



CADDO COUNTY

Financial Report

For the fiscal year ended June 30, 2023

Cindy Byrd, CPA
State Auditor & Inspector

**CADDO COUNTY, OKLAHOMA
FINANCIAL STATEMENT
AND INDEPENDENT AUDITOR'S REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

This publication, issued by the Oklahoma State Auditor and Inspector's Office as authorized by 19 O.S. § 171, has not been printed, but is available on the agency's website (www.sai.ok.gov) and in the Oklahoma Department of Libraries Publications Clearinghouse Digital Prairie Collection (<http://digitalprairie.ok.gov/cdm/search/collection/audits/>) pursuant to 65 O.S. § 3-114.



June 10, 2024

TO THE CITIZENS OF
CADDO COUNTY, OKLAHOMA

Transmitted herewith is the audit of Caddo County, Oklahoma for the fiscal year ended June 30, 2023. The audit was conducted in accordance with 19 O.S. § 171.

A report of this type can be critical in nature. Failure to report commendable features in the accounting and operating procedures of the entity should not be interpreted to mean that they do not exist.

The goal of the State Auditor and Inspector is to promote accountability and fiscal integrity in state and local government. Maintaining our independence as we provide this service to the taxpayers of Oklahoma is of utmost importance.

We wish to take this opportunity to express our appreciation for the assistance and cooperation extended to our office during our engagement.

This report is a public document pursuant to the Oklahoma Open Records Act (51 O.S. § 24A.1 et seq.) and shall be open to any person for inspection and copying.

Sincerely,

A handwritten signature in blue ink that reads "Cindy Byrd".

CINDY BYRD, CPA
OKLAHOMA STATE AUDITOR & INSPECTOR

**CADDO COUNTY OFFICIALS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Board of County Commissioners

District 1 – Mike Belter
District 2 – Jeff Boren
District 3 – Robert Weaver

County Assessor

Ladonna Phillips

County Clerk

Rhonda Johnson

County Sheriff

Spencer Davis

County Treasurer

Regina Moser

Court Clerk

Patti Barger

District Attorney

Jason Hicks

**CADDO COUNTY, OKLAHOMA
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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FINANCIAL SECTION



Independent Auditor's Report

TO THE OFFICERS OF
CADDO COUNTY, OKLAHOMA

Report on the Audit of the Financial Statement

Opinion

We have audited the total—all county funds on the accompanying regulatory basis Statement of Receipts, Disbursements, and Changes in Cash Balances of Caddo County, Oklahoma, as of and for the year ended June 30, 2023, and the related notes to the financial statement.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the regulatory basis total receipts, disbursements, and changes in cash balances for all county funds of Caddo County, as of and for the year ended June 30, 2023, in accordance with the financial reporting provisions of Title 19 O.S. § 171 of Oklahoma Statutes described in Note 1.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles (U.S. GAAP) section of our report, the financial statement referred to above does not present fairly, in accordance with U.S. GAAP, the financial position of Caddo County as of June 30, 2023, or changes in financial position for the year then ended.

Basis for Opinions

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

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1, the financial statement is prepared by Caddo County using accounting practices prescribed or permitted by Oklahoma state law, which is a basis of accounting other than U.S. GAAP to meet the requirements of the State of Oklahoma. The effects on the financial statement of the variances

between the regulatory basis of accounting described in Note 1 and U.S. GAAP, although not reasonably determinable, are presumed to be material and pervasive.

Responsibilities of Management for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the regulatory basis of accounting prescribed or permitted by Oklahoma state law, and for determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statement, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Caddo County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statement

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the total of all county funds on the financial statement. The supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the financial statement. 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 financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with GAAS. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the financial statement.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 21, 2024, on our consideration of Caddo County'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 County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Caddo County's internal control over financial reporting and compliance.



CINDY BYRD, CPA
OKLAHOMA STATE AUDITOR & INSPECTOR

May 21, 2024

REGULATORY BASIS FINANCIAL STATEMENT

CADDO COUNTY, OKLAHOMA
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGES IN CASH BALANCES—REGULATORY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Beginning Cash Balances July 1, 2022	Receipts Apportioned	Transfers In	Transfers Out	Disbursements	Ending Cash Balances June 30, 2023
County Funds:						
County General	\$ 1,400,684	\$ 3,301,305	\$ -	\$ -	\$ 2,732,530	\$ 1,969,459
County Highway Unrestricted	3,211,675	7,293,619	-	-	5,978,987	4,526,307
Health	498,395	280,194	-	-	185,732	592,857
Resale Property	614,220	186,089	6,986	-	116,525	690,770
County Bridge and Road Improvement	888,644	684,108	-	-	460,795	1,111,957
Use Tax - ST	1,088,057	894,983	-	-	1,102,833	880,207
Treasurer Mortgage Certification	27,171	5,455	-	-	4,281	28,345
County Clerk Lien Fee	236,628	54,629	-	-	24,321	266,936
Assessor Revolving Fee	11,848	3,308	-	-	-	15,156
Sheriff Service Fee	132,432	808,241	-	-	761,686	178,987
State Criminal Alien Assistance Program (SCAAP) Grant	289	-	-	-	-	289
Sheriff Forfeiture	5,067	50,000	-	-	33,892	21,175
County Clerk Records Management and Preservation Fund	238,820	73,036	-	-	30,812	281,044
Jail Debt Payments - ST	146,023	1,924,663	-	-	1,919,370	151,316
Extension - ST	168,460	115,480	-	-	66,551	217,389
Sheriff - ST	35,947	141,142	-	-	150,336	26,753
Courthouse Improvement - ST	131,860	162,538	-	-	168,314	126,084
Fair - ST	182,740	153,973	-	-	101,579	235,134
Fair Improvement - ST	24,562	19,247	-	-	7,862	35,947
Rural Fire - ST	348,617	153,973	-	-	110,488	392,102
Senior Citizens - ST	73,670	141,142	-	-	131,149	83,663
Health - ST	4,891	19,247	-	-	18,484	5,654
Ambulance Service District - ST	211,421	641,554	-	-	540,166	312,809
911 Phone Fees	45,325	627,125	-	-	563,147	109,303
Emergency Management	35,006	11,250	-	-	11,705	34,551
Court Ordered Trust	10,415	40	-	-	-	10,455
County Building	49,777	5,000	-	-	47	54,730
Local Emergency Planning Committee	8,276	1,000	-	-	637	8,639
Community Service Program	152	-	-	-	-	152
CT-OBF Grant 2013	9	-	-	-	-	9
Reward Fund	200	-	-	-	-	200
Rental of County Property	2,965	-	-	-	-	2,965
Sheriff Commissary	22,924	126,503	-	-	113,129	36,298
Court Clerk Payroll	2,574	90,560	-	-	83,492	9,642
County Donations	123,234	409,543	-	-	19,066	513,711
General Gov't-ST	363,482	443,961	-	-	406,446	400,997
Bureau of Indian Affairs	4,000	75,815	-	-	50,815	29,000
American Rescue Plan Act 2021	5,405,237	17,579	-	-	1,406,897	4,015,919
Local Assistance and Tribal Consistency	-	50,000	-	-	-	50,000
Opioid Abatement Settlement	-	66,591	-	-	-	66,591
Total - All County Funds	\$ 15,755,697	\$ 19,032,893	\$ 6,986	\$ -	\$ 17,302,074	\$ 17,493,502

The notes to the financial statement are an integral part of this statement.

**CADDO COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

1. Summary of Significant Accounting Policies

A. Reporting Entity

Caddo County is a subdivision of the State of Oklahoma created by the Oklahoma Constitution and regulated by Oklahoma Statutes.

The accompanying financial statement presents the receipts, disbursements, and changes in cash balances of the total of all funds under the control of the primary government. The general fund is the county's general operating fund, accounting for all financial resources except those required to be accounted for in another fund, where its use is restricted for a specified purpose. Other funds established by statute and under the control of the primary government are also presented.

The County Treasurer collects and remits material amounts of intergovernmental revenues and ad valorem tax revenue for other budgetary entities, including emergency medical service districts, school districts, and cities and towns. The cash receipts and disbursements attributable to those other entities do not appear in funds on the County's financial statement; those funds play no part in the County's operations. Any trust or agency funds maintained by the County are not included in this presentation.

B. Fund Accounting

The County uses funds to report on receipts, disbursements, and changes in cash balances. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

Following are descriptions of the county funds included within the financial statement:

County General – accounts for the general operations of the government.

County Highway Unrestricted – accounts for state, local, and miscellaneous receipts and disbursements are for the purpose of constructing and maintaining county roads and bridges.

Health – accounts for ad valorem tax collections and fees for services collected, disbursements are made to operate the County Health Department.

Resale Property – accounts for collection of interest and penalties on delinquent taxes and the disposition of same as restricted by state statute.

County Bridge and Road Improvement – accounts for state receipts and disbursements are for the improvement of county bridges and roads.

Use Tax – ST – accounts for use tax collections and disbursements as restricted by resolution approved by the Board of County Commissioners (BOCC).

**CADDO COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Treasurer Mortgage Certification – accounts for the collection of fees by the Treasurer for mortgage tax certificates and disbursements as restricted by state statute.

County Clerk Lien Fee – accounts for lien collections and disbursements as restricted by state statute.

Assessor Revolving Fee – accounts for the collection of fees for copies and disbursements as restricted by state statute.

Sheriff Service Fee – accounts for the collection of fees and reimbursements for revenues such as process fees, courthouse security, contracts for housing and feeding prisoners, and telephone commission and disbursements as restricted by state statute.

State Criminal Alien Assistance Program (SCAAP) Grant – accounts for the collection of federal grant monies received and disbursements as restricted by the grant agreement.

Sheriff Forfeiture – accounts for the collection of monies of the Sheriff’s percentage of drug forfeitures and disbursements as restricted by state statute.

County Clerk Records Management and Preservation Fund – accounts for fees collected for instruments filed in the County Clerk’s office to be disbursed as restricted by state statute for the preservation of records.

Jail Debt Payments - ST – accounts for the collections of sales tax monies and disbursements as restricted by the sales tax ballot approved by the voters of the County.

Extension - ST – accounts for the collections of sales tax monies and disbursements as restricted by the sales tax ballot approved by the voters of the County.

Sheriff - ST – accounts for the collections of sales tax monies and disbursements as restricted by the sales tax ballot approved by the voters of the County.

Courthouse Improvement - ST – accounts for the collections of sales tax monies and disbursements as restricted by the sales tax ballot approved by the voters of the County.

Fair - ST – accounts for the collections of sales tax monies and disbursements as restricted by the sales tax ballot approved by the voters of the County.

Fair Improvement - ST – accounts for the collections of sales tax monies and disbursements as restricted by the sales tax ballot approved by the voters of the County.

Rural Fire - ST – accounts for the collections of sales tax monies and disbursements as restricted by the sales tax ballot approved by the voters of the County.

**CADDO COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Senior Citizens - ST – accounts for the collections of sales tax monies and disbursements as restricted by the sales tax ballot approved by the voters of the County.

Health - ST – accounts for the collections of sales tax monies and disbursements as restricted by the sales tax ballot approved by the voters of the County.

Ambulance Service District – ST – accounts for the collections of sales tax monies and disbursements as restricted by the sales tax ballot approved by the voters of the County.

911 Phone Fees – accounts for the collection of fees imposed on telephone users within the County and disbursements are for the operations of emergency 911 services.

Emergency Management – accounts for the collection of grant monies and disbursements as restricted by the grant agreement.

Court Ordered Trust – accounts for the collection from donations to be disbursed for maintenance and operations of the Caddo County Court System.

County Building – accounts for the collection of a lease-rental from county-owned property to be disbursed for maintenance of the property.

Local Emergency Planning Committee – accounts for the collection of federal grant monies and disbursements as restricted by the grant agreement.

Community Service Program – accounts for the collection of funding through the State Department of Corrections for administrative expenses and supervision of offenders.

CT-OBF Grant 2013 – accounts for funds received from the Oklahoma Bar Foundation to be disbursed for court room renovations.

Reward Fund – accounts for the collection of a fee, directed by district court, for the dumping of trash and disbursements are paid to citizens reporting illegal dumping to the local policing departments.

Rental of County Property – accounts for insurance reimbursements from the Association of County Commissioners to be disbursed for hail damage.

Sheriff Commissary – accounts for profits on commissary sales in the County jail. Disbursements are for jail operations as defined by state statute.

Court Clerk Payroll – accounts for funds collected by the Court Clerk and disbursements for payroll of Court Fund employees.

**CADDO COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

County Donations – accounts for donations to the County for specified projects as restricted by resolution approved by the Board of County Commissioners.

General Gov't – ST – accounts for the collection of sales tax and disbursements as restricted by the sales tax ballot approved by the voters of the County.

Bureau of Indian Affairs – accounts for the collection of federal grant monies and disbursements as restricted by the grant agreement.

American Rescue Plan Act 2021 – accounts for monies received from the United States Department of Treasury and disbursed for responding to the COVID-19 public health emergency and its negative economic impact, premium pay to eligible workers, the provision of government services to the extent of the reduction in revenue due to the COVID-19 public health emergency, and investments in water, sewer, and broadband infrastructure as restricted by federal requirements.

Local Assistance and Tribal Consistency – accounts for the collection of federal grant monies and disbursements as restricted by the grant agreements.

Opioid Abatement Settlement – accounts for collections from class action settlement and disbursements are for the education and prevention of opioid use as restricted by settlement agreement.

C. Basis of Accounting

The financial statement is prepared on a basis of accounting wherein amounts are recognized when received or disbursed. This basis of accounting differs from accounting principles generally accepted in the United States of America (U.S. GAAP), which require revenues to be recognized when they become available and measurable or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred. This regulatory basis financial presentation is not a comprehensive measure of economic condition or changes therein.

Title 19 O.S. § 171 allows Oklahoma counties to present their financial statement in accordance with U.S. GAAP or on a regulatory basis. The County has elected to present their financial statement on a regulatory basis in conformity with Title 19 O.S. § 171, which specifies the format and presentation of such regulatory basis financial statements: county governments (primary only) are required to present their financial statements on a fund basis format with, at a minimum, the general fund and all other county funds, which represent ten percent or greater of total county revenue with all other funds included in the audit presented in the aggregate in a combining statement. However, the County has elected to present all funds included in the audit in the Statement of Receipts, Disbursements, and Changes in Cash Balances—Regulatory Basis.

**CADDO COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

D. Budget

Under current Oklahoma Statutes, a general fund and a county health department fund are the only funds required to adopt a formal budget. On or before the first Monday in July of each year, each officer or department head submits an estimate of needs to the governing body. The budget is approved for the respective fund by office, or department and object. The County Board of Commissioners may approve changes of appropriations within the fund by office or department and object. To increase or decrease the budget by fund requires approval by the County Excise Board.

E. Cash and Investments

For the purposes of financial reporting, "Ending Cash Balances, June 30" includes cash and cash equivalents and investments as allowed by statutes. The County pools the cash of its various funds in maintaining its bank accounts. However, cash applicable to a particular fund is readily identifiable on the County's books. The balance in the pooled cash accounts is available to meet current operating requirements.

State statutes require financial institutions with which the County maintains funds to deposit collateral securities to secure the County's deposits. The amount of collateral securities to be pledged is established by the County Treasurer; this amount must be at least the amount of the deposit to be secured, less the amount insured (by, for example, the FDIC).

The County Treasurer has been authorized by the County's governing board to make investments. Allowable investments are outlined in statutes 62 O.S. § 348.1 and § 348.3.

All investments must be backed by the full faith and credit of the United States Government, the Oklahoma State Government, fully collateralized, or fully insured. All investments as classified by state statute are nonnegotiable certificates of deposit. Nonnegotiable certificates of deposit are not subject to interest rate risk or credit risk.

2. Ad Valorem Tax

The County's property tax is levied each October 1 on the assessed value listed as of January 1 of the same year for all real and personal property located in the County, except certain exempt property. Assessed values are established by the County Assessor within the prescribed guidelines established by the Oklahoma Tax Commission and the State Equalization Board. Title 68 O.S. § 2820.A. states, ". . . Each assessor shall thereafter maintain an active and systematic program of visual inspection on a continuous basis and shall establish an inspection schedule which will result in the individual visual inspection of all taxable property within the county at least once each four (4) years."

**CADDO COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Taxes are due on November 1 following the levy date, although they may be paid in two equal installments. If the first half is paid prior to January 1, the second half is not delinquent until April 1. The County Treasurer, according to the law, shall give notice of delinquent taxes and special assessments by publication once a week for two consecutive weeks at any time after April 1, but prior to the end of September following the year the taxes were first due and payable. Unpaid real property taxes become a lien upon said property after the treasurer has perfected the lien by public notice.

Unpaid delinquent personal property taxes are usually published in May. If the taxes are not paid within 30 days from publication, they shall be placed on the personal tax lien docket.

3. Other Information

A. Pension Plan

Plan Description. The County contributes to the Oklahoma Public Employees Retirement Plan (the Plan), a cost-sharing, multiple-employer defined benefit pension plan administered by the Oklahoma Public Employees Retirement System (OPERS). Benefit provisions are established and amended by the Oklahoma Legislature. The Plan provides retirement, disability, and death benefits to Plan members and beneficiaries. Title 74, Sections 901 through 943, as amended, establishes the provisions of the Plan. OPERS issues a publicly available financial report that includes financial statements and supplementary information. That report may be obtained by writing OPERS, P.O. Box 53007, Oklahoma City, Oklahoma 73105 or by calling 1-800-733-9008.

Funding Policy. The contribution rates for each member category are established by the Oklahoma Legislature and are based on an actuarial calculation which is performed to determine the adequacy of contribution rates.

B. Other Post Employment Benefits (OPEB)

In addition to the pension benefits described in the Pension Plan note, OPERS provides post-retirement health care benefits of up to \$105 each for retirees who are members of an eligible group plan. These benefits are funded on a pay-as-you-go basis as part of the overall retirement benefit. OPEB expenditure and participant information is available for the state as a whole; however, information specific to the County is not available nor can it be reasonably estimated.

C. Contingent Liabilities

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, primarily the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable fund. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time; however, the County expects such amounts, if any, to be immaterial.

**CADDO COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

As of the end of the fiscal year, there were no claims or judgments that would have a material adverse effect on the financial condition of the County; however, the outcome of any lawsuit would not be determinable.

D. Sales Tax

Sales Tax of August 11, 2009

On August 11, 2009, Caddo County voters approved a three-quarter of one percent (3/4%) sales tax, effective January 1, 2010, pledged toward the retirement of indebtedness incurred: therefore, payment of operations and maintenance expenses related thereto; and to be used specifically for the renovation, expansion, construction, and equipping the Caddo County Detention Facility, Courthouse Improvements, including additional space in the courthouse to provide a 911 dispatch center and a County wide dispatch center, with \$200,000 of bond proceeds to go toward the construction of a new Oklahoma State University Extension Center for Caddo County, and operating and maintaining the Caddo County Detention Facility, county-wide dispatch center, and other public safety expenses.

A portion of such sales tax, three-eighths (.375) of one percent shall have a limited durations of thirty (30) years from the date of commencement, or until the principal and interest upon indebtedness incurred on behalf of Caddo County by the Caddo County Governmental Building Authority in furtherance of the County Detention Facility and courthouse improvements is paid in full, whichever occurs earlier. In September 2010, the Caddo County Government Building Authority issued \$17,170,000 Sales Tax Revenue Bonds to pay for the construction of the Caddo County Detention Facility and County Courthouse renovation.

The remaining portion three-eighths (.375) of one percent will continue until repealed by a majority of Caddo County Electors to be allocated for the operations and maintenance of the county detention facility and county wide dispatch center and other public safety expenses; making provisions separable; and declaring an emergency. These funds are accounted for in the Jail Debt Payments – ST fund.

Sales Tax of March 6, 2018

Caddo County voters approved a continuation of a one-half of one percent (1/2%) sales tax effective March 6, 2018 for a duration of five (5) years, with a change in distribution among various entities. The proceeds of said tax is to be allocated for exclusive use as follows: County General fund 33%; OSU Extension 9%; Free Fair and Livestock Show 6%; Free Township Fairs 6%; Courthouse Maintenance 9%; Sheriff's Office 11%; Rural and Local Firefighting Programs 12%; County Health Department 1.5%; Senior Citizen Nutrition Centers 11%; and Caddo County Fairgrounds and Facilities 1.5%.

**CADDO COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

These funds are accounted for in the following funds: General Gov't -ST fund, Extension – ST fund, Fair - ST fund, Courthouse Improvement - ST fund, Sheriff - ST fund, Rural Fire - ST fund, Health - ST fund, Senior Citizens - ST fund, and Fair Improvement - ST fund.

Sales Tax of November 9, 2021

Caddo County voters approved a continuation of a one-quarter of one percent (1/4%) sales tax, effective July 1, 2022 for the duration of five (5) years, expiring June 30, 2027 for the sole purpose of acquiring, equipping, repairing, renovating, operating, maintaining, and advancing ground ambulance services. These funds are accounted for in the Ambulance Service District - ST fund.

E. Interfund Transfers

During the fiscal year, the County made the following transfer between cash funds:

- \$6,986 was transferred from Excess Resale (a Trust and Agency Fund) to the Resale Property fund in accordance with 68 O.S. § 3131D.

SUPPLEMENTARY INFORMATION

CADDO COUNTY, OKLAHOMA
COMPARATIVE SCHEDULE OF EXPENDITURES—BUDGET AND ACTUAL—
BUDGETARY BASIS—GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	General Fund		
	Budget	Actual	Variance
County Sheriff	\$ 719,901	\$ 719,650	\$ 251
County Treasurer	239,992	237,589	2,403
County Commissioners	44,736	24,986	19,750
County Clerk	285,812	277,043	8,769
County Court Clerk	278,894	273,433	5,461
County Assessor	286,328	258,532	27,796
Visual Inspection	345,915	307,345	38,570
Juvenile Shelter/Bureau	94,045	77,107	16,938
General Government	1,006,133	337,342	668,791
Excise Equalization	8,932	3,992	4,940
Election Board	107,300	86,889	20,411
County Jail	123,423	121,875	1,548
Total Expenditures, Budgetary Basis	\$ 3,541,411	\$ 2,725,783	\$ 815,628

CADDO COUNTY, OKLAHOMA
COMPARATIVE SCHEDULE OF EXPENDITURES—BUDGET AND ACTUAL—
BUDGETARY BASIS—HEALTH FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Health Fund		
	Budget	Actual	Variance
Health and Welfare	\$ 673,490	\$ 172,320	\$ 501,170
Total Expenditures, Budgetary Basis	\$ 673,490	\$ 172,320	\$ 501,170

**CADDO COUNTY, OKLAHOMA
NOTE TO SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

1. Budgetary Schedules

The Comparative Schedules of Expenditures—Budget and Actual—Budgetary Basis for the General Fund and the Health Fund presents comparisons of the legally adopted budget with actual data. The "actual" data, as presented in the comparison of budget and actual, will differ from the data as presented in the Statement of Receipts, Disbursements, and Changes in Cash Balances because of adopting certain aspects of the budgetary basis of accounting and the adjusting of encumbrances and outstanding warrants to their related budget year.

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in these funds. At the end of the year unencumbered appropriations lapse.

INTERNAL CONTROL AND COMPLIANCE SECTION



Independent Auditor’s 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*

TO THE OFFICERS OF
CADDO COUNTY, OKLAHOMA

We have audited, in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the total—all county funds of the accompanying Statement of Receipts, Disbursements, and Changes in Cash Balances of Caddo County, Oklahoma, as of and for the year ended June 30, 2023, and the related notes to the financial statement, which collectively comprise Caddo County’s financial statement, prepared using accounting practices prescribed or permitted by Oklahoma state law, and have issued our report thereon dated May 21, 2024.

Our report included an adverse opinion on the financial statement because the statement is prepared using accounting practices prescribed or permitted by Oklahoma state law, which is a basis of accounting other than accounting principles generally accepted in the United States of America (U.S. GAAP). However, our report also included our opinion that the financial statement does present fairly, in all material respects, the receipts, disbursements, and changes in cash balances – regulatory basis of the County as of and for the year ended June 30, 2023, on the basis of accounting prescribed by Oklahoma state law, described in Note 1.

Report on Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or 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 and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses that we consider to be material weaknesses: 2023-005.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Caddo County's financial statement is free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statement. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as items 2023-005.

Caddo County's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on Caddo County's response to the findings identified in our audit and described in the accompanying schedule of findings and responses. Caddo County's response was not subjected to the other auditing procedures applied in the audit of the financial statement and, accordingly, we express no opinion on it.

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.



CINDY BYRD, CPA
OKLAHOMA STATE AUDITOR & INSPECTOR

May 21, 2024



Report on Compliance for the U.S. Department of Treasury Coronavirus State and Local Fiscal Recovery Funds Program (CSLFRF) Requirements for an Alternative CSLFRF Compliance Examination Engagement

Independent Accountant's Report

TO THE OFFICERS OF
CADDO COUNTY, OKLAHOMA

We have examined Caddo County's compliance with the compliance requirements "activities allowed or unallowed" and "allowable cost/cost principles" (the specified requirements) as described in Part IV "Requirements for an Alternative Compliance Examination Engagement for Recipients That Would Otherwise be Required to Undergo a Single Audit or Program-Specific Audit as a Result of Receiving Coronavirus State and Local Fiscal Recovery Funds" of the CSLFRF section of the 2023 OMB *Compliance Supplement* (referred to herein as "Requirements for an Alternative CSLFRF Compliance Examination Engagement") during the year ended June 30, 2023. The County is responsible for compliance with the specified requirements. Our responsibility is to express an opinion on Caddo County's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the AICPA; the standards applicable to attestation engagements contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in the "Requirements for an Alternative CSLFRF Compliance Examination Engagement." Those standards and requirements require that we plan and perform the examination to obtain reasonable assurance about whether Caddo County complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether Caddo County complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

Our examination does not provide a legal determination on Caddo County's compliance with specified requirements.

In our opinion, Caddo County complied, in all material respects, with the specified requirements referenced above during the year ended June 30, 2023.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we are required to report all deficiencies that are considered to be significant deficiencies or material weaknesses in internal control; fraud, and noncompliance with provisions of laws, regulations, contracts or grant agreements that have a material

effect on Caddo County's compliance with the specified requirements and any other instances that warrant the attention of those charged with governance. We are also required to obtain and report the views of responsible officials concerning the findings, conclusions, and recommendations, as well as any planned corrective actions. We performed our examination to express an opinion on Caddo County's compliance with the specified requirements and not for the purpose of expressing an opinion on the internal control over the specified requirements or on compliance and other matters; accordingly, we express no such opinions. The results of our tests disclosed no matters that are required to be reported under *Government Auditing Standards*.

Intended Purpose

The purpose of this examination report is solely to express an opinion on whether Caddo County complied, in all material respects with the specified requirements referenced above during the year ended June 30, 2023. Accordingly, this report is not suitable for any other purpose.



CINDY BYRD, CPA
OKLAHOMA STATE AUDITOR & INSPECTOR

May 21, 2024

**CADDO COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

SECTION 1—Findings related to the 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*

Finding 2023-005 – Lack of Internal Controls and Noncompliance Over the Payroll and Disbursement Processes (Repeat Finding - 2009-002, 2010-002, 2011-002, 2012-005, 2013-005, 2014-005, 2015-005, 2016-005, 2017-005, 2018-005, 2019-005, 2020-005, 2021-005, 2022-005)

Condition: Upon inquiry and observation of the payroll process, we noted the following:

- The County does not have an adequate segregation of duties over payroll to ensure that duties assigned to individuals are done so in a manner that would not allow one individual to control both the recording function and the procedures relative to processing a transaction.

Further, in the testing of sixty-two (62) disbursements, we noted the following:

- Five (5) disbursements were not properly encumbered in accordance with state statute.
- One (1) disbursement was not properly approved. Although the disbursement was reviewed and authorized by the Board of County Commissioners, signatures for the blanket purchase order were not present.
- One (1) disbursement did not have proper supporting documentation to support the date, or the amount listed. Upon further investigation, the purchase order was made for the incorrect amount.

Cause of Condition: Policies and procedures have not been designed and implemented with regard to segregation of duties and/or compensating controls over the payroll processes and to ensure compliance with state statute.

Effect of Condition: This condition resulted in noncompliance with state statute, which could result in unrecorded transactions, misstated financial reports, undetected errors, and misappropriation of funds.

Recommendation: Oklahoma State Auditor and Inspector (OSAI) recommends the County design and implement a system of internal controls over the disbursement and payroll processes. Such controls should include ensuring that funds are encumbered prior to the receipt of goods and/or services, implementing a review process with adequate documentation to support the review, and implementing procedures to ensure authorized personnel requisition, receive, and approve cash disbursements in accordance with 19 O.S. § 1505. Additionally, OSAI recommends management determine if duties can be properly segregated. In the event that segregation of duties is not possible due to limited personnel, OSAI recommends implementing compensating controls to mitigate the risks involved with a concentration of duties. Compensating controls would include separating key processes and/or critical functions of the office and having management review and approval of accounting functions.

Management Response:

County Clerk: I will work to segregate duties over the payroll process.

**CADDO COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Chairman, Board of County Commissioners: The Board of County Commissioners will express to all County Officials the importance of County funds being encumbered prior to the receipt of goods and/or services and the maintaining of invoices and documentation.

Criteria: The United States Government Accountability Office's *Standards for Internal Control in the Federal Government* (2014 version) aided in guiding our assessments and conclusion. Although this publication (GAO Standards) addresses controls in the federal government, this criterion can be treated as best practices and may be applied as a framework for an internal control system for state, local, and quasi-governmental entities.

The GAO Standards – Principle 10 – Design Control Activities – 10.03 states in part:

Segregation of Duties

Management divides or segregates key duties and responsibilities among different people to reduce the risk of error, misuse, or fraud. This includes separating the responsibilities for authorizing transactions, processing and recording them, reviewing the transactions, and handling any related assets so that no one individual controls all key aspects of a transaction or event.

Additionally, Principle 10 - Segregation of Duties states:

10.12 – Management considers segregation of duties in designing control activity responsibilities so that incompatible duties are segregated and, where such segregation is not practical, designs alternative control activities to address the risk.

10.13 – Segregation of duties helps prevent fraud, waste, and abuse in the internal control system. Management considers the need to separate control activities related to authority, custody, and accounting of operations to achieve adequate segregation of duties. In particular, segregation of duties can address the risk of management override. Management override circumvents existing control activities and increases fraud risk.

Management addresses this risk through segregation of duties but cannot absolutely prevent it because of the risk of collusion, where two or more employees act together to commit fraud.

10.14 – If segregation of duties is not practical within an operational process because of limited personnel or other factors, management designs alternative control activities to address the risk of fraud, waste, or abuse in the operational process.

The GAO Standards – Section 2 – Objectives of an Entity - OV2.23 states in part:

Compliance Objectives

Management conducts activities in accordance with applicable laws and regulations. As part of specifying compliance objectives, the entity determines which laws and regulations

**CADDO COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

apply to the entity. Management is expected to set objectives that incorporate these requirements.

Further, effective internal controls require that management properly implement procedures to ensure that purchases comply with 19 O.S. § 1505.

SECTION 2—This section contains certain matters not required to be reported in accordance with *Government Auditing Standards*. However, we believe these matters are significant enough to bring to management’s attention. We recommend that management consider these matters and take appropriate corrective action.

No matters were reported.

SECTION 3—Findings related to the Report on Compliance for the U.S. Department of Treasury Coronavirus State and Local Fiscal Recovery Funds Program (CSLFRF) Requirements for an Alternative CSLFRF Compliance Examination Engagement

No matters were reported.

O·K·L·A·H·O·M·A
S·A·I
STATE AUDITOR & INSPECTOR



Cindy Byrd, CPA | State Auditor & Inspector

2300 N. Lincoln Blvd., Room 123, Oklahoma City, OK 73105 | 405.521.3495 | www.sai.ok.gov