Center's ability to continue as a going concern for twelve months beyond the financial

statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison schedule, the schedule of the Center's proportionate share of the net pension liability, the schedule of contributions to the Sheriffs' pension and relief fund, and schedule of changes in Center's proportionate share of net OPEB liability and related ratios, on pages 5 through 11 and 40 through 43 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who

considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Caddo Correctional Center's basic financial statements. The accompanying schedule of compensation, benefits, and other payments to agency head is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 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 schedule of compensation, benefits, and other payments to agency head 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 December 20, 2023, on our consideration of the Caddo Correctional Center'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 Caddo Correctional Center'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 Caddo Correctional Center's internal control over financial reporting and compliance.



CARR, RIGGS & INGRAM, LLC

Shreveport, Louisiana
December 20, 2023

Required Supplementary Information

Management's Discussion and Analysis (Unaudited)

**Caddo Correctional Center
Management's Discussion and Analysis (Unaudited)
June 30, 2023**

Within this section of the Caddo Correctional Center's ("Center") annual financial report, the Center's management is to provide this narrative discussion and analysis of the financial activities of the Center for the fiscal year ended June 30, 2023. The Center's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

FINANCIAL HIGHLIGHTS

The Center's liabilities exceeded its assets, resulting in net position (deficit) of (\$15,708,279), for the fiscal year ended June 30, 2023.

The net position (deficit) is composed of the following:

- Capital assets of \$2,212,334, which includes all property and equipment, net of accumulated depreciation of \$3,038,450 related to the purchase of capital assets.
- Unrestricted deficit of (\$17,920,613) represents the portion needed to maintain the Center's continuing obligation to the citizens of Caddo Parish.

The Center's governmental funds reported total ending fund balance of \$23,253,685 this year. This compares to the prior year ending fund balance of \$19,480,948, resulting in an increase of \$3,772,737 during the current year.

At the end the current fiscal year, the unassigned fund balance for the Caddo Correctional Center's general fund was \$23,055,754 or 66.64% of the total Caddo Correctional Center's general fund expenditures and 60.17% of total Caddo Correctional Center's general fund revenues including transfers.

The above financial highlights are explained in more detail in the "financial analysis" section of this document.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Exhibit 1, below, summarizes the major features of the Center's financial statements, including the portion of the Center's government they cover and the types of information they contain. The remainder of this overview section of Management's Discussion and Analysis explains the structure of contents of each of the statements.

Exhibit 1			
Major Features of Center's Government and Fund Financial Statements			
	Government-Wide Statements	Fund Statements -	
		Governmental Funds	Fiduciary Funds
Scope	The entire Center's governmental unit (excluding fiduciary funds).	The activities of the Center that are not proprietary or fiduciary, such as public safety.	Instances in which the Center is the trustee or agent for someone else's resources.
Required financial statements	<ul style="list-style-type: none"> • Statement of net position • Statement of activities 	<ul style="list-style-type: none"> • Balance sheet • Statement of revenues, expenditures, and changes in fund balances 	<ul style="list-style-type: none"> • Statements of fiduciary net position • Statement of changes in fiduciary net position

Exhibit 1 (cont'd)			
Major Features of Center's Government and Fund Financial Statements			
	Government-Wide Statements	Fund Statements -	
		Governmental Funds	Fiduciary Funds
Accounting basis and measurements focus	Accrual accounting and economic resources focus.	Modified accrual accounting and current financial resources focus.	Accrual accounting and economic resource focus.
Type of asset/liability	All assets and liabilities, both financial and capital, and short-term and long-term.	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets are included.	All assets and liabilities, both short-term and long-term; the Center's funds do not currently contain capital assets, although they can.
Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is paid or received.	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payments are due during the year or soon thereafter.	All revenues and expenses during the year, regardless of when cash is received or paid.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The Center's report includes two government-wide financial statements. These statements provided both long-term and short-term information about the Center's overall financial status. Financial reporting at this level uses a perspective similar to the private sector using the economic resources measurement focus and the accrual basis of accounting.

The first of these government-wide statements is the Statement of Net Position. This government-wide statement of financial position presents information that includes all of the Center's assets and liabilities, with the difference reported as net position. Increases or decreases in net position may serve as a useful indicator of whether the financial position of the Center, as a whole, is improving or deteriorating. Evaluation of the overall health of the Center would extend to other non-financial factors such as diversification of the taxpayer base, in addition to the financial information provided in this report.

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

The government-wide financial statements present the governmental activities of the Center that are principally supported by sales taxes and fees charged. The sole purpose of these government activities is public safety. The government-wide financial statements are presented on pages 13 and 14.

FUND FINANCIAL STATEMENTS

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

The Center has two kinds of funds, governmental funds and fiduciary funds:

In fund financial statements, governmental funds encompass the same functions reported as governmental activities in government-wide financial statements. However, the focus is very different, with fund statements providing a distinctive view of the Center's governmental funds, including object classifications. The fund statements report short-term fiscal accountability focusing on the use of expendable resources and balances of expendable resources available at the end of the year. The fund statements are utilized in evaluating annual financial requirements of governmental programs and the commitment of expendable resources of the near-term.

**Caddo Correctional Center
Management's Discussion and Analysis (Unaudited)
June 30, 2023**

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 government fund balance sheet and the government fund statement of revenue, expenditures and changes in fund balance provide a reconciliation to assist in understanding the differences between these two perspectives.

Fiduciary funds are reported in the fund financial statements and report individual prison inmate accounts.

The basic government fund and fiduciary fund financial statements are presented on pages 16 through 21 of this report.

NOTES TO THE BASIC FINANCIAL STATEMENTS

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin on page 22 of this report.

OTHER INFORMATION

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Center's budget presentation, the Center's proportionate share of net pension liability and contributions, Center's contributions to the Sheriffs' Pension and Relief Fund, and the changes in Center's proportionate share of net OPEB liability and related ratios. A budgetary comparison schedule is included as "required supplementary information" for the Center's general fund. That schedule demonstrates compliance with the Center's adopted and final revised budget. Required supplementary information can be found on pages 40 through 43 in this report.

FINANCIAL ANALYSIS OF THE CENTER AS A WHOLE

The Center's net position (deficit) at June 30, 2023 is (\$15,726,630). The following table provides a summary of the Center's government-wide assets, liabilities and net position:

	2023		2022	
Assets and Deferred Outflows of Resources				
Cash, cash equivalents, receivables and other assets	\$ 23,759,061	48.29%	\$ 20,928,524	50.77%
Capital assets, net of accumulated depreciation	2,212,334	4.50%	2,291,365	5.56%
Net pension asset	-	-	1,020,305	2.48%
Deferred outflow of resources	23,227,759	47.21%	16,981,816	41.20%
Total assets and deferred outflows of resources	49,199,154	100.00%	41,222,010	100.00%
Liabilities and Deferred Inflows of Resources				
Current liabilities	505,376	0.78%	1,447,576	2.42%
Long-term liabilities	47,134,881	72.62%	33,427,236	55.84%
Deferred inflow of resources	17,267,176	26.60%	24,988,236	41.74%
Total liabilities and deferred inflows of resources	64,907,433	100.00%	59,863,048	100.00%
Net position (deficit)				
Investment in capital assets	2,212,334	-14.08%	2,291,365	-12.29%
Unrestricted	(17,920,613)	114.08%	(20,932,403)	112.29%
Net position (deficit)	\$ (15,708,279)	100.00%	\$ (18,641,038)	100.00%

The current ratio compares current assets to current liabilities and is an indication of the ability to pay current obligations. The current ratio for the government activities is 47.21:1.

The Center's ending balance in net position (deficit) of the government-wide activities is (\$15,708,279). During 2023, net position increased a total of \$2,932,759 from 2022 net deficit of \$(18,641,038). The increase is caused mostly from an increase in revenues related to an increase in sales taxes and fees, fines and charges for services.

**Caddo Correctional Center
Management's Discussion and Analysis (Unaudited)
June 30, 2023**

The following table provides a summary of the Center's changes in net position for June 30:

	2023	2022
Revenues		
Program revenues		
Fees, fines and charges for services	\$ 14,455,725	\$ 13,734,161
General revenues		
Taxes		
Sales and use taxes	21,897,671	20,088,234
Interest and investment earnings	713,817	32,700
Miscellaneous	2,201,575	2,045,180
Total revenues	<u>39,268,788</u>	<u>35,900,275</u>
Program expenses		
Public safety	<u>36,336,029</u>	<u>32,213,443</u>
Total expenses	<u>36,336,029</u>	<u>32,213,443</u>
Change in net position (deficit)	2,932,759	3,686,832
Beginning net position (deficit)	<u>(18,641,038)</u>	<u>(22,327,870)</u>
Ending net position (deficit)	<u>\$ (15,708,279)</u>	<u>\$ (18,641,038)</u>

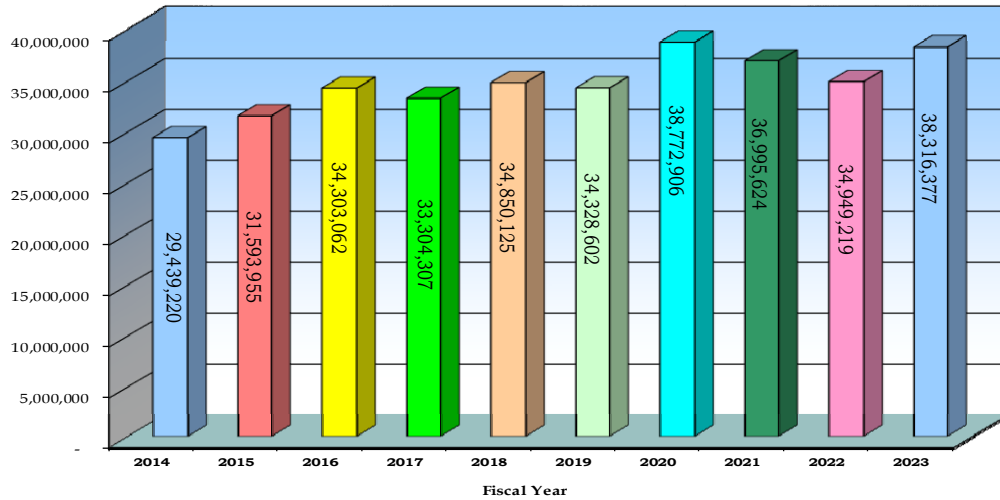
FUND LEVEL STATEMENTS

GOVERNMENTAL REVENUES

The Center's operations are dependent on revenue from sales tax collections, fees and charges for the support of state and parish prisoners and other support from the Caddo Parish Commission. Sales tax collections represent 55.76% of the Center's total revenues which covers 60.23% of the governmental operating expenses. Federal and state housing revenue represents 13.51% of the Center's total revenues and covers 14.59% of the governmental operating expenses.

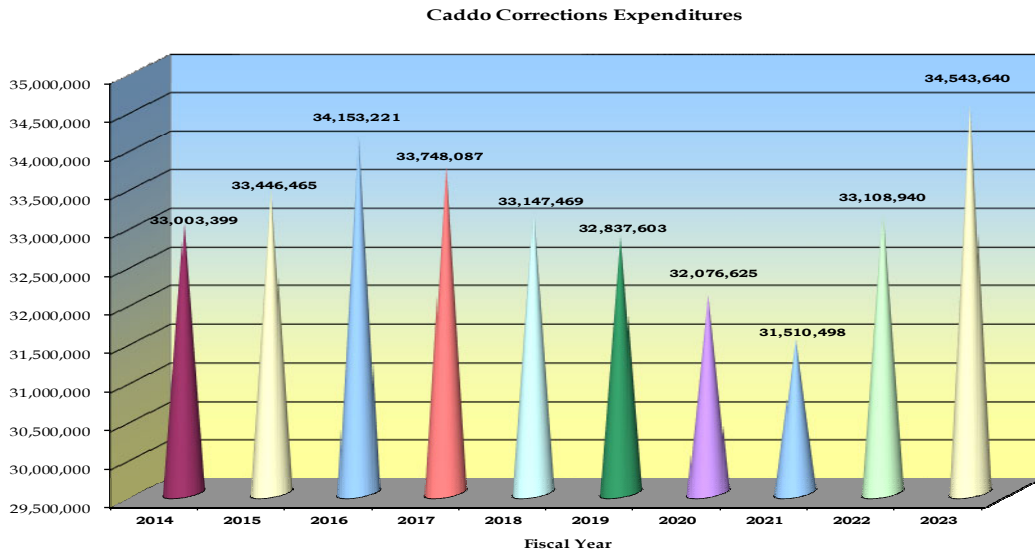
The following chart illustrates the General Fund's revenue for the past ten fiscal years:

Caddo Corrections Revenue



GOVERNMENTAL EXPENSES

The total function of the Center is public safety activities. The following chart illustrates the General Fund's expenditures for the past ten fiscal years:



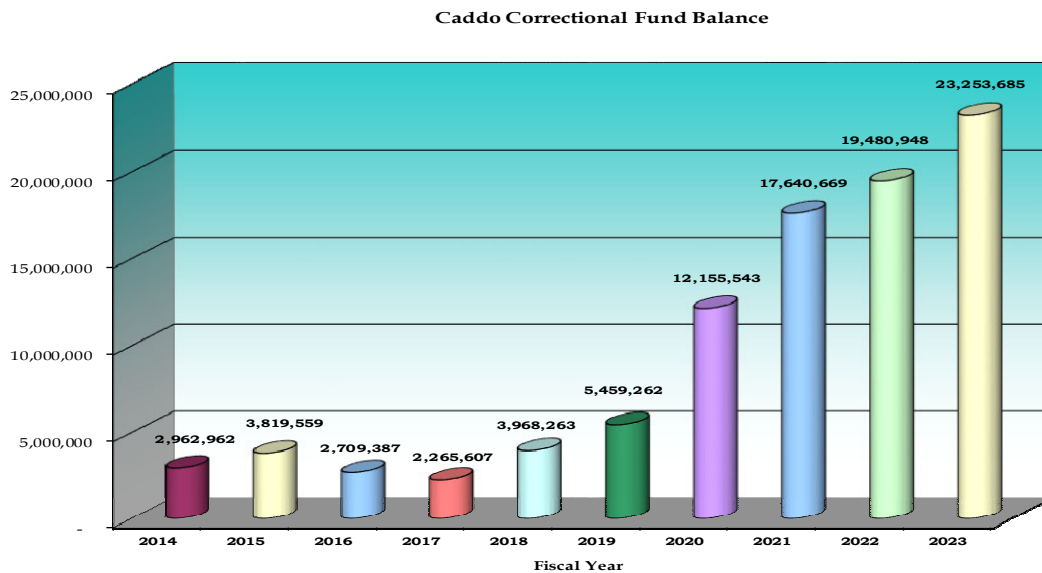
Operating expenditures were \$1,434,700 or 4.33% more than fiscal year 2022 operating expenses of \$33,108,940.

FINANCIAL ANALYSIS OF THE CENTER'S FUNDS

As discussed above, governmental funds are reported in the fund statements with a short-term inflow and outflow of expendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Government funds reported ending fund balances of \$23,253,685.

MAJOR GOVERNMENTAL FUNDS

The Caddo Correctional Center General Fund is the Center's primary operating fund and the largest source of day-to-day service delivery. The Caddo Correctional Center General Fund's total fund balance as of June 30, 2023, was \$23,253,685 which was an increase of \$3,772,737 from the prior year fund balance of \$19,480,948. The following chart illustrates the General Fund's ending fund balance for the past ten fiscal years:



Caddo Correctional Center
Management's Discussion and Analysis (Unaudited)
June 30, 2023

BUDGETARY HIGHLIGHTS

The original expenditure budget was an increase of 10.57% over the actual amounts expended in fiscal year 2022. The final amended budget reported an increase in budgeted revenue from the original budget by \$2,089,000, an increase of 6.20% over the original budget. The increase was mainly due to increased revenue from sales tax and interest earned. The amended expenditure budget decreased \$140,000 or (0.38%) from the expenditures in the original budget.

CAPITAL ASSETS AND DEBT ADMINISTRATION

The Center's investment in capital assets, net of accumulated depreciation as of June 30, 2023, was \$2,212,334. See Note 4 for additional information about changes in capital assets during the fiscal year and outstanding at the end of the year. The following table provides a summary of capital asset activity.

	2023	2022
Capital Assets		
Buildings	\$ 3,725,238	\$ 3,725,238
Law enforcement, weapons and equipment	47,433	47,433
Computer equipment and office furniture	245,074	106,896
Equipment	300,364	350,955
Vehicles	932,675	960,872
Total capital assets	<u>5,250,784</u>	<u>5,191,394</u>
Less accumulated depreciation	<u>3,038,450</u>	<u>2,900,029</u>
Book value – capital assets	<u>\$ 2,212,334</u>	<u>\$ 2,291,365</u>
Percentage depreciated	<u>57.87%</u>	<u>55.86%</u>

OTHER POST-EMPLOYMENT BENEFITS

According to Government Accounting Standards Board Statement Number 75, *Accounting and Financial Reporting for Post-employment Benefits Other than Pensions* the Center recognized a net OPEB liability of \$28,321,977 at June 30, 2023 and \$31,330,031 at June 30, 2022.

DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

With the adoption of certain standards, net pension liability, net OPEB liability, and related deferred outflows and inflows of resources, were added to the Center's Statement of Net Position. Deferred outflows is a classification balance, although similar to "assets," is set apart because these items do not meet the technical definition of being an asset of the Center on the date of these financial statements. In other words, these amounts are not available to pay liabilities in the way assets are available. When all the recognition criteria are met, the deferred outflow of resources will become an expense/expenditure. The deferred outflow of resources reported relate to contributions made during the fiscal year to the retirement system. Consequently, the majority of the deferred outflows of resources reported are comprised of current year contributions to the retirement system. However, there may be some deferred outflows of resources attributable to the various components that impact pension changes, and can include investment changes amortization, changes due to actuarial assumptions, and differences between expected or actual experience.

Deferred inflows of resources are the counterpart to deferred outflows of resources on the Statement of Net Position and are not liabilities of the Center as of the date of the financial statements. When all the recognition criteria are met, the deferred inflow of resources will become revenue or an increase to net position. Deferred inflows of resources reported represent a net amount attributable to the various components that impact pension and OPEB changes, and can include investment changes amortization, changes due to actuarial assumptions, and differences between expected or actual experience.

**Caddo Correctional Center
Management's Discussion and Analysis (Unaudited)
June 30, 2023**

The Center's pension related items included in the Statement of Net Position and discussed in Note 5 are:

	<u>2023</u>	<u>2022</u>	<u>Change</u>
Net pension liability (asset)	\$ 16,750,288	\$ (1,020,305)	\$ 17,770,593
Deferred outflows of resources - pensions	\$ 12,428,997	\$ 5,012,456	\$ 7,416,541
Deferred inflows of resources - pensions	\$ 1,316,518	\$ 11,339,308	\$ (10,022,790)

The Center's OPEB related items included in the Statement of Net Position and discussed in Note 6 are:

	<u>2023</u>	<u>2022</u>	<u>Change</u>
Net OPEB liability	\$ 28,321,977	\$ 31,330,031	\$ (3,008,054)
Deferred outflows of resources - OPEB	\$ 10,798,762	\$ 11,969,360	\$ (1,170,598)
Deferred inflows of resources - OPEB	\$ 15,950,658	\$ 13,648,928	\$ 2,301,730

REQUESTS FOR INFORMATION

The financial report is designed to provide a general overview of the Center's finances, comply with finance-related laws and regulations, and demonstrate the Center's commitment to public accountability. If you have questions about this report contact Diana Crawford, Caddo Parish Sheriff's Office, 505 Travis Street, Room 700, Shreveport, LA 71101.

Government – Wide Financial Statements (GWFS)

Caddo Correctional Center
Statement of Net Position
June 30, 2023

Assets	
Cash and cash equivalents	\$ 13,015,223
Investments	8,178,207
Receivables	
Sales taxes	33,918
Intergovernmental	2,005,973
Other	327,809
Total receivables	<u>2,367,700</u>
Prepaid expenses	78,542
Food inventory	119,389
Capital assets, net of accumulated depreciation	<u>2,212,334</u>
Total assets	<u>25,971,395</u>
Deferred Outflows of Resources	
Deferred outflows of resources - other post-employment benefit	10,798,762
Deferred outflows of resources - pensions	12,428,997
Total deferred outflows of resources	<u>23,227,759</u>
Liabilities	
Current liabilities	
Accounts payable	145,320
Accrued expenses	360,056
Total current liabilities	<u>505,376</u>
Long-term liabilities	
Portion due within one year	
Accrued compensated absences	1,374,533
Portion due after one year	
Net pension liability	16,750,288
Net other post-employment benefit liability	28,321,977
Accrued compensated absences	688,083
Total long-term liabilities	<u>47,134,881</u>
Total liabilities	<u>47,640,257</u>
Deferred Inflows of Resources	
Deferred inflows of resources - other post-employment benefit	15,950,658
Deferred inflows of resources - pensions	1,316,518
Total deferred inflows of resources	<u>17,267,176</u>
Net Position (Deficit)	
Invested in capital assets	2,212,334
Unrestricted	<u>(17,920,613)</u>
Total net position (deficit)	<u>\$ (15,708,279)</u>

The accompanying notes are an integral part of the financial statements.

**Caddo Correctional Center
Statement of Activities
For the Year Ended June 30, 2023**

	Program Revenues			Net (expense) revenue and changes in net position
Expenses	Fees, fines and charges for services	Operating grants and contributions		
Functions/programs				
Governmental activities				
Public safety	\$ 36,336,029	\$ 14,455,725	\$ -	\$ (21,880,304)
Total governmental activities	\$ 36,336,029	\$ 14,455,725	\$ -	(21,880,304)
General revenues				
Taxes -				
Sales and use taxes				21,897,671
Interest and investment earnings				713,817
State contract				563,759
Non-employer contribution revenue (NCE)				952,880
Miscellaneous				684,936
Total general revenues				24,813,063
Change in net position				2,932,759
Net position (deficit), beginning				(18,641,038)
Net position (deficit), ending				\$ (15,708,279)

The accompanying notes are an integral part of the financial statements.

Fund Financial Statements

**Caddo Correctional Center
Balance Sheet – Governmental Funds
June 30, 2023**

		General Fund
Assets		
Cash and cash equivalents	\$	13,015,223
Investments		8,178,207
Receivables		
Sales taxes		33,918
Intergovernmental		2,005,973
Other		327,809
Total receivables		2,367,700
Prepaid expenses		78,542
Food inventory		119,389
Total assets	\$	23,759,061
Liabilities and Fund Balances		
Liabilities		
Accounts payable	\$	145,320
Accrued expenses		360,056
Total liabilities		505,376
Fund balance		
Nonspendable		
Prepaid expenses		78,542
Inventory		119,389
Unassigned		23,055,754
Total fund balance		23,253,685
Total liabilities and fund balances	\$	23,759,061

The accompanying notes are an integral part of the financial statements.

**Caddo Correctional Center
Reconciliation of the Balance Sheet –
Governmental Funds to the Statement of Net Position
June 30, 2023**

Total fund balances - governmental funds		\$ 23,253,685
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds		
Cost of capital assets	\$ 5,250,784	
Less accumulated depreciation	<u>(3,038,450)</u>	2,212,334
Deferred outflows of resources reported in the Statement of Net Position		23,227,759
Long-term liabilities		
Compensated absences	(2,062,616)	
OPEB liability	(28,321,977)	
Net pension (liability) asset	<u>(16,750,288)</u>	(47,134,881)
Deferred inflows of resources reported in the Statement of Net Position		<u>(17,267,176)</u>
Total net position of governmental activities		<u><u>\$ (15,708,279)</u></u>

The accompanying notes are an integral part of the financial statements.

Caddo Correctional Center
Statement of Revenues, Expenditures, and Changes
in Fund Balances – Governmental Funds
For the Year Ended June 30, 2023

Revenues	
Sales tax	\$ 21,897,671
Intergovernmental revenues	
Housing federal prisoners	1,838,850
State sources	
Housing state prisoners	3,465,691
State supplemental pay	1,100,260
State grants and contracts	563,759
Caddo Parish Commission	5,861,747
Commissions for services - commissary sales	1,114,169
Telephone revenue	1,149,027
Interest	713,817
Miscellaneous	611,386
Total revenues	38,316,377
Expenditures	
Current - public safety	
Personnel services and related benefits	28,993,409
Materials and supplies	870,494
Statutory charges	2,943,721
Contractual charges	1,547,224
Other charges	101,205
Capital outlay	87,587
Total expenditures	34,543,640
Net change in fund balance	3,772,737
Fund balances at beginning of year	19,480,948
Fund balances at end of year	\$ 23,253,685

The accompanying notes are an integral part of the financial statements.

**Caddo Correctional Center
 Reconciliation of the Statement of Revenues, Expenditures,
 and Changes in Fund Balances – Governmental Funds
 to the Statement of Activities
 For the Year Ended June 30, 2023**

Net change in fund balances - total governmental funds		\$ 3,772,737
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their useful lives and reported as depreciation expense</p>		
Capital outlay	\$ 87,588	
Less depreciation expense recorded for the year	<u>(166,149)</u>	(79,031)
<p>The net OPEB liability is not susceptible to accrual and therefore is not reported in the funds. This amount represents the change in the net OPEB liability.</p>		
		(464,274)
<p>The net pension liability is not susceptible to accrual and therefore is not reported in the funds. This amount represents the change in the net pension liability/asset.</p>		
		(331,262)
<p>Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available.</p>		
Compensated absences increase in current year		<u>34,589</u>
<p>Change in net position of governmental activities</p>		
		<u><u>\$ 2,932,759</u></u>

The accompanying notes are an integral part of the financial statements.

Caddo Correctional Center
Statement of Fiduciary Net Position – Custodial Funds
June 30, 2023

Assets

Cash and cash equivalents	\$ 167,323
Total assets	<u>167,323</u>

Liabilities

Due to others	<u>-</u>
Total liabilities	<u>-</u>

Net Position

Restricted - inmate personal funds	167,323
Total net position	<u><u>\$ 167,323</u></u>

The accompanying notes are an integral part of the financial statements.

Caddo Correctional Center
Statement of Changes in Fiduciary Net Position – Custodial Funds
For the Year Ended June 30, 2023

Additions	
Inmate personal fund deposits	\$ 2,684,753
Total additions	<u>2,684,753</u>
Deductions	
Inmate personal fund withdrawals	<u>2,639,514</u>
Total deductions	<u>2,639,514</u>
Change in Fiduciary Net Position	45,239
Net Position, Beginning of Year	<u>122,084</u>
Net Position, End of Year	<u><u>\$ 167,323</u></u>

The accompanying notes are an integral part of the financial statements.

Introduction

The Caddo Correctional Center ("Center") was created by the Caddo Parish Commission ("Commission") under the provisions of Louisiana Revised Statute 33:1236 providing for the maintenance and operation of a parish prison. The Center is a modern correctional facility that has a maximum capacity of 1,500 male and female inmates.

NOTE 1 – REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting entity - The basic criterion for determining whether a governmental organization should be included in a primary governmental unit's reporting entity for financial statements is financial accountability. Financial accountability includes the appointment of a voting majority of the organization's governing body and the ability of the primary government to impose its will on the organization or if there is a financial benefit/burden relationship. In addition, an organization which is fiscally dependent on the primary government should be included in its reporting entity.

By intergovernmental agreement between the Caddo Parish Sheriff ("Sheriff") and the Commission, the Sheriff manages and operates the Center. The Sheriff also maintains accounting records, prepares annual budgets, and prepares financial information. The operation of the Center is funded by a one-quarter cent sales tax. The Sheriff receives directly all funds generated from any source as a result of operations at the Center, including concessions, telephones, and grants, all of which are dedicated to the operation of the Center. Ultimate responsibility for the Center is vested in the Commission. The financial operations of the Center are reflected in the financial statements of the Commission and are not reflected in the financial statements of the Sheriff.

The accompanying financial statements present the financial position and results of operations of the Center relating only to the Sheriff's responsibility to operate the Center. These statements do not report the expenditures relating to the maintenance of the Center because it is the Commission's responsibility to maintain the Center, nor do these financial statements present the financial position or results of operations of the Sheriff.

Basis of presentation - The accompanying basic financial statements of the Center have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, *Basic Financial Statements-and Management's Discussion and Analysis—for State and Local Governments*, issued in June 1999.

Government-wide financial statements ("GWFS") - The Statement of Net Position and the Statement of Activities display information about the Center as a whole. These statements include all the financial activities and funds of the reporting entity, which are considered to be governmental activities. Fiduciary funds are reported only in the Statement of Fiduciary Net Position – Custodial Funds and the Statement of Changes in Fiduciary Net Position – Custodial Funds at the fund financial statement level.

The Statement of Activities presents a comparison between direct expenses and program revenues for each of the functions of the Center's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular program or function. Program revenues include (a) fees and charges paid by the recipients of services offered by the Center, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund financial statements - The Center uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain Center functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts. The various funds of the Center are classified into two categories: governmental and fiduciary. The emphasis on fund financial statements is on major funds, each displayed in a separate column.

NOTE 1 – REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

A fund is considered major if it is the primary operating fund of the Center or its total assets, liabilities, revenues, or expenditures of the individual governmental fund is at least ten (10%) percent of the corresponding total for all governmental funds.

The Center reports the following major governmental funds:

General Fund - As provided by Louisiana Revised Statute 33:1422, the General Fund is the principal fund of the Center and accounts for the operations of the Center. The Center's primary source of revenue is a one-quarter cent sales tax and appropriations from the Commission and the Sheriff. Other sources of revenue include per diem for housing state prisoners, state supplemental pay for deputies, telephone revenue, fees collected for court attendance and commissary sales. General operating expenditures are paid from this fund.

The Center also reports the following fund types:

Fiduciary funds - Fiduciary funds are used to account for assets held by the Center in a trustee capacity or as an agent for individuals, private organizations, and other governmental units. The only funds accounted for in this category by the Center are custodial funds.

Custodial funds - These funds are used to account for assets held in a trustee capacity. The Custodial Funds are used for the receipt and disbursement of funds for inmates of the Caddo Correctional Center. The Custodial Funds are custodial in nature (assets equal liabilities) and do not present results of operations or have a measurement focus.

Measurement focus/basis of accounting

The governmental financial statements were prepared using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e. revenues and other financing sources) and uses (i.e. expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of the Center's operations.

The amounts reflected in the governmental fund financial statements use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e. when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Center considers all revenues available if they are collected within sixty (60) days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

The government-wide financial statements are accounted for using an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. The government-wide financial statements are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or an economic asset used.

NOTE 1 – REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Intergovernmental revenues and commissions for services are recorded when the Center is entitled to the funds.

Sales taxes held by the intermediary collecting agency are recognized as revenue.

Interest income on time deposits is recorded as earned.

Substantially all other revenues are recorded when received.

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

Other financing sources (uses)

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

The Fiduciary Funds (Custodial Funds) use the following practices in recording additions and reductions:

Additions - The majority of additions are not susceptible to accrual because they are not measurable until received in cash.

Reductions - Reductions are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

Budgetary accounting - The Center utilizes the following procedures in establishing the budgetary data for the General Fund:

- 1) During May, the Sheriff prepares the Center's proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
- 2) A public hearing is held on the proposed budget.
- 3) The adopted budget is published in the official journal prior to the commencement of the fiscal year for which the budget is being adopted.
- 4) A public hearing is held for proposed amendments to the budget.
- 5) Amended budget is published in an official journal.
- 6) All budgetary appropriations lapse at the end of each fiscal year.
- 7) The budget is prepared on the same basis as these financial statements are prepared, specifically the modified accrual basis, as described in the preceding pages. Expenditures may not legally exceed appropriations on a fund basis.

The proposed budget for the year ended June 30, 2023, was made available for public inspection and was published in the official journal of Caddo Parish, ten days before the public hearing, which was held on June 28, 2022, at the Caddo Parish Sheriff's Office for comments from taxpayers. The budget was amended and published ten days before the public hearing, which was held on June 20, 2023, at the Caddo Parish Sheriff's Office for comments from taxpayers.

NOTE 1 – REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Encumbrances and budget - Encumbrance accounting, under which purchase orders are recorded to reserve that portion of the applicable appropriation, is not employed. However, formal integration of the budget into the accounting records is employed as a management control device. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments.

Cash and interest-bearing deposits - Cash and interest-bearing deposits include amounts in demand deposits, interest-bearing demand deposits and time deposits. These deposits are stated at cost, which approximates market.

Investments - Investments are reported at fair value based on quoted market prices. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

State statutes generally authorize the Center to invest in direct United States Treasury obligations; indebtedness issued or guaranteed by federal governmental agencies (provided such obligations are backed by the full faith and credit of the U.S. government); indebtedness issued or guaranteed by federally sponsored U.S. government agencies; time certificates of deposit of state banks organized under the laws of Louisiana and national banks having their principal office in the State of Louisiana; or mutual or trust fund institutions which are registered with the Securities and Exchange Commission. In addition, local governmental entities in Louisiana are authorized to invest in the Louisiana Asset Management Pool, Inc. ("LAMP"), a nonprofit corporation formed by an initiative of the State Treasurer and organized under the laws of the State of Louisiana, which operates a local government investment pool.

Inventory - Inventory consists of dietary items. Inventory is valued at cost and is recorded as expenditures under the consumption method using the first-in, first-out cost method. Reported inventory is equally offset by a fund balance reserve that indicates that this portion of fund balance does not constitute available spendable resources even though it is a component of net current assets.

Capital assets - Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their acquisition value at the date of donation. The threshold level to capitalize assets is \$5,000.

Capital assets are recorded in the Statement of Net Position. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. All capital assets, other than land, are depreciated using the straight-line method over the useful lives of 30 years for buildings, 5-10 years for furniture, fixtures and equipment, and 5 years for vehicles.

Compensated absences - Employees of the Center earn from 10 to 20 days of vacation leave and sick leave each year, depending upon their length of service. Employees resigning or the heirs of deceased employees may be paid for unused vacation leave at the employee's current rate of pay. Payment of accumulated sick leave is granted at the discretion of the Center, but employees are not paid for accumulated sick leave upon retirement or resignation. The Center accrues the current portion of the liability for compensated absences in the fund financial statements. The long term portion of the accrual for compensated absences, along with the current portion, is included in the government-wide financial statements.

Claims and judgments - Claims and judgments are recorded as expenditures in governmental funds for the amount that will be liquidated with current available financial resources. The remainder of any liability is recorded in the government-wide financial statements.

NOTE 1 – REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Net position classifications - In the government-wide statements, fund balances are classified as net position and displayed in three components:

- Invested in capital assets – Consists of capital assets, net of accumulated depreciation.
- Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- Unrestricted net position – Net position that does not meet the definition of “restricted” or “invested in capital assets”.

Fund balance classification – The fund balance is classified into categories to make the nature and extent of the constraints placed on a government’s fund balances more transparent. The following classifications describe the relative strength of the spending restraints:

- **Nonspendable:** This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. The Center had \$119,389 in inventory and \$78,542 in prepaid expenses, which are nonspendable resources as of June 30, 2023.
- **Restricted:** This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The Center did not have any restricted resources as of June 30, 2023.
- **Committed:** This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Center. These amounts cannot be used for any other purpose unless the Center removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The Center did not have any committed resources as of June 30, 2023.
- **Assigned:** This classification includes amounts that are constrained by the Center’s intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Center or by an official or body to which the Center delegates the authority. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund. The Center did not have any assigned resources as of June 30, 2023.
- **Unassigned:** This classification includes the residual fund balance for the General Fund and also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of assigned fund balance amounts. The General Fund had \$23,055,754, at June 30, 2023, classified as unassigned.

The Center would typically use restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to defer the use of these other classified funds.

On-Behalf payments for fringe benefits and salaries - The Center receives on-behalf payments from the State of Louisiana to be used for supplemental pay to qualified law enforcement officers. On-behalf payments to the Center totaled \$1,100,260 for the fiscal year ended June 30, 2023. Such payments are recorded as intergovernmental revenue (state supplemental pay) and public safety expense (personnel services and related benefits) in the GAAP basis government-wide and general fund financial statements.

NOTE 1 – REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Use of estimates - The preparation of financial statements in conformity with U. S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, expenses, and other financing sources and uses during the reporting period. Actual results could differ from those estimates.

Deferred outflows and inflows of resources - In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, Deferred Outflows of Resources, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The Center has two items that meet this criterion, deferred outflows of resources related to net other-post employment benefits and deferred outflows of resources related net pension. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, Deferred Inflows of Resources, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The Center has two items that meet the criterion for this category, a deferral of pension expense and a deferral of other postemployment benefits.

Pensions - 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 Sheriffs’ Pension and Relief Fund (“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 are reported at fair value.

Budgets and budget basis of accounting - The budget is adopted on a modified accrual basis which means that for budgetary purposes revenues and expenditures are recorded in the year earned (incurred) rather than in the year received (paid). Revisions made to the original general fund expenditures budget was as follows:

	Original Budget	Total Revision	Revised Budget
General Fund	\$ 36,608,000	\$ (140,000)	\$ 36,468,000

Subsequent Events - Management has evaluated subsequent events through the date that the financial statements were available to be issued, December 20, 2023, and determined there were no events that occurred that required disclosure.

NOTE 1 – REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Accounting pronouncements - The Caddo Correctional Center adopted the following Governmental Accounting Standards Board (GASB) Statement in the current fiscal year ended June 30, 2023.

- In May 2020, the GASB issued GASB Statement No. 96, Subscription-Based Information Technology Arrangements. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Assets and liabilities resulting from SBITAs should be recognized and measured using the facts and circumstances that existed at the beginning of the fiscal year in which this statement is implemented. Governments are permitted, but are not required, to include in the measurement of the subscription asset capitalizable outlays associated with the initial implementation stage and the operation and additional implementation stage incurred prior to the implementation of this Statement. Adoption of this guidance did not have a material impact on the financial statements.

The Governmental Accounting Standards Board has issued statements that will become effective in future years. The Caddo Correctional Center is evaluating the requirements of the statements below and the impact on reporting. These statements are as follows:

- GASB Statement No. 100, Accounting Changes and Error Corrections, This Statement establishes accounting and financial reporting requirements for (a) accounting changes and (b) the correction of an error in previously issued financial statements (error correction). This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. This Statement prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. This Statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. In addition, information about the quantitative effects on beginning balances of each accounting change and error correction should be disclosed by reporting unit in a tabular format to reconcile beginning balances as previously reported to beginning balances as restated. Furthermore, this Statement addresses how information that is affected by a change in accounting principle or error correction should be presented in required supplementary information (RSI) and supplementary information (SI). The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter.
- GASB Statement No. 101, Compensated Absences, The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter.

NOTE 2 – CASH AND CASH EQUIVALENTS

All deposits of the Center are held by area financial institutions. At June 30, 2023, the carrying amount of the Center’s cash deposits for the General Fund and the Fiduciary Funds (Custodial Funds) were \$13,015,223 and \$167,323, respectively. The bank balance for the Fiduciary Funds (Custodial Funds) was \$219,121. The bank balances for the General Fund are carried in a cash concentration account jointly used by the Center and Sheriff. Of the bank balances, \$250,000 was covered by federal depository insurance (GASB Category 1) and the remaining bank balances were collateralized with securities held by the pledging financial institution's trust department or agent, but in the Sheriff’s name (GASB Category 2).

NOTE 3 – INVESTMENTS

The Center had \$8,178,207 invested with LAMP at June 30, 2023. Because these investments are not evidenced by securities that exist in physical or book entry form, they are not categorized for the purposes of this note. LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local governments may participate in LAMP. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments are authorized to invest. The dollar weighted average portfolio maturity of LAMP is restricted to not more than 90 days and consists of no securities with a maturity in excess of 397 days. The fair value of investments is determined on a weekly basis to monitor any variances between amortized cost and fair value.

Fair Value Measurement – GASB Statement No. 72, establishes a hierarchy of inputs to valuation techniques used to measure fair value. The Sheriff measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles using a market approach technique. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- Level 1 - Investments reflect prices quoted in active markets.
- Level 2 - Investments reflect prices that are based on a similar observable asset either directly or indirectly, which may include inputs in markets that are not considered to be active.
- Level 3 - Investments reflect prices based upon unobservable sources.

As of June 30, 2023, the Sheriff’s investments were invested with LAMP. The fair value of a share in LAMP is the same as the book value (i.e., a share in the pool is always worth \$1.00 per share).

NOTE 4 – CAPITAL ASSETS

A summary of changes in capital assets used in governmental activities is as follows:

	Balance July 1, 2022	Additions	Disposals	Balance June 30, 2023
Assets, at cost				
Buildings	\$ 3,725,238	\$ -	\$ -	\$ 3,725,238
Law enforcement weapons and equipment	47,433	-	-	47,433
Computer equipment and office furniture	106,896	-	-	106,896
Equipment	350,954	87,588	-	438,542
Vehicles	960,872	-	28,197	932,675
Total cost	5,191,393	\$ 87,588	\$ 28,197	5,250,784
Less accumulated depreciation	2,900,028	\$ 166,149	\$ 27,727	3,038,450
Capital assets, net	\$ 2,291,365			\$ 2,212,334

NOTE 4 – CAPITAL ASSETS (continued)

Depreciation expense of \$166,149 was charged to functions/programs of the Caddo Correctional Center public safety expenses.

NOTE 5 – DEFINED BENEFIT PENSION PLAN

Plan Description

The Sheriffs' Pension and Relief Fund (the "Fund") was established for the purpose of providing retirement benefits for employees of sheriffs' offices throughout the State of Louisiana, employees of the Louisiana Sheriffs' association and the employees of the Fund. The projection of benefit payments in the calculation of the total pension liability includes all benefits to be provided to current active and inactive employees through the Fund in accordance with the benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date. The Fund is a cost-sharing multiple-employer defined pension plan.

Benefits Provided

The following is a description of the plan and its benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

Retirement

For members who become eligible for membership on or before December 31, 2011: Members with twelve years of creditable service may retire at age fifty-five; members with thirty years of service may retire regardless of age. The retirement allowance is equal to three and one third percent of the member's average final compensation multiplied by his years of creditable service, not to exceed (after reduction for optional payment form) 100% of average final compensation. Active, contributing members with at least ten years of creditable service may retire at age sixty. The accrued normal retirement benefit is reduced actuarially for each month or fraction thereof that retirement begins prior to the member's earliest normal retirement date assuming continuous service.

For members whose first employment making them eligible for membership in the system began on or after January 1, 2012: Members with twelve years of creditable service may retire at age sixty-two; members with twenty years of service may retire at age sixty; members with thirty years of creditable service may retire at age fifty-five. The benefit accrual rate for such members with less than thirty years of service is three percent; for members with thirty or more years of service; the accrual rate is three and one-third percent.

The retirement allowance is equal to the benefit accrual rate times the member's average final compensation multiplied by his years of creditable service, not to exceed (after reduction for optional payment form) 100% of average final compensation. Members with twenty or more years of service may retire with a reduced retirement at age fifty.

For a member whose first employment making him eligible for membership in the system began on or before June 30, 2006, final average compensation is based on the average monthly earnings during the highest thirty-six consecutive months or joined months if service was interrupted. The earnings to be considered for each twelve-month period within the thirty-six month period shall not exceed 125% of the preceding twelve-month period.

NOTE 5 – DEFINED BENEFIT PENSION PLAN (continued)

Disability Benefits

A member is eligible to receive disability benefits if he has at least ten years of creditable service when a non-service related disability is incurred; there are no service requirements for service related disability. Disability benefits shall be the lesser of 1) a sum equal to the greatest of 45% of final average compensation or the members' accrued retirement benefit at the time of termination of employment due to disability, or 2) the retirement benefit which would be payable assuming continued service to the earliest normal retirement age. Members who become partially disabled receive 75% of the amount payable for total disability.

Survivor's Benefits

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

Deferred Benefits

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

Back Deferred Retirement Option Plan (Back-DROP)

In lieu of receiving a service retirement allowance, any member of the Fund who has more than sufficient service for a regular service retirement may elect to receive a "Back-DROP" benefit. The Back-DROP benefit is based upon the Back-DROP period selected and the final average compensation prior to the period selected. The Back-DROP period is the lesser of three years or the service accrued between the time a member first becomes eligible for retirement and his actual date of retirement. For those individuals with thirty or more years, the Back-DROP period is the lesser of four years or service accrued between the time a member first becomes eligible for retirement and his actual date of retirement.

At retirement the member's maximum monthly retirement benefit is based upon his service, final average compensation and plan provisions in effect on the last day of creditable service immediately prior to the commencement of the Back-DROP period. In addition to the monthly benefit at retirement, the member receives a lump-sum payment equal to the maximum monthly benefit as calculated above multiplied by the number of months in the Back-DROP period. In addition, the member's Back-DROP account will be credited with employee contributions received by the retirement fund during the Back-DROP period. Participants have the option to opt out of this program and take a distribution, if eligible, or to rollover the assets to another qualified plan.

NOTE 5 – DEFINED BENEFIT PENSION PLAN (continued)

Contribution Refunds

Upon withdrawal from service, members are not entitled to a retirement allowance who have remained out of service for a period of thirty days are paid a refund of accumulated contributions upon request. Receipt of such a refund cancels all accrued benefits in the system.

Cost-of-Living Adjustments

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.

Contributions

According to state statute, contribution requirements for all employers are actuarially determined each year. For the Plan years ended June 30, 2023 and 2022, the actuarially determined employer contribution rates was 11.5% and 12.25%, respectively, with an additional 0% allocated from the Funding Deposit Account. Employer contributions for the fiscal years ended June 30, 2023 and 2022 were \$1,899,848, and \$1,872,721, respectively.

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 of \$952,880 are recognized as revenue and excluded from pension expense for the fiscal year ended June 30, 2023.

Plan members are required by state statute to contribute 10.25% of their annual covered salary. For the year ended June 30, 2023 in addition to the required employer contribution, the Center elected to contribute the employee's required portion on behalf of its plan members. The total extra contributions paid by the Center on behalf of the plan member were \$1,113,269 for the year ended June 30, 2023.

Contribution Refunds

Upon withdrawal from service, members are not entitled to a retirement allowance who have remained out of service for a period of thirty days are paid a refund of accumulated contributions upon request. Receipt of such a refund cancels all accrued benefits in the system.

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

At June 30, 2023, the Caddo Parish Sheriff's liability was \$37,222,864 for its proportionate share of the Net Pension Liability. The Center reported a liability of \$16,750,288, which was an allocation of 45% of the total Net Pension Liability. The remaining 55% of the asset is reported by the Caddo Parish Sheriff. This allocation was based on the percentage of total contributions paid by the Center. The Net Pension Liability was valued as of June 30, 2022, and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The Center's proportion of the Net Pension Liability was based on a projection of the Center's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2022, the Caddo Parish Sheriff's proportion was 4.579662%, which is 0.004259% less than its proportion measured as of June 30, 2021. Of this amount, 45% was allocated to the Center.

**Caddo Correctional Center
Notes to the Financial Statements**

NOTE 5 – DEFINED BENEFIT PENSION PLAN (continued)

For the year ended June 30, 2023 the Center recognized total pension expense of \$1,311,268. This is less the Center’s amortization of change in proportionate share and difference between employer contributions and proportionate share of contributions of \$782.

At June 30, 2023, the Center reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 770,532	\$ (832,257)
Changes in assumptions	2,501,977	-
Net difference between projected and actual earnings on retirement plan investments	7,251,820	-
Changes in proportion and differences between Sheriff contributions and proportionate share of contributions	4,820	(484,261)
Sheriff contributions subsequent to measurement date	1,899,848	-
	\$ 12,428,997	\$ (1,316,518)

Deferred outflows of resources of \$1,899,848 resulted from the Center’s contributions subsequent to the measurement date will be recognized as a reduction of net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Amount
2024	\$ 2,313,477
2025	\$ 2,000,426
2026	\$ 980,474
2027	\$ 3,919,038
2028	\$ (782)

Actuarial Assumptions – A summary of the actuarial methods and assumptions used in determining the total pension liability (asset) as of June 30, 2022 (valuation date), are as follows:

Actuarial Cost Method	Individual Entry Age Normal Method
Actuarial Assumptions:	
Investment rate of return	6.85% net of pension plan investment expense, including inflation
Discount rate	6.85%
Projected salary increases	5.0% (2.5% Inflation, 2.5% Merit)
Mortality rates	Pub-2010 Public Retirement Plans Mortality Table for Safety Below Median Employees, Retirees, and Disabled Retirees, multiplied by 120% for males and 115% for females for active members, each with full generational projection using the appropriate MP2019 scale.
Expected remaining service lives	2022 – 5 years, 2021 – 5 years, 2020 – 6 years, 2019 – 6 years, 2018 – 6 years, 2017 – 7 years, 2016 – 7 years
Cost of Living adjustments	The present value of future retirement benefits is based on benefits currently being paid by the Fund and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.

NOTE 5 – DEFINED BENEFIT PENSION PLAN (continued)

The mortality rate assumptions were set after reviewing an experience study performed over the period July 1, 2014, through June 30, 2019. The data was then assigned credibility weighting and combined with a standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent to the estimated duration of the Fund's liabilities. Annuity values calculated based on this mortality were compared to those produced by using a setback of standard tables. The result of the procedure indicated that these tables would produce liability values approximating the appropriate generational mortality tables used.

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

The rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2022, are summarized in the following table:

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

Discount Rate - The discount rate used to measure the total pension liability (asset) was 6.85%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers and non-employer contributing entities will be made at the actuarially determined rates approved by 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 (asset).

Sensitivity of the Sheriff's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate - The following presents the Sheriff's proportionate share of the Net Pension Liability (Asset) using the discount rate of 6.85%, as well as what the Sheriff's proportionate share of the Net Pension Liability (Asset) would be if it were calculated using a discount rate that is one percentage-point lower (5.85%) or one percentage-point higher (7.85%) than the current rate:

	<u>1.0% Decrease (5.85%)</u>	<u>Current Discount Rate (6.85%)</u>	<u>1.0% Increase (7.85%)</u>
Center's proportionate share of the net pension liability (asset)	\$ 29,661,057	\$ 16,750,288	\$ 5,984,966

NOTE 5 – DEFINED BENEFIT PENSION PLAN (continued)

Support of Non-employer Contributing Entities - Contributions received by a pension plan from non-employer contributing entities that are not in a special funding situation are recorded as revenue by the respective pension plan. The Sheriff recognizes revenue in an amount equal to their proportionate share of the total contributions to the pension plan from these non-employer contributing entities. During the year ended June 30, 2023, the Center recognized revenue as a result of support received from non-employer contributing entities of \$952,880 for its participation in the Sheriff’s Pension and Relief Fund.

Pension Plan Fiduciary Net Position - Detailed information about the pension plan’s fiduciary net position is available in the separately issued Sheriffs’ Pension and Relief Fund Audit Report at www.lla.la.gov. The Sheriffs’ Pension and Relief Fund issues a publicly available audit report that includes financial statements and required supplementary information.

Payables to the Pension Plan – At June 30, 2023, the Center had payables due to the pension plan of \$107,534 for legally required contributions.

NOTE 6 – OTHER POST-EMPLOYMENT BENEFITS

General Information about the OPEB Plan

Plan description – The Center provides certain continuing health care and life insurance benefits for its retired employees. The Caddo Parish Sheriff’s OPEB Plan (the OPEB Plan) is a single-employer defined benefit OPEB plan administered by the Caddo Parish Sheriff. The authority to establish and/or amend the obligation of the employer, employees and retirees rests with the Center. 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, dental, vision and life insurance benefits are provided through comprehensive plans and are made available to employees upon actual retirement. Employees retirement eligibility (D.R.O.P. entry) provisions are as follows: attainment of age 55 and 15 years of service.

Life insurance coverage is provided to retirees and 100% of the blended rate (active and retired) for \$10,000 face amount is paid by the employer. The amount of insurance coverage while active is continued after retirement, but insurance coverage amounts are reduced to 75% of the original amount at age 65 and to 50% of the original amount at age 70.

Employees covered by benefit terms – As of the measurement date July 1, 2022, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	119
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	281
	400

Total OPEB Liability

The Center’s total OPEB liability of \$28,321,977 as of the measurement date June 30, 2023, the end of the fiscal year.

NOTE 6 – OTHER POST-EMPLOYMENT BENEFITS (continued)

Actuarial Assumptions and other inputs – The total OPEB liability in the July 1, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.0% annually
Salary increases	5.0%, including inflation
Discount rate	3.54% annually (Beginning of Year to Determine ADC) 3.65% annually (As of End of Year Measurement Date)
Healthcare cost trend rates	Getzen Mode;
Mortality	Pub-2010

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

The actuarial assumptions used in the July 1, 2022 valuation were based on the results of ongoing evaluations of the assumptions from July 1, 2009 to June 30, 2023.

Changes in the Total OPEB Liability

Balance at June 30, 2022	\$ 31,330,031
Changes for the year:	
Service cost	1,075,052
Interest	1,130,677
Differences between expected and actual experience	(2,798,619)
Changes of assumptions	(1,476,886)
Benefit payments and net transfers	(938,278)
Net changes	<u>(3,008,054)</u>
Balance at June 30, 2023	<u>\$ 28,321,977</u>

Sensitivity of the total OPEB liability to changes in the discount rate – The following presents the total OPEB liability of the Center, as well as what the Center’s total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.65%) or 1-percentage-point higher (4.65%) than the current discount rate:

	1.0% Decrease (2.65%)	Current Discount Rate (3.65%)	1.0% Increase (4.65%)
Total OPEB liability	\$ 32,637,616	\$ 28,321,977	\$ 24,794,062

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

	1.0% Decrease (4.5%)	Current Trend (5.5%)	1.0% Increase (6.5%)
Total OPEB liability	\$ 25,067,170	\$ 28,321,977	\$ 32,448,053

NOTE 6 – OTHER POST-EMPLOYMENT BENEFITS (continued)

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

For the year ended June 30, 2023, the Center recognized OPEB expense of \$1,402,551. At June 30, 2023, the Center reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,343,600	\$ (8,521,688)
Change in assumptions	9,455,162	(7,428,970)
Total	\$ 10,798,762	\$ (15,950,658)

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:	
2024	\$ (803,178)
2025	\$ (803,178)
2026	\$ (803,178)
2027	\$ (803,178)
2028	\$ (803,178)
Thereafter	\$ (1,136,006)

NOTE 7 – LONG-TERM LIABILITIES

Accrued compensated absences are long-term liabilities due to governmental activities. The activity for the year ended June 30, 2023, is as follows:

Balance, July 1, 2022	\$	2,097,205
Additions for earned compensated absences		1,059,960
Less use of accrued amounts		(1,094,547)
Balance, June 30, 2023		2,062,618
Less current portion		(1,374,533)
Long-term portion	\$	688,085

NOTE 8 – RELATED PARTY TRANSACTIONS

The Caddo Parish Sheriff (Sheriff) manages and operates the Center. For the year ended June 30, 2023, the Center reimbursed the Sheriff \$2,679,342 for administrative services.

For the year ended June 30, 2023, \$5,861,747 was received from the Caddo Parish Commission, which is also reflected as intergovernmental revenues. These were payments to the Center for inmate costs such as feeding, housing, and medical costs. As of June 30, 2023, \$976,152 was recorded in intergovernmental receivables from the Caddo Parish Commission.

NOTE 9 – CONTINGENCIES, LITIGATIONS, AND CLAIMS

Litigation - At June 30, 2023, the Center is named as defendant in several lawsuits. In the opinion of the Center's legal counsel, no claims or suits exist for which there is insufficient insurance coverage and resolution of these matters will not have a material adverse effect on the financial condition of the Center.

NOTE 9 – CONTINGENCIES, LITIGATIONS, AND CLAIMS (continued)

Risk Management - The Center is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; and errors and omission. These risks are handled by the Center through the purchase of various commercial insurance policies with varying coverage limits, deductibles, and premiums based on the type of policy. No significant reductions in insurance coverage from coverage in the prior year occurred and no claims exceeded the Center's insurance coverage for each of the past three years.

Grants - The Sheriff participates in several federal and state assisted grant programs. These programs are subject to program compliance audits. Such audits could lead to requests for reimbursement by the grantor agency for expenditures disallowed under terms of the grants. The Sheriff believes that the amount of disallowances, if any, which may arise from future audits will not be material.

Required Supplementary Information

Caddo Correctional Center
General Fund Budgetary Comparison Schedule
For the Year Ended June 30, 2023

	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Sales tax	\$ 18,700,000	\$ 20,000,000	\$ 21,897,671	\$ 1,897,671
Intergovernmental revenues				
Housing federal prisoners	2,000,000	2,000,000	1,838,850	(161,150)
State sources				
Housing state prisoners	3,100,000	3,300,000	3,465,691	165,691
State supplemental pay	1,200,000	1,200,000	1,100,260	(99,740)
State grants and contracts	450,000	450,000	563,759	113,759
Caddo Parish Commission	6,105,000	6,105,000	5,861,747	(243,253)
Commissions - commissary sales	1,000,000	1,000,000	1,114,169	114,169
Telephone revenue	900,000	950,000	1,149,027	199,027
Interest	8,000	600,000	713,817	113,817
Miscellaneous	242,000	189,000	611,386	422,386
Total revenue	<u>33,705,000</u>	<u>35,794,000</u>	<u>38,316,377</u>	<u>2,522,377</u>
Expenditures				
Current - public safety				
Personnel services and related benefits	30,404,000	30,366,000	28,993,409	1,372,591
Materials and supplies	1,185,000	1,032,000	870,494	161,506
Statutory charges	2,896,000	2,981,000	2,943,721	37,279
Contractual charges	1,924,000	1,796,000	1,547,224	248,776
Other charges	119,000	125,000	101,205	23,795
Capital outlay	80,000	168,000	87,587	80,413
Total expenditures	<u>36,608,000</u>	<u>36,468,000</u>	<u>34,543,640</u>	<u>1,924,360</u>
Excess (deficiency) of revenue over (under) expenditures	(2,903,000)	(674,000)	3,772,737	4,446,737
Fund balance at beginning of year	19,480,949	19,480,949	19,480,948	-
Fund balance at end of year	<u>\$ 16,577,949</u>	<u>\$ 18,806,949</u>	<u>\$ 23,253,685</u>	<u>\$ 4,446,737</u>

See Independent Auditors' Report

**Caddo Correctional Center
Schedule of the Center's Proportionate Share
of the Net Pension Liability
June 30, 2023**

Fiscal Year*	Agency's proportion of the net pension liability *	Center's allocated proportion of the net pension liability **	Center's proportionate share of the net pension liability (asset) **	Center's covered - employee payroll***	Center's proportionate share of the net pension liability as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of the total pension liability*
Sheriff's Pension and Relief Fund						
2022	4.579662%	2.060848%	\$ 16,750,288	\$ 15,287,505	109.6%	83.9%
2021	4.575403%	2.058931%	\$ (1,020,305)	\$ 15,333,619	-6.7%	84.7%
2020	4.584440%	2.108842%	\$ 14,595,617	\$ 15,570,079	93.7%	88.9%
2019	4.949670%	2.276848%	\$ 10,770,013	\$ 16,258,013	66.2%	88.9%
2018	5.074490%	2.385010%	\$ 9,145,669	\$ 17,113,792	53.4%	90.4%
2017	5.123500%	2.510515%	\$ 10,871,215	\$ 17,388,146	62.5%	88.5%
2016	5.229570%	2.562489%	\$ 16,263,835	\$ 17,500,554	92.9%	82.1%
2015	5.299788%	2.596896%	\$ 11,575,710	\$ 16,373,389	70.7%	86.6%
2014	5.442640%	2.666894%	\$ 10,560,913	\$ 16,378,342	64.5%	87.3%

*Amounts presented for each fiscal year were determined as of the measurement date (the prior fiscal year end).

**Note that 45% of the proportionate share was allocated to the Caddo Correctional Center (Center) and 55% is allocated to the Caddo Parish Sheriff's Office (Sheriff) for measurement dates ended June 30, 2022 and 2021. The allocation of 46% (Center) and 54% (Sheriff) was used for the measurement dates ended June 30, 2020 and 2019. The allocation of 47% (Center) and 53% (Sheriff) was used for the measurement date ended June 30, 2018. The allocation of 49% (Center) and 51% (Sheriff) was used for the measurement dates ended June 30, 2017 and prior.

***Since the amounts presented have a measurement date of the previous fiscal year, the covered-employee payroll presented is for the prior fiscal year end.

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

**Caddo Correctional Center
Schedule of Contributions to the Sheriffs'
Pension and Relief Fund
June 30, 2023**

Fiscal Year*	(a) Statutorily Required Contribution for Agency	(b) Contributions in relation to the statutorily required contribution	(a-b) Agency's Contribution Deficiency (Excess)	(c) Allocation to Center of contractually required contribution **	(d) Center's contributions in relation to the contractually required contribution	(c-d) Center's Contribution Deficiency (Excess)	(e) Center's covered employee payroll	(d/e) Contributions as a percentage of covered employee payroll
Sheriff's Pension and Relief Fund								
2023	\$ 4,221,884	\$ 4,221,884	\$ -	\$ 1,899,848	\$ 1,899,848	\$ -	\$ 16,520,410	11.50%
2022	\$ 4,161,603	\$ 4,161,603	\$ -	\$ 1,872,721	\$ 1,872,721	\$ -	\$ 15,287,505	12.25%
2021	\$ 4,083,412	\$ 4,083,412	\$ -	\$ 1,878,370	\$ 1,878,370	\$ -	\$ 15,333,619	12.25%
2020	\$ 4,146,459	\$ 4,146,459	\$ -	\$ 1,907,371	\$ 1,907,371	\$ -	\$ 15,570,079	12.25%
2019	\$ 4,237,461	\$ 4,237,461	\$ -	\$ 1,991,607	\$ 1,991,607	\$ -	\$ 16,258,013	12.25%
2018	\$ 4,453,079	\$ 4,453,079	\$ -	\$ 2,182,009	\$ 2,182,009	\$ -	\$ 17,113,792	12.75%
2017	\$ 4,701,897	\$ 4,701,897	\$ -	\$ 2,303,930	\$ 2,303,930	\$ -	\$ 17,388,146	13.25%
2016	\$ 4,910,869	\$ 4,910,869	\$ -	\$ 2,406,326	\$ 2,406,326	\$ -	\$ 17,500,554	13.75%
2015	\$ 5,007,228	\$ 5,007,228	\$ -	\$ 2,453,542	\$ 2,453,542	\$ -	\$ 16,373,389	14.98%

*The amounts presented are for the fiscal year ended June 30.

**Note that 45% of the proportionate share was allocated to the Caddo Correctional Center (Center) and 55% is allocated to the Caddo Parish Sheriff's Office (Sheriff) for measurement dates ended June 30, 2023 and 2022. The allocation of 46% (Center) and 54% (Sheriff) was used for the measurement dates ended June 30, 2021 and 2020. The allocation of 47% (Center) and 53% (Sheriff) was used for the measurement date ended June 30, 2019. The allocation of 49% (Center) and 51% (Sheriff) was used for the measurement dates ended June 30, 2018 and prior.

Schedule is intended to show information for 10 years. Additional years will be presented as they become available.

**Notes to Required Supplementary Information
June 30, 2023**

Changes of Benefit Terms

There were no changes in benefit terms for the actuarial valuation measurement year ended June 30, 2022 and 2021.

Changes of Assumptions

The discount rate was lowered from 6.9% to 6.85% in the actuarial valuation for the measurement year ended June 30, 2022. The discount rate was lowered from 7.0% to 6.90% in the actuarial valuation for the measurement year ended June 30, 2021.

**Caddo Correctional Center
Schedule of Changes in Sheriff's Proportionate
Share of Net OPEB Liability and Related Ratios
For the Year Ended June 30, 2023**

	2018	2019	2020	2021	2022	2023
Center's proportionate share of total OPEB liability						
Service cost	\$ 491,205	\$ 454,402	\$ 654,706	\$ 1,226,791	1,124,125	1,075,052
Interest	994,258	1,015,305	781,816	688,326	809,568	1,130,677
Changes of benefit terms	-	-	-	-	-	-
Differences between expected and actual experience	(151,686)	(7,370,878)	772,577	(1,331,985)	971,305	(2,798,619)
Changes of assumptions	-	-	6,397,363	6,550,176	(7,703,837)	(1,476,886)
Benefit payments	(747,945)	(716,908)	(822,959)	(747,944)	(789,081)	(938,278)
Net change in Center's proportionate share of total OPEB liability	585,832	(6,618,079)	7,783,503	6,385,364	(5,587,920)	(3,008,054)
Center's proportionate share of total OPEB liability - beginning	28,781,331	29,367,163	22,749,084	30,532,587	36,917,951	31,330,031
Center's proportionate share of total OPEB liability - ending (a)	\$ 29,367,163	\$ 22,749,084	\$ 30,532,587	\$ 36,917,951	\$ 31,330,031	\$ 28,321,977
Center's proportionate share of plan fiduciary net position						
Contributions - employer	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net investment income	-	-	-	-	-	-
Center's proportionate share of net change in plan fiduciary net position	-	-	-	-	-	-
Center's proportionate share of plan fiduciary net position - beginning	-	-	-	-	-	-
Center's proportionate share of plan fiduciary net position - ending (b)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Center's proportionate share of net OPEB liability - ending (a) - (b)	\$ 29,367,163	\$ 22,749,084	\$ 30,532,587	\$ 36,917,951	\$ 31,330,031	\$ 28,321,977
Plan fiduciary net position as a percentage of the total OPEB liability	0%	0%	0%	0%	0%	0%
Covered-employee payroll	11,890,940	13,811,477	14,363,936	14,663,147	15,103,041	14,644,310
Center's proportionate share of the net OPEB liability as a percentage of covered-employee payroll	246.97%	164.71%	212.56%	251.77%	207.44%	193.40%
Notes to Schedule:						
<i>Benefit Changes:</i>	None	None	None	None	None	None
<i>Changes of Assumptions:</i>						
<i>Discount Rates:</i>	3.50%	3.50%	2.21%	2.16%	3.54%	3.65%
<i>Mortality:</i>	RP-2000	RP-2000	RP-2000	RP-2014	RP-2014	Pub-2010
<i>Trend:</i>	5.50%	5.50%	5.50%	Variable	Variable	Getzen Model

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

Supplementary Information

**Caddo Correctional Center
Schedule of Compensation, Benefits, and
Other Payments to Agency Head
For the Year Ended June 30, 2023**

Agency Head Name: Steve Prator, Sheriff of Caddo Parish

Purpose	Amount
Salary	\$ 98,556 *
Benefits-insurance	\$ 7,400 *
Benefits-retirement	\$ 23,714 *
Deferred compensation	\$ 338 *

* The Caddo Parish Sheriff's compensation and benefits are paid by the Caddo Parish Sheriff's Office and the Caddo Correctional Center reimburses 50% of the payments through an administrative service allocation. The amounts reflected above are 50% of the total payments made to the Sheriff.



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

The Honorable Steve Prator, Caddo Parish Sheriff
Caddo Correctional Center
Shreveport, 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, each major fund, and the aggregate remaining fund information of Caddo Correctional Center, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Caddo Correctional Center's basic financial statements, and have issued our report thereon dated December 20, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Caddo Correctional Center'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 Caddo Correctional Center's internal control. Accordingly, we do not express an opinion on the effectiveness of Caddo Correctional Center's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. 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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Caddo Correctional Center'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. Although the intended use of these reports may be limited, under Louisiana Revised Statute 24:513, this report is distributed by the Office of the Louisiana Legislative Auditor as a public document.



CARR, RIGGS & INGRAM, LLC

Shreveport, Louisiana
December 20, 2023

Section I - Summary of Auditors' Results

A. Financial Statements

- | | |
|--|-------------------|
| 1. Type of Auditors' report issued: | Unmodified |
| 2. Internal control over financial reporting: | |
| • Material weakness(es) identified? | No |
| • Significant deficiency(ies) identified? | None Noted |
| 3. Noncompliance material to financial statements noted? | No |

B. Federal Awards

Not applicable in the current year

Section II – Financial Statement Findings

A. Current Year Findings and Responses

None

B. Prior Year Findings and Responses

None

Section III – Federal Award Findings and Responses

A. Current Year Findings and Responses

Not applicable in the current year

B. Prior Year Findings and Responses

None



Caddo Correctional Center

STATEWIDE AGREED-UPON PROCEDURES REPORT

June 30, 2023

**INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES**

To the Honorable Steve Prator, Caddo Parish Sheriff and
the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2022 through June 30, 2023. The Caddo Correctional Center's management is responsible for those C/C areas identified in the SAUPs.

The Caddo Correctional Center has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period July 1, 2022 through June 30, 2023. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated results are as follows:

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
 - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
Results: No exceptions were identified as a result of applying the procedure.
 - b) ***Purchasing***, including (1) how purchases are initiated, (2) how vendors are added to the vendor list, (3) the preparation and approval process of purchase requisitions and purchase orders, (4) controls to ensure compliance with the Public Bid Law, and (5) documentation required to be maintained for all bids and price quotes.
Results: No exceptions were identified as a result of applying the procedure.
 - c) ***Disbursements***, including processing, reviewing, and approving.
Results: No exceptions were identified as a result of applying the procedure.
 - d) ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation

with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

Results: No exceptions were identified as a result of applying the procedure.

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

Results: Written policies do not address approval process for employee rates of pay or approval and maintenance of pay rate schedules.

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

Results: Written policies do not address the monitoring of contracts.

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

Results: No exceptions were identified as a result of applying the procedure.

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

Results: No exceptions were identified as a result of applying the procedure.

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

Results: No exceptions were identified as a result of applying the procedure.

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

Results: This procedure is not applicable to the Caddo Correctional Center.

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

Results: Written policies do not address the storage of backups in an isolated location, periodic testing/verification that backups can be restored, timely application of all available system and software patches/updates, use of antivirus software on all systems, identification of personnel, or processes and tools needed to recover operations after a critical event.

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

Results: Written policies do not address annual employee training or annual reporting.

Board or Finance Committee

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and
 - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

Results: This procedure is not applicable because the Sheriff of Caddo Parish is a single elected official.

- b) For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. Alternatively, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.

Results: This procedure is not applicable because the Sheriff of Caddo Parish is a single elected official.

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

Results: This procedure is not applicable because the Sheriff of Caddo Parish is a single elected official.

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

Results: This procedure is not applicable because the Sheriff of Caddo Parish is a single elected official.

Bank Reconciliations

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

period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

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

Results: No exceptions were identified as a result of applying the procedure.

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

Results: No exceptions were identified as a result of applying the procedure.

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

Results: No exceptions were identified as a result of applying the procedure.

Collections (excluding electronic funds transfers)

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

Results: CRI obtained a list of deposits sites and management's representation that the listing was complete.

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

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

Results: One exception was identified where employees at a collection location share a cash drawer/register.

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

Results: No exceptions were identified as a result of applying the procedure.

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

Results: No exceptions were identified as a result of applying the procedure.

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

Results: No exceptions were identified as a result of applying the procedure.

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

Results: No exceptions were identified as a result of applying the procedure.

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

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

Results: No exceptions were identified as a result of applying the procedure.

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

Results: No exceptions were identified as a result of applying the procedure.

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

Results: No exceptions were identified as a result of applying the procedure.

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

Results: No exceptions were identified as a result of applying the procedure.

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

Results: No exceptions were identified as a result of applying the procedure.

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

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

Results: CRI obtained listing of locations that process payments and management's representation that the listing was complete. There is only one location that processes payments.

9. For each location selected under procedure #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that
 - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;
Results: No exceptions were identified as a result of applying the procedure.
 - b) At least two employees are involved in processing and approving payments to vendors;
Results: No exceptions were identified as a result of applying the procedure.
 - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files;
Results: No exceptions were identified as a result of applying the procedure.
 - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments; and
Results: No exceptions were identified as a result of applying the procedure.
 - e) Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.
Results: No exceptions were identified as a result of applying the procedure.
10. For each location selected under procedure #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and
 - a) Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity, and
Results: No exceptions were identified as a result of applying the procedure.
 - b) Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #9 above, as applicable.
Results: CRI identified issues with segregation of duties where 1 of 5 payments did not have at least two employees involved in initiating and approving the payments, and 2 of 5 payments did not have at least two employees involved in processing and approving the payments.
11. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and

(b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

Results: No exceptions were identified as a result of applying the procedure.

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

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

Results: CRI obtained a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period and management's representation that the listing was complete.

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

a) Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved) by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and

Results: No exceptions were identified as a result of applying the procedure.

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

Results: No exceptions were identified as a result of applying the procedure.

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

Results: No exceptions were identified as a result of applying the procedure.

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

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

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

Results: No exceptions were identified as a result of applying the procedure.

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

Results: No exceptions were identified as a result of applying the procedure.

- c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by Written Policies and Procedures procedure #1g; and

Results: No exceptions were identified as a result of applying the procedure.

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

Results: No exceptions were identified as a result of applying the procedure.

Contracts

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

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

Results: No exceptions were identified as a result of applying the procedure.

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

Results: No exceptions were identified as a result of applying the procedure.

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

contract terms (e.g., if approval is required for any amendment, the documented approval); and

Results: No exceptions were identified as a result of applying the procedure.

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

Results: No exceptions were identified as a result of applying the procedure.

Payroll and Personnel

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

Results: No exceptions were identified as a result of applying the procedure.

- 18. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #17 above, obtain attendance records and leave documentation for the pay period, and

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

Results: No exceptions were identified as a result of applying the procedure.

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

Results: No exceptions were identified as a result of applying the procedure.

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

Results: No exceptions were identified as a result of applying the procedure.

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

Results: No exceptions were identified as a result of applying the procedure.

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

Results: No exceptions were identified as a result of applying the procedure.

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

Results: No exceptions were identified as a result of applying the procedure.

Ethics

21. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #17 obtain ethics documentation from management, and

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

Results: No exceptions were identified as a result of applying the procedure.

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

Results: No exceptions were identified as a result of applying the procedure.

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

Results: No exceptions were identified as a result of applying the procedure.

Debt Service

23. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.

Results: Management represented that no bond/notes or other debt instruments were issued during the fiscal period, as such, this procedure is not applicable.

24. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Results: Management represented that no bond/notes or other debt instruments were outstanding at the end of the fiscal period, as such, this procedure is not applicable.

Fraud Notice

25. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.

Results: Management represented no misappropriation of public funds or assets occurred during the fiscal period.

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

Results: No exceptions were identified as a result of applying the procedure.

Information Technology Disaster Recovery/Business Continuity

27. Perform the following procedures, **verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."**

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

Results: We performed the procedure and discussed the results with management.

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

Results: We performed the procedures and discussed the results with management.

c) Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

Results: We performed the procedure and discussed the results with management.

28. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #19. Observe evidence that the selected terminated employees have been removed or disabled from the network.

Results: CRI was unable to obtain documentation that terminated employees were removed or disabled from the network.

Prevention of Sexual Harassment

29. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #17, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.

Results: No exceptions were identified as a result of applying the procedure.

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

Results: No exceptions were identified as a result of applying the procedure.

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

- a) Number and percentage of public servants in the agency who have completed the training requirements;
- b) Number of sexual harassment complaints received by the agency;
- c) Number of complaints which resulted in a finding that sexual harassment occurred;
- d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
- e) Amount of time it took to resolve each complaint.

Results: No exceptions were identified as a result of applying the procedure.

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

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

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

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS, & INGRAM, LLC

Shreveport, Louisiana
December 20, 2023



SHERIFF STEVE PRATOR

SHERIFFS OF
CADDO PARISH

- ALEXANDER BOYD STERRETT
1838-1840
- MATTHEW WATSON
1840-1857
- THOMAS R. SIMPSON
1857-1858
- 1865-1868
- HENRY JOHN GREY BATTLE
1859-1860
- NATHAN HASS
1860-1862
- ISRAEL W. PICKENS
1862-1865
- JOHN J. HOPE
1868
- JOHN J. O'CONNOR
1868-1869
- MICHAEL A. WALSH
1869-1875
- JAMES W. WILSON
1875-1876
- WILLIAM HEFFNER
1876-1877
- ALONZO FLOURNOY
1877-1878
- J.D. CAWTHONE
1879
- JOHN LAKE
1879-1892
- JOHN S. YOUNG
1892-1900
- SAMUEL J. WARD
1900-1906
- J.P. "PAT" FLOURNOY
1906-1916
- THOMAS ROLAND HUGHES
1916-1940
- J. HOWELL FLOURNOY
1940-1966
- JAMES M. GOSLIN
1966-1976
- HAROLD TERRY
1976-1980
- DONALD E. HATHAWAY
1980-2000
- STEVE PRATOR
2000-

December 20, 2023

Louisiana Legislative Auditor
1600 North 2nd Street
P. O. Box 94397
Baton Rouge, LA 70804

and

Carr, Riggs, & Ingram, LLC
1000 East Preston Avenue, Suite 200
Shreveport, LA 71105

RE: Management's Response to Agreed-Upon Procedures

Management of the Caddo Correctional Center has reviewed the Independent Accountants' Report on Applying Agreed-Upon Procedures. We are in agreement with the report of Carr, Riggs & Ingram, LLC. Caddo Correctional Center will add policies and procedures and implement changes as considered necessary and cost-beneficial to meet the expectations identified in the report and future agreed-upon procedures engagements.

Beverly Steiner
Name

Internal Auditor
Title