

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

**Financial Report**

**June 30, 2021**



Page(s)	
	<b>Report</b>
1-3	Independent Auditors' Report
4	<b>Required Supplementary Information</b>
5-11	Management's Discussion and Analysis (Unaudited)
	<b>Basic Financial Statements</b>
12	<b>Government – Wide Financial Statements (GWFS)</b>
13	Statement of Net Position
14	Statement of Activities
15	<b>Fund Financial Statements</b>
16	Balance Sheet – Governmental Funds
17	Reconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Position
18	Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds
19	Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities
20	Statement of Fiduciary Net Position – Custodial Funds
21	Statement of Changes in Fiduciary Net Position – Custodial Funds
22-37	<b>Notes to Financial Statements</b>
38	<b>Required Supplementary Information</b>
39	General Fund Budgetary Comparison Schedule
40	Schedule of the Center's Proportionate Share of the Net Pension Liability
41	Schedule of Contributions to the Sheriffs' Pension and Relief Fund and Notes to Required Supplementary Information
42	Schedule of Changes in Center's Proportionate Share of Net OPEB Liability and Related Ratios
43	<b>Supplementary Information</b>
44	Schedule of Compensation, Benefits, and Other Payments to Agency Head
	<b>Single Audit Information</b>
45-46	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 <i>Government Auditing Standards</i>
47-48	Independent Auditors' Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by Uniform Guidance
49	Schedule of Expenditures of Federal Awards
50	Notes to Schedule of Expenditures of Federal Awards
51-52	Schedule of Findings and Questioned Costs

## **INDEPENDENT AUDITORS' REPORT**

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

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Caddo Correctional Center, a component unit of the Caddo Parish Commission, as of and for the year ended June 30, 2021, 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.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditors' Responsibility***

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

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

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

### **Opinions**

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

### **Change in Accounting Principle**

As discussed in Note 1 to the financial statements, the Caddo Correctional center adopted new accounting guidance GASBS No. 84, *Fiduciary Activities*, for the year ended June 30, 2021. Our opinion is not modified with respect to this matter.

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, 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 38 through 42 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Caddo Correctional Center's basic financial statements. The schedule of expenditures of federal awards are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The schedule of compensation, benefits, and other payments to agency head, is presented in accordance with Louisiana Revised Statutes (LRS) 24:513(A)(3). This schedule 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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 expenditures of federal awards and the schedule of compensation, benefits, and other payments to agency head, are 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 28, 2021, 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 the Caddo Correctional Center's internal control over financial reporting and compliance.

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

**CARR, RIGGS & INGRAM, LLC**

Shreveport, Louisiana

December 28, 2021

**Required Supplementary Information**

Management's Discussion and Analysis (Unaudited)

**CADDO CORRECTIONAL CENTER**  
**Shreveport, Louisiana**

**Management’s Discussion and Analysis (Unaudited)**  
**June 30, 2021**

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, 2021. 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 (\$22,327,870), for the fiscal year ended June 30, 2021.

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

- Capital assets of \$2,432,360, which includes all property and equipment, net of accumulated depreciation of \$2,775,205 related to the purchase of capital assets.
- Unrestricted deficit of (\$24,760,230) 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 \$17,640,669 this year. This compares to the prior year ending fund balance of \$12,155,543, resulting in an increase of \$5,485,126 during the current year.

At the end the current fiscal year, the unassigned fund balance for the Caddo Correctional Center’s general fund was \$17,437,786 or 55.34% of the total Caddo Correctional Center’s general fund expenditures and 47.13% 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"> <li>• Statement of net position</li> <li>• Statement of activities</li> </ul>	<ul style="list-style-type: none"> <li>• Balance sheet</li> <li>• Statement of revenues, expenditures, and changes in fund balances</li> </ul>	<ul style="list-style-type: none"> <li>• Statements of fiduciary net position</li> <li>• Statement of changes in fiduciary net position</li> </ul>

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 funds 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 funds statements are utilized in evaluating annual financial requirements of governmental programs and the commitment of expendable resources of the near-term.



Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the 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 BASIC FINANCIAL STATEMENTS

The accompanying notes to financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to 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 38 through 42 in this report.

#### FINANCIAL ANALYSIS OF THE CENTER AS A WHOLE

The Center's net position (deficit) at June 30, 2021 is (\$22,327,870). The following table provides a summary of the Center's government-wide assets, liabilities and net position:

	2021		2020	
<b>Assets and Deferred Outflows of Resources</b>				
Cash, cash equivalents, receivables, prepaid expenses and inventory	\$ 18,962,475	44.57%	\$ 13,356,157	47.30%
Capital assets, net of accumulated	2,432,360	5.72%	2,602,766	9.22%
Deferred outflows of resources	21,146,096	49.71%	12,278,345	43.48%
Total assets and deferred outflows of resources	42,540,931	100.00%	28,237,268	100.00%
<b>Liabilities and Deferred Inflows of Resources</b>				
Current liabilities	1,321,806	2.04%	1,200,614	2.24%
Long-term liabilities	53,604,374	82.64%	43,358,909	80.69%
Deferred inflows of resources	9,942,621	15.33%	9,174,483	17.07%
Total liabilities and deferred inflows of resources	64,868,801	100.00%	53,734,006	100.00%
<b>Net position</b>				
Investment in capital assets	2,432,360	(10.89%)	2,602,766	(10.21%)
Unrestricted	(24,760,230)	110.89%	(28,099,504)	110.21%
Net position (deficit)	\$ (22,327,870)	100.00%	\$ (25,496,738)	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 14.35:1.

The Center's ending balance in net position (deficit) of the government-wide activities is (\$22,327,870). During 2021, net position increased a total of \$3,168,868 from 2020 net deficit of \$(25,496,738). The increase is caused mostly from an increase in revenues related to an increase in sales taxes and fees, fines and charges for services.

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

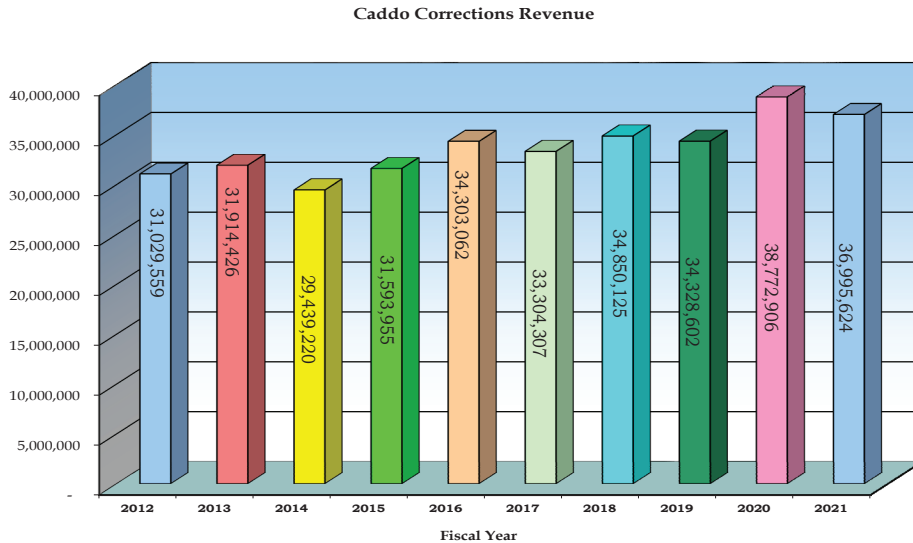
	2021	2020
Revenues		
Program revenues		
Fees, fines and charges for services	\$ 16,940,974	\$ 15,587,230
Operating grants and contributions	1,481,962	5,604,379
General revenues		
Taxes		
Sales and use taxes	17,453,453	15,779,010
Interest and investment earnings	4,860	41,082
Inmate work release revenue	-	481,264
Miscellaneous	2,057,578	2,236,440
Total revenues	<u>37,938,827</u>	<u>39,729,405</u>
Program expenses		
Public safety	<u>34,769,959</u>	<u>33,729,231</u>
Total expenses	<u>34,769,959</u>	<u>33,729,231</u>
Change in net position (deficit)	3,168,868	6,000,174
Beginning net position (deficit)	<u>(25,496,738)</u>	<u>(31,496,912)</u>
Ending net position (deficit)	<u>\$ (22,327,870)</u>	<u>\$ (25,496,738)</u>

## FUND LEVEL STATEMENTS

### GOVERNMENTAL REVENUES

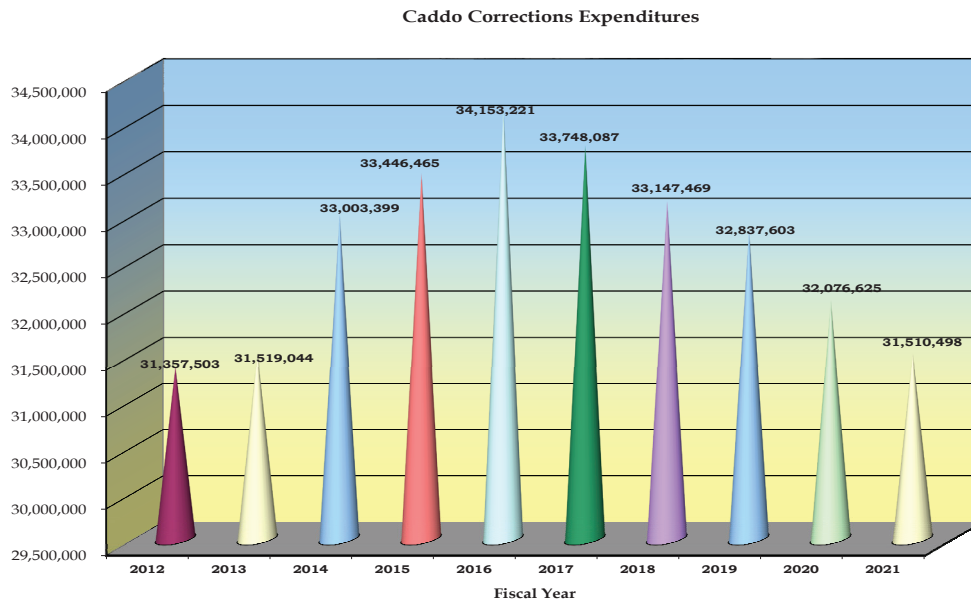
The Center's operations are dependent on revenue from sales tax collections, fees and charges for the support of state and parish prisoners and other support from the Caddo Parish Commission. Sales tax collections represent 46% of the Center's total revenues which covers 50.2% of the governmental operating expenses. Federal and state housing revenue represents 13.29% of the Center's total revenues and covers 14.5% of the governmental operating expenses.

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



**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:



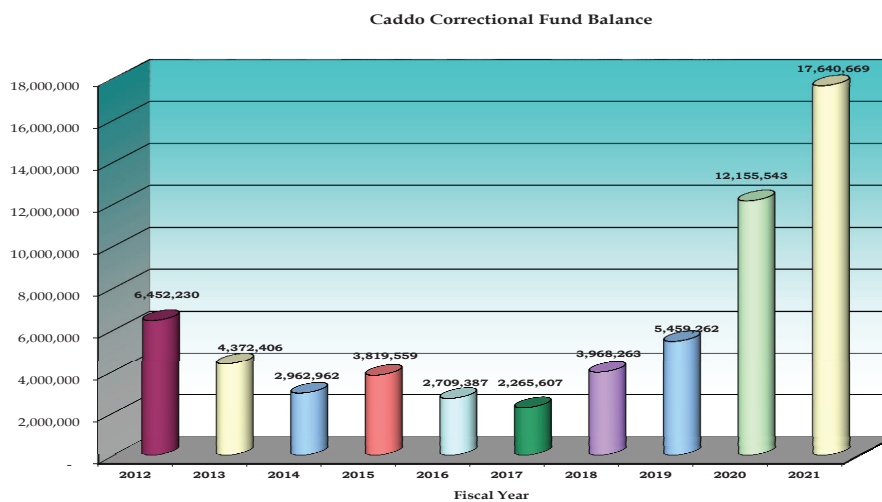
Operating expenditures were \$566,127 or 1.76% less than fiscal year 2020 operating expenses of \$32,076,625.

**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 \$17,640,669.

**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, 2021, was \$17,640,669, which was an increase of \$5,485,126 from the prior year fund balance of \$12,155,543. The following chart illustrates the General Fund’s ending fund balance for the past ten fiscal years:



### BUDGETARY HIGHLIGHTS

The original expenditure budget was a decrease of 4.72% over the actual amounts expended in fiscal year 2020. The final amended budget reported an increase in budgeted revenue from the original budget by \$5,295,000, an increase of 16.95 % over the original budget. The amended expenditure budget decreased \$1,099,000 or (3.27%) from the expenditures in the original budget. The decrease was mainly due to less personnel services and related benefits than originally anticipated.

### CAPITAL ASSETS AND DEBT ADMINISTRATION

The Center's investment in capital assets, net of accumulated depreciation as of June 30, 2021, was \$2,775,205. See Note 3 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.

	2021	2020
Capital assets		
Buildings	\$ 3,725,238	\$ 3,725,238
Law enforcement weapons and equipment	47,433	47,433
Computer equipment and office furniture	106,896	152,779
Equipment	308,996	300,006
Vehicles	1,019,002	1,069,178
Total capital assets	<u>5,207,565</u>	<u>5,294,634</u>
Less accumulated depreciation	<u>2,775,205</u>	<u>2,691,868</u>
Book value – capital assets	<u>\$ 2,432,360</u>	<u>\$ 2,602,766</u>
Percentage depreciated	<u>53.29%</u>	<u>50.84%</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 \$36,917,951 at June 30, 2021 and \$30,532,587 at June 30, 2020.

### 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.

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

	2021	2020	Change
Net pension liability	\$ 14,596,617	\$ 10,770,012	\$ 3,825,605
Deferred outflows of resources - pensions	\$ 8,977,443	\$ 5,586,401	\$ 3,391,042
Deferred inflows of resources - pensions	\$ 2,634,541	\$ 2,605,784	\$ 28,757

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

	2021	2020	Change
Net OPEB liability	\$ 36,917,951	\$ 30,532,587	\$ 6,385,364
Deferred outflows of resources - OPEB	\$ 12,168,653	\$ 6,691,944	\$ 5,476,709
Deferred inflows of resources - OPEB	\$ 7,308,080	\$ 6,568,699	\$ 739,381

**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 Gwet Folsom, Caddo Parish Sheriff's Office, 505 Travis Street, Room 700, Shreveport, LA 71101.

**Government – Wide Financial Statements (GWFS)**

**CADDO CORRECTIONAL CENTER**  
**Shreveport, Louisiana**

**Statement of Net Position**  
**June 30, 2021**

<b>Assets</b>	
Cash and cash equivalents	\$ 17,072,157
Receivables	
Sales taxes	31,894
Intergovernmental	1,358,306
Fees	47,172
Other	250,063
Total receivables	<u>1,687,435</u>
Prepaid expenses	104,857
Food inventory	98,026
Capital assets, net of accumulated depreciation	2,432,360
Total assets	<u>21,394,835</u>
<b>Deferred Outflows of Resources</b>	
Deferred outflows of resources - other post-employment benefit	12,168,653
Deferred outflows of resources - pensions	8,977,443
Total deferred outflows of resources	<u>21,146,096</u>
<b>Liabilities</b>	
Current liabilities	
Accounts payable	209,664
Accrued expenses	1,112,142
Total current liabilities	<u>1,321,806</u>
Long-term liabilities	
Portion due within one year	
Accrued compensated absences	1,315,139
Portion due after one year	
Net pension liability	14,595,617
Net other post-employment benefit liability	36,917,951
Accrued compensated absences	775,667
Total long-term liabilities	<u>53,604,374</u>
Total liabilities	<u>54,926,180</u>
<b>Deferred Inflows of Resources</b>	
Deferred inflows of resources - other post-employment benefit	7,308,080
Deferred inflows of resources - pensions	2,634,541
Total deferred inflows of resources	<u>9,942,621</u>
<b>Net Position (Deficit)</b>	
Invested in capital assets	2,432,360
Unrestricted	(24,760,230)
Total net position (deficit)	<u>\$ (22,327,870)</u>

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

**CADDO CORRECTIONAL CENTER**

Shreveport, Louisiana

**Statement of Activities  
for the Year Ended June 30, 2021**

	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	<u>\$ 34,769,959</u>	<u>\$ 16,940,974</u>	<u>\$ 1,481,962</u>	<u>\$ (16,347,023)</u>
Total governmental activities	<u><u>\$ 34,769,959</u></u>	<u><u>\$ 16,940,974</u></u>	<u><u>\$ 1,481,962</u></u>	<u><u>\$ (16,347,023)</u></u>
General revenues				
Taxes -				
Sales and use taxes				17,453,453
Interest and investment earnings				4,860
State contract				500,775
Non-employer contribution revenue (NCE)				943,202
Miscellaneous				<u>613,601</u>
Total general revenues				<u>19,515,891</u>
Change in net position				3,168,868
Net position (deficit), beginning				<u>(25,496,738)</u>
Net position (deficit), ending				<u><u>\$ (22,327,870)</u></u>

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



**Fund Financial Statements**

**CADDO CORRECTIONAL CENTER  
Shreveport, Louisiana**

**Balance Sheet – Governmental Funds  
June 30, 2021**

	<b>Assets</b>	General Fund
Cash and cash equivalents		\$ 17,072,157
Receivables		
Sales taxes		31,894
Intergovernmental		1,358,306
Fees		47,172
Other		250,063
Total receivables		1,687,435
Prepaid expenses		104,857
Food inventory		98,026
Total assets		\$ 18,962,475
	<b>Liabilities and Fund Balances</b>	
Liabilities		
Accounts payable		\$ 209,664
Accrued expenses		1,112,142
Total liabilities		1,321,806
Fund balance		
Nonspendable		
Prepaid insurance		104,857
Inventory		98,026
Unassigned		17,437,786
Total fund balance		17,640,669
Total liabilities and fund balances		\$ 18,962,475

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

**CADDO CORRECTIONAL CENTER**  
**Shreveport, Louisiana**

**Reconciliation of the Balance Sheet – Governmental Funds  
to the Statement of Net Position**

**June 30, 2021**

Total fund balances - governmental funds		\$ 17,640,669
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds		
Cost of capital assets	\$ 5,207,565	
Less accumulated depreciation	<u>(2,775,205)</u>	2,432,360
Deferred outflows of resources reported in the Statement of Net Position		21,146,096
Long-term liabilities		
Compensated absences	\$ (2,090,806)	
OPEB liability	(36,917,951)	
Net pension liability	<u>(14,595,617)</u>	(53,604,374)
Deferred inflows of resources reported in the Statement of Net Position		<u>(9,942,621)</u>
Total net position of governmental activities		<u><u>\$ (22,327,870)</u></u>

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

**CADDO CORRECTIONAL CENTER  
Shreveport, Louisiana**

**Statement of Revenues, Expenditures, and Changes in Fund Balances –  
Governmental Funds  
for the Year Ended June 30, 2021**

Revenues	
Sales tax	\$ 17,453,453
Intergovernmental revenues	
Federal grants	1,481,962
Housing federal prisoners	1,962,300
State sources	
Housing state prisoners	3,078,499
State supplemental pay	1,022,539
State grants and contracts	500,775
Caddo Parish Sheriff	4,000,003
Caddo Parish Commission	5,098,014
Commissions for services - commissary sales	1,061,651
Telephone revenue	793,792
Interest	4,860
Miscellaneous	537,776
Total revenues	36,995,624
Expenditures	
Current - public safety	
Personnel services and related benefits	27,147,123
Materials and supplies	796,016
Statutory charges	1,943,800
Contractual charges	1,531,207
Other charges	77,013
Capital outlay	15,339
Total expenditures	31,510,498
Net change in fund balance	5,485,126
Fund balances at beginning of year	12,155,543
Fund balances at end of year	\$ 17,640,669

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

**CADDO CORRECTIONAL CENTER  
Shreveport, Louisiana**

**Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and  
Changes in Fund Balances to the Statement of Activities  
for the Year Ended June 30, 2021**

Net change in fund balances - total governmental funds		\$ 5,485,126
<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	\$ 15,339	
Less depreciation expense recorded for the year	<u>(185,745)</u>	(170,406)
<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>		
		(1,648,036)
<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.</p>		
		(463,320)
<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>(34,496)</u>
Change in net position of governmental activities		<u>\$ 3,168,868</u>

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

**CADDO CORRECTIONAL CENTER  
Shreveport, Louisiana**

**Statement of Fiduciary Net Position –  
Custodial Funds  
June 30, 2021**

<b>Assets</b>	
Cash and cash equivalents	\$ 174,634
Total assets	<u>174,634</u>
<b>Liabilities</b>	
Due to others	<u>-</u>
Total liabilities	<u>-</u>
<b>Net Position</b>	
Restricted - inmate personal funds	<u>174,634</u>
Total net position	<u>\$ 174,634</u>

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

**CADDO CORRECTIONAL CENTER  
Shreveport, Louisiana**

**Statement of Changes in Fiduciary Net Position -  
Custodial Funds  
June 30, 2021**

<b>Additions</b>	
Inmate personal fund deposits	\$ 2,785,895
Total additions	<u>2,785,895</u>
<b>Deductions</b>	
Inmate personal fund withdrawals	2,801,388
Commissary disbursements	<u>22,513</u>
Total deductions	<u>2,823,901</u>
 Change in Fiduciary Net Position	 (38,006)
<b>Net Position, Beginning of Year</b>	-
Prior Period Adjustment - Adoption of GASB 84	<u>212,640</u>
Net Position, Beginning of Year, restated	<u>212,640</u>
 <b>Net Position, End of Year</b>	 <u><u>\$ 174,634</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, 2021, 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 29, 2020, 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 22, 2021, 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 \$98,026 in inventory and \$104,857 in prepaid expenses, which are nonspendable resources as of June 30, 2021.
- **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, 2021.
- **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, 2021.
- **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, 2021.
- **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 \$17,437,786, at June 30, 2021, 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 \$1,022,539 for the fiscal year ended June 30, 2021. 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	\$ 33,592,000	\$ (1,099,000)	\$ 32,493,000

**Subsequent Events** - Management has evaluated subsequent events through the date that the financial statements were available to be issued, December 28, 2021, and determined there were no events that occurred that required disclosure.

**Accounting pronouncements** - The Caddo Parish Sheriff adopted the following Governmental Accounting Standards Board (GASB) Statement in the current fiscal year ended June 30, 2021.

- GASB Statement No. 84, Fiduciary Activities - The requirements of this Statement will enhance consistency and comparability by (1) establishing specific criteria for identifying activities that should be reported as fiduciary activities and (2) clarifying whether and how business-type activities should report their fiduciary activities. Financial statements and note disclosures reflect any required changes. The following restatement of beginning net position for the custodial funds was required:

Net Position, Beginning of Year	\$ -
Prior Period Adjustment – Adoption of GASB 84	212,640
Net Position, Beginning of Year, restated	\$ 212,640

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

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

- GASB Statement No. 87, *Leases* - This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on payment provisions of the contract. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021.
- GASB Statement No. 91, *Conduit Debt Obligations* - This Statement clarifies the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The requirements are effective for reporting periods beginning after December 15, 2021.
- GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* - This Statement provides guidance on accounting for Subscription-Based Information Technology Arrangements (SBITA) where the government contracts for the right to use another party's software. The requirements are effective for fiscal years beginning after June 15, 2022.
- GASB issued Statement No. 93, *Replacement of Interbank Offered Rates* - The objectives of this Statement are to address financial reporting issues that result from the replacement of an Interbank Offered Rate (IBOR) by providing exceptions for certain hedging derivative instruments to the hedge accounting termination provisions when an IBOR is replaced as the reference rate of the hedging derivative instrument's variable payment and clarification of the hedge accounting termination provisions when a hedged item is amended to replace the reference rate; replacing LIBOR as an appropriate benchmark interest rate for the evaluation of the effectiveness of an interest rate swap with a Secured Overnight Financing Rate or the Effective Federal Funds Rate; and providing exceptions to the lease modifications guidance in Statement 87 for lease contracts that are amended solely to replace an IBOR used to determine variable payments. The removal of LIBOR as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2022. All other requirements of this Statement are effective for reporting periods beginning after June 15, 2021.
- GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32 - The requirements related to the accounting and financial reporting for Section 457 plans are effective for fiscal years beginning after June 15, 2021.

**NOTE 2 – CASH AND CASH EQUIVALENTS**

All deposits of the Center are held by area financial institutions. At June 30, 2021, the carrying amount of the Center's cash deposits for the General Fund and the Fiduciary Funds (Custodial Funds) were \$17,072,157 and \$174,634, respectively. The bank balance for the Fiduciary Funds (Custodial Funds) was \$200,124. 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 – CAPITAL ASSETS**

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

	Balance July 1, 2020	Additions	Disposals	Balance June 30, 2021
Assets, at cost				
Buildings	\$ 3,725,238	\$ -	\$ -	\$ 3,725,238
Law enforcement weapons and equipment	47,433	-	-	47,433
Computer equipment and office furniture	152,779	6,349	52,232	106,896
Equipment	300,006	8,990	-	308,996
Vehicles	1,069,178	-	50,176	1,019,002
Total cost	<u>5,294,634</u>	<u>\$ 15,339</u>	<u>\$ 102,408</u>	<u>5,207,565</u>
Less accumulated depreciation	<u>2,691,868</u>	<u>\$ 185,745</u>	<u>\$ 102,408</u>	<u>2,775,205</u>
Capital assets, net	<u>\$ 2,602,766</u>			<u>\$ 2,432,360</u>

Depreciation expense of \$185,745 was charged to functions/programs of the Caddo Correctional Center public safety expenses.

**NOTE 4 – 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.

**NOTE 4 – DEFINED BENEFIT PENSION PLAN (continued)**

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.

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.



**NOTE 4 – DEFINED BENEFIT PENSION PLAN (continued)**

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.

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 years ended June 30, 2021 and 2020, the actuarially determined employer contribution rates was 12.25%, with an additional 0% allocated from the Funding Deposit Account. Employer contributions for the years ended June 30, 2021 and 2020 were \$1,878,370 and \$1,907,370, 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 \$943,202 are recognized as revenue and excluded from pension expense for the year ended June 30, 2021.

Plan members are required by state statute to contribute 10.25% of their annual covered salary. For the year ended June 30, 2021, 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 \$1,571,697 for the year ended June 30, 2021.

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.

**NOTE 4 – DEFINED BENEFIT PENSION PLAN (continued)**

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

At June 30, 2021, the Caddo Parish Sheriff’s liability was \$31,729,604 for its proportionate share of the Net Pension Liability. The Center reported a liability of \$14,595,617, which was an allocation of 46% of the total Net Pension Liability. The remaining 54% of the liability 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 measured as of June 30, 2020, and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The 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, 2020, the Caddo Parish Sheriff’s proportion was 4.584439%, which is .365231% less than its proportion measured as of June 30, 2019. Of this amount, 46% was allocated to the Center.

For the year ended June 30, 2021 the Center recognized total pension expense of \$1,377,521. This is less the Center’s amortization of change in proportionate share and difference between employer contributions and proportionate share of contributions of \$304.

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

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ -	\$ 1,705,933
Changes in assumptions	3,511,612	-
Net difference between projected and actual earnings on retirement plan investments	3,587,461	-
Changes in proportion and differences between Sheriff contributions and proportionate share of contributions	-	928,608
Sheriff contributions subsequent to measurement date	1,878,370	-
	\$ 8,977,443	\$ 2,634,541

Deferred outflows of resources of \$1,878,370 related to pensions resulting 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, 2022. 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
2022	\$ 529,865
2023	\$ 1,294,947
2024	\$ 1,451,487
2025	\$ 1,115,989
2026	\$ 72,244

**NOTE 4 – DEFINED BENEFIT PENSION PLAN (continued)**

Actuarial Assumptions – A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2020 (measurement date), are as follows:

Actuarial Cost Method	Entry Age Normal Method
Actuarial Assumptions:	
Investment rate of return	7.00% net of investment expense
Discount rate	7.00%
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	2020 – 6 years, 2019 – 6 years, 2018 – 6 years, 2017 – 7 years, 2016 – 7 years, 2015 – 6 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.

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, 2020, 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%	6.8%	4.2%
Fixed Income	23	2.4%	0.6
Alternative Investments	15	4.7%	0.7
Totals	<u>100%</u>		<u>5.5%</u>
Inflation			<u>2.4%</u>
Expected Arithmetic Nominal Return			<u>7.9%</u>

**NOTE 4 – DEFINED BENEFIT PENSION PLAN (continued)**

Discount Rate - The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers 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.

Sensitivity of the Sheriff's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following presents the Sheriff's proportionate share of the Net Pension Liability using the discount rate of 7.00%, as well as what the Sheriff's proportionate share of the Net Pension Liability would be if it were calculated using a discount rate that is one percentage-point lower (6.00%) or one percentage-point higher (8.00%) than the current rate:

	<b>1.0% Decrease (6.00%)</b>	<b>Current Discount Rate (7.00%)</b>	<b>1.0% Increase (8.00%)</b>
Center's proportionate share of the net pension liability	\$ 26,510,711	\$ 14,595,617	\$ 4,659,013

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, 2021, the Center recognized revenue as a result of support received from non-employer contributing entities of \$943,202 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.la.gov](http://www.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, 2021, the Center had payables due to the pension plan of \$151,852 for legally required contributions.

**NOTE 5 – 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 benefits are provided through a comprehensive medical plan and are made available to employees upon actual retirement. The employees are covered by a retirement system whose retirement eligibility (D.R.O.P. entry) provisions are as follows: 15 years of service and attainment of age 55.

**NOTE 5 – OTHER POST-EMPLOYMENT BENEFITS (Continued)**

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

Inactive employees or beneficiaries currently receiving benefit payments	113
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	301
	414

**Total OPEB Liability**

The Center’s total OPEB liability of \$36,917,951 was measured as of July 1, 2020 and was determined by an actuarial valuation as of that date.

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

Inflation	2.0%
Salary increases	3.0%, including inflation
Discount rate	2.21% annually (Beginning of Year to Determine ADC) 2.16% annually (As of End of Year Measurement Date)
Healthcare cost trend rates	5.5% annually until year 2030, then 4.5%
Mortality	SOA RP-2014 Table

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, 2020 valuation were based on the results of ongoing evaluations of the assumptions from July 1, 2009 to June 30, 2021.

**Changes in the Total OPEB Liability**

Balance at June 30, 2020	\$ 30,532,587
Changes for the year:	
Service cost	1,226,791
Interest	688,326
Differences between expected and actual experience	(1,331,985)
Changes of assumptions	6,550,176
Benefit payments and net transfers	(747,944)
Net changes	6,385,364
Balance at June 30, 2021	\$ 36,917,951

**NOTE 5 – OTHER POST-EMPLOYMENT BENEFITS (Continued)**

*Sensitivity of the total OPEB liability to changes in the discount rate* – The following presents the total OPEB liability of the 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 (1.16%) or 1-percentage-point higher (3.16%) than the current discount rate:

	<b>1.0% Decrease (1.16%)</b>	<b>Current Discount Rate (2.16%)</b>	<b>1.0% Increase (3.16%)</b>
Total OPEB liability	\$ 44,426,722	\$ 36,917,951	\$ 31,084,937

*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:

	<b>1.0% Decrease (4.5%)</b>	<b>Current Trend (5.5%)</b>	<b>1.0% Increase (6.5%)</b>
Total OPEB liability	\$ 32,159,288	\$ 36,917,951	\$ 43,028,971

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

For the year ended June 30, 2021, the Center recognized OPEB expense of \$2,395,980. At June 30, 2021, 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	\$ -	\$ 7,308,080
Change in assumptions	12,168,653	-
<b>Total</b>	<b>\$ 12,168,653</b>	<b>\$ 7,308,080</b>

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

Years ending June 30:	
2022	\$ 480,862
2023	\$ 480,862
2024	\$ 480,862
2025	\$ 480,862
2026	\$ 480,862
Thereafter	\$2,456,264

**NOTE 6 – LONG-TERM LIABILITIES**

Accrued compensated absences are long-term liabilities due to governmental activities. The activity for the year ended June 30, 2021, is as follows:

Balance, July 1, 2020	\$	2,056,310
Additions for earned compensated absences		1,074,955
Less use of accrued amounts		<u>( 1,040,459)</u>
Balance, June 30, 2021		2,090,806
Less current portion		<u>( 1,315,139)</u>
Long-term portion	\$	<u>775,667</u>

**NOTE 7 – RELATED PARTY TRANSACTIONS**

The Caddo Parish Sheriff (Sheriff) manages and operates the Center. For the year ended June 30, 2021, the Center received \$4,000,000 from the Sheriff for operating expenses. This is reflected in intergovernmental revenues on the financial statements. Also, the Center has \$53,388 recorded in intergovernmental receivables from the Sheriff. For the year ended June 30, 2021, the Center reimbursed the Sheriff \$2,469,720 for administrative services.

For the year ended June 30, 2021, \$5,098,014 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, 2021, \$762,491 was recorded in intergovernmental receivables from the Caddo Parish Commission.

**NOTE 8 – CONTINGENCIES, LITIGATIONS, AND CLAIMS**

**Litigation** - At June 30, 2021, 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.

**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.

**NOTE 9 – RISKS AND UNCERTAINTIES**

In March 2020, the World Health Organization made the assessment that the outbreak of a novel coronavirus (COVID-19) can be characterized as a pandemic. As a result, uncertainties have arisen that may have a significant negative impact on the operating activities and results of the Caddo Parish Sheriff. The occurrence and extent of such an impact will depend on future developments, including (i) the duration and spread of the virus, (ii) government quarantine measures, (iii) voluntary and precautionary restrictions on travel or meetings, (iv) the effects on the financial markets, and (v) the effects on the economy overall, all of which are uncertain.

**Required Supplementary Information**



**CADDO CORRECTIONAL CENTER**  
**Shreveport, Louisiana**

**General Fund Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2021**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Sales tax	\$ 15,150,000	\$ 17,200,000	\$ 17,453,453	\$ 253,453
Intergovernmental revenues				
Federal grants	-	1,500,000	1,481,962	(18,038)
Housing federal prisoners	1,340,000	1,700,000	1,962,300	262,300
State sources				
Housing state prisoners	2,440,000	3,040,000	3,078,499	38,499
State supplemental pay	1,160,000	1,160,000	1,022,539	(137,461)
State grants and contracts	450,000	450,000	500,775	50,775
Caddo Parish Sheriff	4,000,000	4,000,000	4,000,003	3
Caddo Parish Commission	5,020,000	5,280,000	5,098,014	(181,986)
Commissions - commissary sales	700,000	980,000	1,061,651	81,651
Telephone revenue	500,000	700,000	793,792	93,792
Interest	30,000	5,000	4,860	(140)
Miscellaneous	445,000	515,000	537,776	22,776
Total revenue	<u>31,235,000</u>	<u>36,530,000</u>	<u>36,995,624</u>	<u>465,624</u>
<b>Expenditures</b>				
Current - public safety				
Personnel services and related benefits	28,381,000	27,666,000	27,147,123	518,877
Materials and supplies	844,000	858,000	796,016	61,984
Statutory charges	2,435,000	2,225,000	1,943,800	281,200
Contractual charges	1,751,000	1,575,000	1,531,207	43,793
Other charges	121,000	99,000	77,013	21,987
Capital outlay	60,000	70,000	15,339	54,661
Total expenditures	<u>33,592,000</u>	<u>32,493,000</u>	<u>31,510,498</u>	<u>982,502</u>
Excess (deficiency) of revenue over (under) expenditures	(2,357,000)	4,037,000	5,485,126	1,448,126
Fund balance at beginning of year	12,155,543	12,155,543	12,155,543	-
Fund balance at end of year	<u>\$ 9,798,543</u>	<u>\$ 16,192,543</u>	<u>\$ 17,640,669</u>	<u>\$ 1,448,126</u>

See Independent Auditors' Report

**CADDO CORRECTIONAL CENTER  
Shreveport, Louisiana**

**Schedule of the Center's Proportionate Share of the Net Pension Liability  
June 30, 2021**

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 **	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						
2020	4.584440%	2.108842%	\$ 14,595,617	\$ 15,570,079	93.7%	84.7%
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 49% of the proportionate share was allocated to the Caddo Correctional Center (Center) and 51% is allocated to the Caddo Parish Sheriff's Office (Sheriff) for years prior to the measurement date of 2018. For 2018 measurement date, the split was corrected with a prior period adjustment allocating 47% (Center) and 53% (Sheriff). The allocation of 46% (Center) and 56% (Sheriff) was used for the measurement date ended June 30, 2019 and 2020.

\*\*\*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  
Shreveport, Louisiana**

**Schedule of Contributions to the Sheriffs' Pension and Relief Fund  
June 30, 2021**

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								
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 49% of the proportionate share was allocated to the Caddo Correctional Center (Center) and 51% is allocated to the Caddo Parish Sheriff's Office (Sheriff) for years prior to fiscal year 2019. For 2019, the split was corrected with a prior period adjustment allocating 47% (Center) and 53% (Sheriff). The allocation of 46% (Center) and 56% (Sheriff) was used for the fiscal year ended June 30, 2020 and 2021.

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, 2021**

***Changes of Benefit Terms***

There were no changes in benefit terms for the actuarial valuation measurement year ended June 30, 2020.

***Changes of Assumptions***

The discount rate was lowered from 7.10% to 7.00% in the actuarial valuation for the year ended June 30, 2020. During the year ended June 30, 2019, the discount rate was reduced from 7.25% to 7.10%.

**CADDO CORRECTIONAL CENTER**  
**Shreveport, Louisiana**

**Schedule of Changes in Center's Proportionate Share of Net OPEB Liability and Related Ratios**  
**For the Year Ended June 30, 2021**

	2018	2019	2020	2021
<b>Center's proportionate share of total OPEB liability</b>				
Service cost	\$ 491,205	\$ 454,402	\$ 654,706	\$ 1,226,791
Interest	994,258	1,015,305	781,816	688,326
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	(151,686)	(7,370,878)	772,577	(1,331,985)
Changes of assumptions	-	-	6,397,363	6,550,176
Benefit payments	(747,945)	(716,908)	(822,959)	(747,944)
<b>Net change in Center's proportionate share of total OPEB liability</b>	<b>585,832</b>	<b>(6,618,079)</b>	<b>7,783,503</b>	<b>6,385,364</b>
<b>Center's proportionate share of total OPEB liability - beginning</b>	<b>28,781,331</b>	<b>29,367,163</b>	<b>22,749,084</b>	<b>30,532,587</b>
<b>Center's proportionate share of total OPEB liability - ending (a)</b>	<b>\$ 29,367,163</b>	<b>\$ 22,749,084</b>	<b>\$ 30,532,587</b>	<b>\$ 36,917,951</b>
<b>Center's proportionate share of plan fiduciary net position</b>				
Contributions - employer	\$ -	\$ -	\$ -	\$ -
Net investment income	-	-	-	-
<b>Center's proportionate share of net change in plan fiduciary net position</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Center's proportionate share of plan fiduciary net position - beginning</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Center's proportionate share of plan fiduciary net position - ending (b)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Center's proportionate share of net OPEB liability - ending (a) - (b)</b>	<b>\$ 29,367,163</b>	<b>\$ 22,749,084</b>	<b>\$ 30,532,587</b>	<b>\$ 36,917,951</b>
Plan fiduciary net position as a percentage of the total OPEB liability	0%	0%	0%	0%
Covered-employee payroll	11,890,940	13,811,477	14,363,936	14,663,147
Center's proportionate share of the net OPEB liability as a percentage of covered-employee payroll	246.97%	164.71%	212.56%	251.77%
<b>Notes to Schedule:</b>				
<i>Benefit Changes:</i>	None	None	None	None
<i>Changes of Assumptions:</i>				
<i>Discount Rates:</i>	3.50%	3.50%	2.21%	2.16%
<i>Mortality:</i>	RP-2000	RP-2000	RP-2000	RP-2014
<i>Trend:</i>	5.50%	5.50%	5.50%	Variable

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

## Supplementary Information

**CADDO CORRECTIONAL CENTER  
Shreveport, Louisiana**

**Schedule of Compensation, Benefits,  
and Other Payments to Agency Head  
for the Year Ended June 30, 2021**

**Agency Head Name: Steve Prator, Sheriff of Caddo Parish**

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 88,746 *
Benefits-insurance	\$ 7,197 *
Benefits-retirement	\$ 22,092 *
Deferred compensation	\$ 313 *

\* The Caddo Parish Sheriff's compensation and benefits are paid by the Caddo Parish Sheriff's Office and the Caddo Correctional Center reimburses the 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, and 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, 2021, and the related notes to the financial statements, which collectively comprise the Caddo Correctional Center's basic financial statements, and have issued our report thereon dated December 28, 2021.

**Internal Control over Financial Reporting**

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

## 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

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

CARR, RIGGS & INGRAM, LLC

Shreveport, Louisiana  
December 28, 2021





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

The Honorable Steve Prator  
Caddo Parish Sheriff  
Shreveport, Louisiana

**Report on Compliance for Each Major Federal Program**

We have audited the Caddo Correctional Center's compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of the Caddo Correctional Center's major federal programs for the year ended June 30, 2021. The Caddo Correctional Center's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

**Auditors' Responsibility**

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

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

## **Opinion on Each Major Federal Program**

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

## **Report on Internal Control Over Compliance**

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

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

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

## **Purpose of this Report**

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

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

**CARR, RIGGS & INGRAM, LLC**

Shreveport, Louisiana

December 28, 2021

**Caddo Correctional Center**  
**Schedule of Expenditures of Federal Awards**  
**For the year ended June 30, 2021**

<u>Federal Grantor/Pass-through Grantor/Program or Cluster Title</u>	<u>Assistance Listing</u>	<u>Pass-Through Entity's Number</u>	<u>Federal Expenditures</u>	<u>Amounts Passed Through to Subrecipients</u>
<b>US Department of Treasury</b>				
<b>Passed through State of Louisiana Department of Treasury</b>				
COVID-19: Coronavirus Relief Fund	21.019	NA	\$ 1,481,962	-
Total COVID-19 Coronavirus Relief Fund			<u>1,481,962</u>	<u>-</u>
<b>Total US Department of Treasury</b>			<u>1,481,962</u>	<u>-</u>
<b>Total Federal Financial Assistance</b>			<u>\$ 1,481,962</u>	<u>-</u>

**Caddo Correctional Center**  
**Notes to Schedule of Expenditures of Federal Awards**  
**For the year ended June 30, 2021**

**NOTE 1: BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal spending of the Caddo Correctional Center and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements. Because the schedule presents only a selected portion of the operations of the Caddo Correctional Center, it is not intended to and does not represent the financial position of the Caddo Correctional Center.

**NOTE 2: INDIRECT COST RATE**

The Uniform Guidance allows an organization to elect a 10% de minimums indirect cost rate. For the year ended June 30, 2021, the Caddo Correctional Center did not elect to use this rate.

**NOTE 3: LOANS AND LOAN GUARANTEES**

The Caddo Correctional Center did not expend federal awards related to loans or loan guarantees during the year ended June 30, 2021.

**NOTE 4: SUB-RECIPIENTS**

During the year ended June 30, 2021, the Caddo Correctional Center had no sub-recipients.

**NOTE 5: NONCASH ASSISTANCE AND OTHER**

The Caddo Correctional Center did not receive any assistance or federally funded insurance during the year ended June 30, 2021.

**NOTE 6: CONTINGENCIES**

Grant monies received and disbursed by the Caddo Correctional Center are for specific purposes and are subject to review by the grantor agencies. Such audits may result in requests for reimbursement due to disallowed expenditures. Based upon experience, the Caddo Correctional Center does not believe that such disallowance, if any, would have a material effect on the financial position of the Caddo Correctional Center.

**NOTE 7: FEDERAL PASS-THROUGH FUNDS**

The Caddo Correctional Center is also the sub-recipient of federal funds that have been subjected to testing and are reported as expenditures and listed as federal pass-through funds. Federal awards other than those indicated as pass-through are considered to be direct.

**Caddo Correctional Center  
Schedule of Findings and Questioned Costs  
For the year ended June 30, 2021**

**Section I - Summary of Auditors' Results**

*A. Financial Statements*

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

*B. Federal Awards*

- |   |                   |
|---|-------------------|
| 1. Internal control over major federal programs:  |                   |
| • Material weakness(es) identified?   | <b>No</b>         |
| • Significant deficiency(ies) identified?   | <b>None noted</b> |
| 2. Type of auditors' report issued on compliance for major programs:  | <b>Unmodified</b> |
| 3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR Part 200.516(a)?  | <b>No</b>         |
| 4. Identification of major federal programs:  |                   |
| <u>CFDA number</u> <u>Name of federal program or cluster</u>  |                   |
| 21.019              COVID-19: Coronavirus Relief Fund   |                   |
| 5. The dollar threshold used to distinguish type A and B programs was \$750,000 for major federal programs. |                   |
| 6. Auditee qualified as a low-risk auditee for federal purposes?  | <b>No</b>         |

**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**

None

**B. Prior Year Findings and Responses**

N/A