

**LINCOLN PARISH DETENTION CENTER**  
**RUSTON, LOUISIANA**

*Component Unit Financial Statements*  
*For the Year Ended December 31, 2011*

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and where appropriate at the office of the parish clerk of court.

Release Date JUN 20 2012

**LINCOLN PARISH DETENTION CENTER**  
**RUSTON, LOUISIANA**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners  
Lincoln Parish Detention Center  
Ruston, Louisiana

I have audited the accompanying component unit financial statements of the governmental activities and fund information of the Lincoln Parish Detention Center, a component unit of the Lincoln Parish Police Jury, as of and for the year ended December 31, 2011, which collectively comprise the basic financial statements of the Lincoln Parish Detention Center as listed in the table of contents. These component unit financial statements are the responsibility of the Lincoln Parish Detention Center's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my 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 I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinions.

In my opinion, the component unit financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and fund information for the Lincoln Parish Detention Center, as of December 31, 2011, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued my report dated May 25, 2012, on my consideration of the Lincoln Parish Detention Center's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of my audit.

To the Board of Commissioners  
Lincoln Parish Detention Center  
Page 2

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 5 and 24, 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. I 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 I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurances.

WILLIAM R. HULSEY  
Certified Public Accountant



May 25, 2012

**REQUIRED SUPPLEMENTAL INFORMATION (PART A)  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**LINCOLN PARISH DETENTION CENTER  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)**

Our discussion and analysis of the Lincoln Parish Detention Center provides the reader with an overview of the Center's activities for the years ended December 31, 2011 and 2010. Please read it in conjunction with the Lincoln Parish Detention Center's financial statements

**USING THIS ANNUAL REPORT**

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities provide information about the activities of the Center as a whole

**REPORTING THE LINCOLN PARISH DETENTION CENTER AS A WHOLE:**

**THE STATEMENT OF NET ASSETS AND THE STATEMENT OF ACTIVITIES**

These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector entities. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Detention Center's net assets and changes in them. The Detention Center's net assets (the difference between assets and liabilities) measure the Detention Center's financial position. The increases or decreases in the Detention Center's net assets are an indicator of whether its financial position is improving or not.

**THE DETENTION CENTER AS A WHOLE**

For the years ended December 31, 2011 and 2010, net assets changed as follows

	<u>2011</u>	<u>2010</u>
Beginning Net Assets	\$ 1,527,273	\$ 1,756,646
Increase (Decrease) in Net Assets	(200,674)	(229,373)
Ending Net Assets	\$ 1,326,599	\$ 1,527,273

## THE DETENTION CENTER'S FUNDS

The following schedule presents a summary of the revenues and expenditures for the years ended December 31, 2011 and 2010

Revenues	Percent of		Percent of	
	2011	Total	2010	Total
Sales and use tax	\$ 1,800,170	87.97%	\$1,769,822	86.89%
Intergovernmental Local grant	80,000	3.91%	200,000	9.82%
Charges for services	55,816	2.73%	55,976	2.75%
Rents and royalties	0	0.00%	0	0.00%
Commissions	0	0.00%	0	0.00%
Use of money and property	110,423	5.39%	11,140	0.54%
<b>Total Revenues</b>	<b>\$ 2,046,409</b>	<b>100.00%</b>	<b>\$2,036,938</b>	<b>100.00%</b>

Expenditures	Percent of		Percent of	
	2011	Total	2010	Total
Public Safety	\$ 130,126	5.15%	\$160,417	7.08%
Materials and supplies	0	0.00%	0	0.00%
Prisoner related charges	2,282,703	90.31%	1,883,436	83.11%
Postretirement Benefits & Compensated Absences	(28,679)	(1.13)%	67,868	3.00%
Capital Outlay	132,037	5.22%	129,366	5.71%
Intergovernmental	11,494	0.45%	25,224	1.10%
<b>Total Expenditures</b>	<b>\$ 2,527,681</b>	<b>100.00%</b>	<b>\$2,266,311</b>	<b>100.00%</b>

## BUDGETARY HIGHLIGHTS

The Detention Center's total revenues in 2011 showed a negative variance of \$1,761 when compared to the amended budget amount. Expenditures actually incurred were \$23,217 less than the budgeted amount with the significant portion of that variance shown in prisoner related charges. Prisoner related charges have always represented the major portion of budgeted expenditures and continue to be due to a cooperative agreement with LaSalle Management that went into effect mid-year 2008

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

At December 31, 2011, the Detention Center had investments in capital assets totaling \$4,608,544 (\$1,509,363 net of depreciation). The following is a schedule of those assets and the accumulated depreciation recognized as compared to December 31, 2010

Assets	December 31, 2010 Balance	Additions	Disposals	December 31 , 2011 Balance
Land	\$ 46,200			\$ 46,200
Construction in Progress	0			0
Building	3,842,223			3,842,223
Improvements	264,301			264,301
Vehicles	34,245			34,245
Machinery & Equipment	421,575			421,575
Total Historical Cost	4,608,544			4,608,544
Less.				
Accumulated Depreciation	(2,967,144)	(132,037)		(3,099,181)
Capital Assets, Net	\$1,641,400	\$(132,037)		\$1,509,363

Further details on capital assets are included in the notes to the financial statements.

#### **OTHER POST-EMPLOYMENT BENEFITS**

In the year ended December 31, 2011, the Lincoln Parish Detention Center has complied with requirements of Government Accounting Standards Board Statement Number 45, *Accounting and Financial Reporting by Employers for Post Employment Benefits Other than Pensions*. This statement requires that employers disclose the *Annual Required Contribution* and *Net Post-employment Benefit Obligation* as determined by actuarial computations.

#### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The Detention Center's revenues are derived mainly (87.97%) from sales and use taxes. The Center sales tax revenue remained fairly steady increasing by \$30,348 (1%) when compared to 2010. The Detention Center Commission will continue to monitor the situation closely and make adjustments where necessary to ensure that resources are utilized in a cost-effective manner.

#### **CONTACTING THE DETENTION CENTER'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the Detention Center's finances and to show the Center's accountability for the funds it receives. If you have any questions about this report or need additional financial information, contact the following:

Contact Person: Mike Stone  
Title: Sheriff



**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

LINCOLN PARISH DETENTION CENTER  
RUSTON, LOUISIANA  
STATEMENT OF NET ASSETS  
DECEMBER 31, 2011

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash	\$ 4,669
Investments	-
Accounts Receivable	354,088
Prepaid Expenses	13,805
Due from LPPJ	280,598
Non-Depreciable Assets	46,200
Depreciable Assets	<u>1,463,163</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 2,162,523</u></b>
<b>LIABILITIES</b>	
Accounts Payable	\$ 245,393
Due To Other Governments - LPPJ	407,767
Postretirement Benefit Plan Payable	182,764
Compensated Absences Payable	<u>-</u>
<b>TOTAL LIABILITIES</b>	<b><u>835,924</u></b>
<b>NET ASSETS</b>	
Invested in Capital Assets, Net of Related Debt	1,509,363
Unrestricted	<u>(182,764)</u>
<b>Total Net Assets</b>	<b><u>1,326,599</u></b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 2,162,523</u></b>

The accompanying notes are an integral part of this financial statement

LINCOLN PARISH DETENTION CENTER  
RUSTON, LOUISIANA  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2011

Function/Program Activities	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	
Government Activities*				
Public Safety	<u>\$ 2,527,681</u>	<u>\$ 55,816</u>	<u>\$ 80,000</u>	<u>\$ -</u>

*General Revenues:*

Sales Taxes	1,800,170
Interest Earned	157
Sponsor Fee - LaSalle	60,000
Transfer from LPPJ	280,598
Miscellaneous Revenue	<u>50,266</u>
Total General Revenues	<u>2,191,191</u>
Changes in Net Assets	(200,674)
Net Assets - Beginning	<u>1,527,273</u>
Net Assets - Ending	<u>\$ 1,326,599</u>

The accompanying notes are an integral part of this financial statement

**FUND FINANCIAL STATEMENTS**

LINCOLN PARISH DETENTION CENTER  
RUSTON, LOUISIANA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2011

	<u>General Fund</u>
<b>ASSETS</b>	
Cash	\$ 4,669
Investments	-
Accounts Receivable	354,088
Prepaid Expenses	13,805
Due from Other Governments - LPPJ	280,598
<b>TOTAL ASSETS</b>	<b>\$ 653,160</b>
 <b>Liabilities and Fund Equity</b>	
<b>LIABILITIES</b>	
Accounts payable	\$ 245,393
Due To Other Governments - LPPJ	407,767
<b>Total Liabilities</b>	<b>653,160</b>
 <b>FUND BALANCE</b>	
Nonspendable	-
Restricted	-
Committed	-
Assigned	-
Unassigned	-
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>\$ 653,160</b>

The accompanying notes are an integral part of this financial statement

**LINCOLN PARISH DETENTION CENTER**  
**RUSTON, LOUISIANA**  
**RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES**  
**TO NET ASSETS OF GOVERNMENTAL ACTIVITIES**  
**DECEMBER 31, 2011**

Total Governmental Fund Balances	\$ -
<i>Amounts reported for governmental activities in the statement of net assets are different because:</i>	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	1,509,363
Unfunded postretirement benefit plan obligations are not financial expenditures and therefore are not reported in the funds	(182,764)
Compensated absences are not due and payable in the current period and therefore are not reported in the funds.	<u>-</u>
Net Assets of Governmental Activities	<u>\$ 1,326,599</u>

The accompanying notes are an integral part of this financial statement

LINCOLN PARISH DETENTION CENTER  
RUSTON, LOUISIANA  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>General Fund</u>
<b>Revenues:</b>	
Special Sales and Use Tax	\$ 1,800,170
Intergovernmental Revenues	
Local Grant	80,000
Charges for Services	55,816
Rents and Royalties	-
Sponsor Fee - LaSalle	60,000
Miscellaneous Revenue	50,423
Total Revenues	2,046,409
<b>Expenditures</b>	
Public Safety	
Personal Services	94,053
Operating Services	36,073
Materials and Supplies	-
Prisoner Related Charges	2,282,703
Capital Outlay	-
Intergovernmental	11,494
Total Expenditures	2,424,323
Deficiency of Revenues Over Expenditures	(377,914)
Other Financing Sources	
Operating Transfers In	280,598
Net Change in Fund Balance	(97,316)
Fund Balances, Beginning	97,316
Fund Balances, Ending	\$ -

The accompanying notes are an integral part of this financial statement

LINCOLN PARISH DETENTION CENTER  
RUSTON, LOUISIANA  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2011

Net Change in Fund Balances - Total Governmental Funds	\$ (97,316)
 <i>Amounts reported for governmental activities in the statement of activities are different because:</i>	
 Government funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:	
Capital asset purchases capitalized	-
Depreciation expense	(132,037)
	(132,037)
Postretirement benefit plan expenditures	28,679
 Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds	
	-
	\$ (200,674)

The accompanying notes are an integral part of this financial statement



LINCOLN PARISH DETENTION CENTER  
RUSTON, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Lincoln Parish Detention Center Commission is the governing authority for the Lincoln Parish Detention Center (the Center). The Commission, under the provisions of the Louisiana Revised Statute 18-48, is responsible for the care, custody, and control of the prisoners confined to the Center.

The Center complies with accounting principles generally accepted in the United States of America (GAAP). GAAP includes all relevant Government Accounting Standards Board (GASB) pronouncements. In the government-wide financial statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989 have been applied unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent sections of this note.

Basis of Presentation

In June, 1999, the GASB unanimously approved statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*. Certain of the significant changes in the presentation of its funds financial information include, for the first time a Management Discussion and Analysis (MD&A) section providing an analysis of the Center’s overall financial position and results of operations and financial statements prepared using full accrual accounting for all fund activities. These and other changes are reflected in the accompanying financial statements including the notes to the financial statements.

Reporting Entity

As the governing authority of the parish, for reporting purposes, the Lincoln Parish Police Jury is the financial reporting entity for Lincoln Parish. The financial reporting entity consists of (a) the primary government (police jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete.

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the Lincoln Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. These criteria include:

1. Appointing a voting majority of an organization’s governing body, and
  - a. The ability of the police jury to impose its will on that organization and/or
  - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.
2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.

LINCOLN PARISH DETENTION CENTER  
RUSTON, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity (Continued)

- 3 Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship

Because the police jury appoints a voting majority of its governing body, the Center was determined to be a component unit of the Lincoln Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the Center and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

*Government-Wide Financial Statements* – The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

*Governmental Fund Financial Statements* – The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period. The Center considers revenues to be available if they are collected within 60 days of the end of the current fiscal year end.

Principal revenue sources considered susceptible to accrual include sales and use taxes, local grants, and state reimbursement for the detention of state prisoners held in the Parish Detention Center. Some revenue items that are considered measurable and available to finance operations during the year from an accounting perspective are not available for expenditure due to the Center's present appropriation system. These revenues have been accrued in accordance with accounting principles generally accepted in the United States of America since they have been earned and are expected to be collected within sixty days of the end of the period.

Other revenues are considered to be measurable and available only when cash is received by the Center. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. Modifications to the accrual basis of accounting include:

- Employees' vested annual leave is recorded as an expenditure when utilized. The amount of accumulated annual leave unpaid at December 31, 2011 has been reported only in the government-wide financial statements.
- Interest on general long-term obligations is recognized when paid.
- Debt service expenditures are recorded only when payment is due.

LINCOLN PARISH DETENTION CENTER  
RUSTON, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Accounting

The financial activities of the Center are recorded in individual funds, each of which is deemed to be a separate accounting entity. The Center uses fund accounting to report on its financial position and results of operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

Governmental Funds

*General Fund* – This fund accounts for all activities of the Center not specifically required to be accounted for in other funds. Included are transactions for services such as general government, health services, public safety, regulatory services and social services.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 and expenses during the reporting period. Actual results could differ from those estimates.

Budgeting Procedures

Budgetary practices of the Center include public notice of the proposed budget, public inspection of the proposed budget, and public hearings on the budget. Budgets are prepared on a modified accrual basis of accounting.

The board is authorized to transfer budget amounts within a function by object classification; however, any revisions that alter the total expenditures of any function must be approved by the board. Budgeted amounts shown in the accompanying financial statements include original adopted budget amounts and all subsequent amendments.

The board approves total budget appropriations, is authorized to transfer budget amounts between departments within any fund, and alters the total appropriations of any fund. Therefore, the level of budgetary responsibility is by total appropriations, however for report purposes, this level has expanded to a functional basis.

Unused appropriations for all of the above annually budgeted funds lapse at the end of the year.

The budget amounts shown in the financial statements are the final authorized amounts as revised during the year.

LINCOLN PARISH DETENTION CENTER  
RUSTON, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents

Cash includes demand deposits and money market accounts. Under state law, the Lincoln Parish Detention Center may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union or the laws of the United States. Further, the Lincoln Parish Detention Center may invest in the time deposits or certificates of deposit of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

Valuation of Carrying Amounts of Deposits

Cash is reported at net book value – the year end bank balance plus any deposits in transit and less any outstanding checks that have not cleared the bank as of that date.

Annual and Sick Leave

Employees accrue from five to fifteen days of annual and sick leave each year depending on years of service with the Detention Center for a total of not more than 60 days. Similarly, employees are not paid for accrued sick leave upon resigning or retiring, but accrued sick leave may be applied against total employment years at retirement.

Fund Equity

GASB Statement No. 54 establishes standards for five fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of resources reported in government funds. The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form – prepaid items or inventories, or (b) legally or contractually required to be maintained intact.

The spendable portion of the fund balance comprises the remaining four classifications – restricted, committed, assigned and unassigned.

*Restricted Fund Balance* – This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

*Committed Fund Balance* – These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions or ordinances of the commissioners– the government's highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the police jurors remove the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

LINCOLN PARISH DETENTION CENTER  
RUSTON, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Equity (Continued)

*Assigned Fund Balance* – This classification reflects the amounts constrained by the Center’s “intent” to be used for specific purposes, but are neither restricted nor committed. The commissioners and management have the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the general fund, that are not classified as nonspendable and are neither restricted nor committed.

*Unassigned Fund Balance* – This fund balance is the residual classification for the general fund. It is also used to report negative fund balances in other governmental funds.

When both restricted and unrestricted resources are available for use, it is the Center’s policy to use externally restricted resources first, then unrestricted resources – committed, assigned and unassigned – in order as needed.

NOTE 2 – CASH AND CASH EQUIVALENTS

*Custodial Credit Risk – Deposits.* The custodial credit risk is the risk that in the event of a bank failure, the Center’s deposits may not be returned to it. The Center’s policy to ensure there is no exposure to this risk is to require each financial institution to pledge its’ own securities to cover any amount in excess of Federal Depository Insurance Coverage. Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Center that the fiscal agent bank has failed to pay deposited funds upon demand. Accordingly, the Center had no custodial credit risk related to its deposits at December 31, 2011. The Center had cash and cash equivalents in demand deposits, totaling \$4,669 at December 31, 2011.

These deposits are stated at cost, which approximates market. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Cash and cash equivalents (bank balances other than these backed by the U.S. government) at December 31, 2011, are secured, as follows:

Bank Balances	\$ <u>4,653</u>
FDIC Insurance	4,653
Pledged Securities (uncollateralized)	<u>7,665</u>
Total	<u>\$ 12,318</u>

NOTE 3 - INVESTMENTS

*Custodial Credit Risk – Investments.* The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Center’s investments in United States government securities are held by the Center’s agent in the Center’s name. Therefore, the Center had no custodial credit risk related to its investments at December 31, 2011.

**LINCOLN PARISH DETENTION CENTER**  
**RUSTON, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**

**NOTE 3 – INVESTMENTS (cont.)**

Under state law, the Center may invest funds in obligations of the United States, in federally-insured investments, or in time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. At December 31, 2011, the Center had none.

*Interest Rate Risk.* In accordance with its investments policy, the Center manages its exposure to declines in fair market values by limiting investment portfolio to "money market investments" which are defined as creditworthy, highly liquid investments with maturities of one year or less. Although there may be certain circumstances in which longer-term securities are utilized, the general use of long-term securities shall be avoided.

*Credit Risk.* The Center's investment policy limits investments to fully insured and/or fully-collateralized certificates of deposits and direct and indirect obligations of U.S. government agencies.

*Concentration of Credit Risk.* The Center's investment policy limits the Center's investment instruments to: 1) certificates of deposit, 2) certain direct obligations of the U.S. Government, 3) bonds, debentures, notes, or other evidence of indebtedness issued or guaranteed by federal agencies and provided such obligations are backed by the full faith and credit of the United States of America; and 4) the Louisiana Asset Management Pool.

**NOTE 4 - PROPERTY AND EQUIPMENT**

Capital asset activity for the year ended December 31, 2011 is as follows:

	December 31, 2010			December 31, 2011
	<u>Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u>
Non-Depreciable Assets:				
Land	\$ 46,200	\$ -	\$ -	\$ 46,200
Depreciable Assets:				
Building	3,842,223	-	-	3,842,223
Improvements	264,301	-	-	264,301
Vehicles	34,245	-	-	34,245
Machinery & Equipment	<u>421,575</u>	-	-	<u>421,575</u>
Totals at Historical Cost	<u>4,608,544</u>	-	-	<u>4,608,544</u>
Less Accumulated Depreciation for:				
Building	(2,689,560)	( 96,056)	-	( 2,785,616)
Improvements	( 15,417)	( 13,215)	-	( 28,632)
Vehicles	( 26,826)	( 6,849)	-	( 33,675)
Machinery & Equipment	<u>( 235,341)</u>	<u>( 15,917)</u>	-	<u>( 251,258)</u>
Total Accumulated Depreciation	<u>(2,967,144)</u>	<u>( 132,037)</u>	-	<u>( 3,099,181)</u>
<b><u>CAPITAL ASSETS, NET</u></b>	<b><u>\$1,641,400</u></b>	<b><u>\$ ( 132,037)</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 1,509,363</u></b>

Depreciation was charged to the Public Safety function of the Center for \$132,037.

LINCOLN PARISH DETENTION CENTER  
RUSTON, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2011

NOTE 4 - ACCOUNTS RECEIVABLE

The account receivable at December 31, 2011, is as follows.

Sales and Use Tax	\$ 168,715
City of Ruston	49,517
LaSalle Management	131,544
Other Receivables	<u>4,312</u>
Total	<u>\$ 354,088</u>

Based on prior experience, the uncollectible receivables are considered immaterial, thus no provision has been made for such loss in these financial statements

NOTE 5 - PENSION PLAN

Plan Description

The Parochial Employees' Retirement System, a Public Employee Retirement System, is a cost sharing multiple-employer plan that is governed by the Louisiana Revised Statutes, Title II, Sections 1901 through 2015, specifically, and other general laws of the State of Louisiana

Under the Parochial Retirement System, a member is eligible for normal retirement if he has at least 30 years of creditable service regardless of age, or 25 years of creditable service and is at least 55 years old, or 10 years of creditable service and is at least 60 years old. The monthly retirement benefit is equal to three percent of the member's coverage monthly compensation for any 36 months of consecutive service in which compensation was highest, multiplied by years of creditable service, not to exceed 100% of member's final compensation

Retirement benefits are payable monthly for the life of the retiree, and upon the retiree's death under certain conditions are payable to the retiree's surviving spouse and minor children. The Center's Payroll is included in the Lincoln Parish Police Jury, primary government financial statements

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana Parochial Employees' Retirement System, P O Box 14619, Baton Rouge, Louisiana 70898

Funding Policy

Under the plan, members are required by state statute to contribute 9.5% of their annual covered salary and the Detention Center is required to contribute at an actuarially determined rate. The current rate is 15.75% of annual covered payroll. The Center's contributions to the System for the years ending December 31, 2011, 2010, and 2009 were \$4,173, \$12,312, and \$16,125, respectively, equal to the required contributions for each year.

LINCOLN PARISH DETENTION CENTER  
RUSTON, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2011

NOTE 6 - DEFERRED COMPENSATION PLAN

Employees of the Lincoln Parish Detention Center may participate in a deferred compensation plan adopted under the provisions of Internal Revenue Code Section 457 (Deferred Compensation Plans with Respect to Service for State and Local Governments)

The deferred compensation plan is available to all employees of the Lincoln Parish Detention Center. Under the plan, employees may elect to defer a portion of their salaries and avoid paying taxes on the deferred portion until the withdrawal date. The deferred compensation amount is not available for withdrawal by employees until termination, retirement, death, or unforeseeable emergency. In accordance with the provisions of GASB Statement No. 32 and No. 34, plan balances and activities are not reflected in the financial statements of the Lincoln Parish Detention Center.

NOTE 7 - COMPENSATION FOR THE BOARD OF COMMISSIONERS

The members of the Commission for the Center receive no compensation.

NOTE 8 - POST-EMPLOYMENT BENEFITS

*Plan Description.* The Center's medical benefits are provided through a self-insured plan and are made available to employees upon actual retirement.

The employees are covered by the Parochial Employees' Retirement System of Louisiana, whose retirement eligibility (D.R.O.P. entry) provisions are as follows: 30 years of service at any age, age 55 and 25 years of service, age 60 and 10 years of service, or, age 65 and 7 years of service.

For employees hired on and after January 1, 2007, Retirement eligibility (D.R.O.P. entry) provisions are as follows: age 55 and 30 years of service, age 62 and 10 years of service; or, age 67 and 7 years of service. Complete plan provisions are included in the official plan documents.

Dental insurance coverage is provided to retirees. The employer pays 90 to 95% of the cost of the dental insurance (depending on the plan) for the retiree and 50% for dependents. The actuaries have used the unblended rates provided and include the actuarial costs and liability in the valuation of the medical benefits. All of the assumptions used for the valuation of the medical benefits have been used for dental insurance except for the trend assumption; zero trend was used for dental insurance.

Life insurance coverage is available to retirees and the blended rate (active and retired) is \$0.65 per \$1,000 of insurance. The employer pays 100% of the cost of the retiree life insurance. Since GASB 45 requires the use of "unblended" rates, the actuaries have used the 94GAR mortality table described above to "unblend" the rates so as to reproduce the composite blended rate overall as the rate structure to calculate the actuarial valuation results for life insurance.

All of the assumptions used for the valuation of the medical benefits have been used except for the trend assumption; zero trend was used for life insurance. Retiree insurance coverage amounts are reduced to 50% of the original level before retirement.



**LINCOLN PARISH DETENTION CENTER**  
**RUSTON, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**

**NOTE 8 – POST EMPLOYMENT HEALTH CARE BENEFITS (continued)**

*Contribution Rates* Employees do not contribute to their post employment benefits costs until they become retirees and begin receiving those benefits. The plan provisions and contribution rates are contained in the official plan documents.

*Fund Policy* Until 2008, the Center recognized the cost of providing post-employment medical and life benefits (The Center's portion of the retiree medical, dental, and life benefit premiums) as an expense when the benefit premiums were due and thus financed the cost of the post-employment benefits on a pay-as-you-go basis. In 2011 and 2010, the Center's portion of health care funding cost for retired employees totaled \$83,503 and \$67,389, respectively.

Effective January 1, 2008, the Center implemented Government Accounting Standards Board Statement Number 45, *Accounting and Financial Reporting by Employers for Post employment Benefits Other than Pensions* (GASB 45). This amount was applied toward the Net OPEB Benefit Obligation as shown in the following table.

*Annual Required Contribution.* The Center's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB 45. The ARC is the sum of the Normal Cost plus the contribution to amortize the Unfunded Actuarial Accrued Liability (UAAL). A level dollar, open amortization period of 30 years (the maximum amortization period allowed by GASB 43/45) has been used for the post-employment benefits. The actuarially computed ARC is as follows:

	2011	2010
Normal Cost	\$ -	\$ 63,355
30-year UAL amortization amount	58,594	74,515
	<hr/>	<hr/>
Annual required contribution (ARC)	\$ 58,594	\$ 137,870

*Net Post-employment Benefit Obligation (Asset).* The table below shows the Center's Net Other Post-employment Benefit (OPEB) Obligation for fiscal years ending December 31:

	2011	2010
Beginning Net OPEB Obligation	\$ 211,443	\$ 140,962
Annual required contribution	58,594	137,870
Interest on Net OPEB Obligation	8,458	0
ARC Adjustment	( 12,228)	0
OPEB Cost	54,824	278,832
Contribution	0	0
Current year retiree premium	( 83,503)	( 67,389)
	<hr/>	<hr/>
Change in Net OPEB Obligation	( 28,679)	70,481
Ending Net OPEB Obligation	\$ 182,764	\$ 211,443

**LINCOLN PARISH DETENTION CENTER**  
**RUSTON, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**

**NOTE 8 – POST EMPLOYMENT HEALTH CARE BENEFITS (continued)**

The following table shows the Center's annual post employment benefits (PEB) cost, percentage of the cost contributed, and the net unfunded post employment benefits (PEB) liability (asset)

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual Cost Contributed</u>	<u>Net OPEB Liability (Asset)</u>
December 31, 2011	\$58,594	152.31%	\$182,764
December 31, 2010	\$137,870	48.87%	\$211,443

*Funded Status and Funding Progress.* In the fiscal years ending December 31, 2011 and 2010, the Center made no contributions to its post employment benefits plan. The plan was not funded, has no assets, and hence has a funded ratio of zero. Based on the January 1, 2011 actuarial valuation, the most recent actuarial valuation, the Actuarial Accrued Liability (AAL) at the end of the year ended December 31, 2011 was \$1,013,214, which is defined as that portion, as determined by a particular actuarial cost method (the Center uses the Projected Unit Credit Cost Method), of the actuarial present value of post employment plan benefits and expenses which is not provided by normal cost.

	2011	2010
Actuarial Accrued Liability (AAL)	\$ 1,013,214	\$ 1,721,362
Actuarial Value of Plan Assets	0	0
Unfunded Act. Accrued Liability (UAAL)	\$ 1,013,214	\$ 1,721,362
Funded Ratio (Act. Val Assets/AAL)	0%	0%
Covered Payroll (active plan members)	\$ 3,423,896	\$ 3,729,996
UAAL as a percentage of covered payroll	29.59%	46.15%

*Actuarial Methods and Assumptions* Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. The actuarial valuation for post employment benefits includes estimates and assumptions regarding (1) turnover rate, (2) retirement rate, (3) health care cost trend rate, (4) mortality rate; (5) discount rate (investment return assumption), and (6) the period to which the costs apply (past, current, or future years of service by employees). Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

The actuarial calculations are based on the types of benefits provided under the terms of the substantive plan (the plan as understood by the Center and its employee plan members) at the time of the valuation and on the pattern of sharing costs between the Center and its plan members to that point.

LINCOLN PARISH DETENTION CENTER  
RUSTON, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2011

NOTE 8 – POST EMPLOYMENT HEALTH CARE BENEFITS (continued)

The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the Center and plan members in the future. Consistent with the long-term perspective of actuarial calculations, the actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial liabilities and the actuarial value of assets.

*Actuarial Cost Method.* The ARC is determined using the Projected Unit Credit Cost Method. The employer portion of the cost for retiree medical care in each future year is determined by projecting the current cost levels using the healthcare cost trend rate and discounting this projected amount to the valuation date using the other described pertinent actuarial assumptions, including the investment return assumption (discount rate), mortality, and turnover.

*Actuarial Value of Plan Assets.* There are not any plan assets. It is anticipated that in future valuations, should funding take place, a smoothed market value consistent with Actuarial Standards Board ASOP 6, as provided in paragraph number 125 of GASB Statement 45.

*Turnover Rate.* An age-related turnover scale based on actual experience has been used. The rates, when applied to the active employee census, produce a composite average annual turnover of approximately 5%.

*Post employment Benefit Plan Eligibility Requirements.* Based on past experience, it has been assumed that entitlement to benefits will commence three years after eligibility to enter D.R.O.P. Medical benefits are provided to employees upon actual retirement. Employees are covered by Parochial Employees' Retirement System of Louisiana, whose retirement eligibility (D.R.O.P. entry) provisions are as follows: 30 years of service at any age, age 55 and 25 years of service; age 60 and 10 years of service; or, age 65 and 7 years of service. For employees hired on and after January 1, 2007 retirement eligibility (D.R.O.P. entry) provisions are as follows: age 55 and 30 years of service, age 62 and 10 years of service, or, age 67 and 7 years of service.

*Investment Return Assumption (Discount Rate).* GASB Statement 45 states that the investment return assumption should be the estimated long-term investment yield on the investments that are expected to be used to finance the payment of benefits (that is, for a plan which is funded). Based on the assumption that the ARC will not be funded, a 4% annual investment return has been used in this valuation.

*Health Care Cost Trend Rate.* The expected rate of increase in medical cost is based on projections performed by the Office of the Actuary at the Centers for Medicare & Medicaid Services as published in National Health Care Expenditures Projections: 2003 to 2013, Table 3 National Health Expenditures, Aggregate and per Capita Amounts, Percent Distribution and Average Annual Percent Change by Source of Funds: Selected Calendar Years 1990-2013, released in January, 2004 by the Health Care Financing Administration ([www.cms.hhs.gov](http://www.cms.hhs.gov)). "State and Local" rates for 2008 through 2013 from this report were used, with rates beyond 2013 graduated down to an ultimate annual rate of 5.0% for 2016 and later.

*Mortality Rate.* The 1994 Group Annuity Reserving (94GAR) table, projected to 2002, based on a fixed blend of 50% of the unloaded male mortality rate and 50% of the unloaded female mortality rates, was used. This is a published mortality table which was designed to be used in determining the value of accrued benefits in defined benefit pension plans.

**LINCOLN PARISH DETENTION CENTER**  
**RUSTON, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**

**NOTE 8 – POST EMPLOYMENT HEALTH CARE BENEFITS (continued)**

*Method of Determining Value of Benefits* The "value of benefits" has been assumed to be the portion of the premium after retirement date expected to be paid by the employer for each retiree and has been used as the basis for calculating the actuarial present value of OPEB benefits to be paid. The employer pays 90 to 95% of the cost of the medical insurance (depending on the plan) for the retiree and 50% for dependents. Medical and dental coverage ceases at age 65 (Medicare eligibility) for all retirees who retired on and after January 1, 2008. The rates provided are "unblended" rates as required by GASB 45

*Inflation Rate.* Included in both the Investment Return Assumption and the Healthcare Cost Trend rates above is an implicit inflation assumption of 2.50% annually

*Projected Salary Increases.* This assumption is not applicable since neither the benefit structure nor the valuation methodology involves salary.

*Post-retirement Benefit Increases.* The plan benefit provisions in effect for retirees as of the valuation date have been used and it has been assumed for valuation purposes that there will not be any changes in the future.

Below is a summary of OPEB cost and contributions for the last three fiscal calendar years.

	OPEB Costs and Contributions		
	FY 2011	FY 2010	FY 2009
OPEB Cost	\$ 54,824	\$ 278,832	\$ 278,832
Contribution	-	-	-
Retiree Premium	<u>83,503</u>	<u>67,389</u>	<u>67,389</u>
Change in Net OPEB Obligation	<u>\$( 28,679)</u>	<u>\$ 70,481</u>	<u>\$ 70,481</u>
% of Contribution to Cost	0.00%	0.00%	0.00%
% of Contribution Plus Premium to Cost	152.31%	48.87%	48.87%

**NOTE 9 - LITIGATION AND CLAIMS**

According to the Parish District Attorney, the Lincoln Parish Detention Center had no pending or threatened litigation as of December 31, 2011

**NOTE 10 – COOPERATIVE AGREEMENT**

The Lincoln Parish Detention Center entered into a cooperative endeavor agreement with LaSalle Management Company to manage the Detention Center for 10 years beginning June 5, 2008

**NOTE 11 – SUBSEQUENT EVENTS**

Subsequent events have been evaluated through May 25, 2012, which is the day the financial statements were available to be issued, and it has been determined that no significant events have occurred for disclosure

**REQUIRED SUPPLEMENTAL INFORMATION (PART B)  
BUDGETARY COMPARISON SCHEUDLES**

**LINCOLN PARISH DETENTION CENTER**  
**RUSTON, LOUISIANA**  
**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<b><u>Revenues (Inflows)</u></b>				
Special Sales and Use Tax	\$ 1,800,000	\$ 1,850,000	\$ 1,800,170	\$ (49,830)
<b><u>Intergovernmental Revenues:</u></b>				
Local Grant	80,000	80,000	80,000	-
Charges for Services	61,500	58,000	55,816	(2,184)
Sponsor Fees - LaSalle	60,000	60,000	60,000	-
Miscellaneous Revenue	2,000	170	50,423	50,253
<b>Total Revenues</b>	<b>2,003,500</b>	<b>2,048,170</b>	<b>2,046,409</b>	<b>(1,761)</b>
<b><u>Expenditures (Outflows)</u></b>				
<b><u>Public Safety</u></b>				
Personal Services	15,508	95,485	94,053	1,432
Operating Services	44,500	37,110	36,073	1,037
Prisoner Related Charges	1,990,000	2,302,445	2,282,703	19,742
Other General	-	-	-	-
Capital Outlay	-	-	-	-
Intergovernmental	25,000	12,500	11,494	1,006
<b>Total Expenditures</b>	<b>2,075,008</b>	<b>2,447,540</b>	<b>2,424,323</b>	<b>23,217</b>
<b><u>Excess (Deficiency) of Expenditures Over Revenues</u></b>				
	(71,508)	(399,370)	(377,914)	21,456
<b><u>Other Financing Sources</u></b>				
Operating Transfers In	-	302,054	280,598	21,456
<b>Fund Balance at Beginning of Year</b>	<b>97,316</b>	<b>97,316</b>	<b>97,316</b>	<b>-</b>
<b><u>FUND BALANCE AT END OF YEAR</u></b>	<b>\$ 25,808</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 21,456</b>

The accompanying notes are an integral part of this financial statement

LINCOLN PARISH DETENTION CENTER  
RUSTON, LOUISIANA  
NOTES TO BUDGETARY COMPARISON SCHEDULES  
FOR THE YEAR ENDED DECEMBER 31, 2011

Budgetary practices of the Center include public notice of the proposed budget, public inspection of the proposed budget, and public hearings on the budget. Budgets are prepared on a modified accrual basis of accounting.

The board is authorized to transfer budget amounts within a function by object classification, however, any revisions that alter the total expenditures of any function must be approved by the board. Budgeted amounts shown in the accompanying financial statements include original adopted budget amounts and all subsequent amendments.

The board approves total budget appropriations, is authorized to transfer budget amounts between departments within any fund, and alters the total appropriations of any fund. Therefore, the level of budgetary responsibility is by total appropriations; however for report purposes, this level has expanded to a functional basis.

Unused appropriations for all of the above annually budgeted funds lapse at the end of the year.

The budget amounts shown in the financial statements are the final authorized amounts as revised during the year.

State law requires the Center to amend its budgets when revenues plus projected revenues within a fund are expected to fall short from budgeted revenues by five percent or more and when expenditures and other uses of a fund are expected to exceed budgeted amounts by five percent or more.

**OTHER SUPPLEMENTAL INFORMATION**



MEMBER  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS  
SOCIETY OF LOUISIANA  
CERTIFIED PUBLIC ACCOUNTANTS

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**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**

Board of Commissioners  
Lincoln Parish Detention Center  
Ruston, Louisiana

I have audited the component unit financial statements of the Lincoln Parish Detention Center, a component unit of the Lincoln Parish Police Jury, as of and for the year ended December 31, 2011, which collectively comprise the Lincoln Parish Detention Center's basic financial statements and have issued my report thereon dated May 25, 2012. I conducted my 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.

**Internal Control Over Financial Reporting**

Management of the Lincoln Parish Detention Center is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing my audit, I considered the Lincoln Parish Detention Center's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Center's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the Center's internal control over financial reporting.

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.

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above.

Board of Commissioners  
Lincoln Parish Detention Center  
Ruston, Louisiana  
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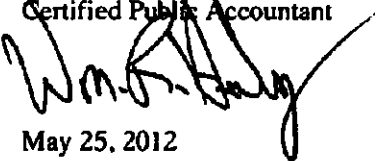
### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Lincoln Parish Detention Center's financial statements are free of material misstatement, I 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 my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed an instance 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 questioned costs as item 11-1.

The Lincoln Parish Detention Center's response to the finding identified in my audit is described in the accompanying schedule of findings and questioned costs. I did not audit the Lincoln Parish Detention Center's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the committee, the Legislative Auditor, the Lincoln Parish Police Jury and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24.513, this report is distributed by the Legislative Auditor as a public document.

WILLIAM R. HULSEY  
Certified Public Accountant

  
May 25, 2012

LINCOLN PARISH DETENTION CENTER  
RUSTON, LOUISIANA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2011

To the Board of Commissioners  
 Lincoln Parish Detention Center  
 Ruston, Louisiana

I have audited the financial statements of the Lincoln Parish Detention Center (the Center), as of and for the year ended December 31, 2011, and have issued my report thereon dated May 25, 2012. I conducted my 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. My audit of the financial statements as of December 31, 2011, resulted in an unqualified opinion.

**SECTION I – Summary of Auditor’s Results**

**A. Report on Internal Control and Compliance Material to the Financial Statements**

Internal Control

Maternal Weakness \_\_\_ yes X no

Significant Deficiencies not considered to be  
 Material Weaknesses \_\_\_ yes X no

Compliance

Compliance Material to Financial Statements X yes \_\_\_ no

**B. Federal Awards**

Maternal Weakness Identified \_\_\_ yes X no

Significant Deficiencies not considered to be  
 Material Weaknesses \_\_\_ yes X no

Type of Opinion on Compliance For Major Programs (No Major Programs)

Unqualified \_\_\_ Qualified \_\_\_

Disclaimer \_\_\_ Adverse \_\_\_

Are their findings required to be reported in accordance with Circular A-133,  
 Section 510 (a)? N/A

**C Identification of Major Programs: N/A**

Name of Federal Program (or cluster)

CFDA Number(s)

Dollar threshold used to distinguish between Type A and Type B Programs N/A

Is the auditee a “low-risk” auditee, as defined by OMB Circular A-133? N/A

LINCOLN PARISH DETENTION CENTER  
RUSTON, LOUISIANA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2011 (CONTINUED)

**SECTION II – Financial Statement Findings**

**11-1 Incomplete Budgets**

**Condition.**

During the 2010 Louisiana Legislative regular session, requirements were added to the state budget law effective January 1, 2011, that required a budget message and a side-by-side detailed comparison of information for the current year, year-to-date actual receipts and revenues received and estimates of all receipts and revenues to be received the remainder of the year; estimated and actual revenues itemized by source; year-to-date actual expenditures and estimates of all expenditures to be made the remainder of the year itemized by agency, department, function, and character; and the percentage change for each item of information. These items were not in the 2011-2012 proposed budget as required

**Effect.**

By not having these items in the proposed budget, the Center is in violation of LA R.S 39:1305 of the state budget law

**Recommendation**

We recommend that when the Center adopts its next year's budget that these items also be included with the budget report

**Response:**

The Detention Center will include these items in the 2011-2012 amended budgets and in next year's adopted budgets.

**SECTION III – Federal Award Findings and Questioned Costs**

No matters were reported

LINCOLN PARISH DETENTION CENTER  
RUSTON, LOUISIANA  
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2011

Internal Control and Compliance Material to Federal Awards

There were not findings for this category

Internal Control and Compliance Material to the Financial Statements

There were not findings for this category.

Management Letter Comments

There were not findings for this category