LINCOLN PARISH DETENTION CENTER
RUSTON, LOUISIANA

Component Unit Financial Statements
For the Year Ended December 31, 2016

William R. Hulsey (A Professional Accounting Corporation) 2303 Justice Avenue Monroe, LA 71201

LINCOLN PARISH DETENTION CENTER
RUSTON, LOUISIANA
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the General Fund, and the nonmajor fund, Inmate Welfare Fund, of the Lincoln Parish Detention Center, a component unit of the Lincoln Parish Police Jury, as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the Lincoln Parish Detention Center's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the General Fund of the Lincoln Parish Detention Center, as of December 31, 2016, and the respective changes in financial position, thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (pages 4-6) and the budgetary comparison information (pages 29-30) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Lincoln Parish Detention Center's basic financial statements. The schedule of compensation, benefits, reimbursements and other payments to agency head or chief executive officer is presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedule of compensation, benefits, and other payments to agency head or chief executive officer are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of compensation, benefits, reimbursements and other payments to agency head or chief executive officer are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 30, 2017, on our consideration of the Lincoln Parish Detention Center's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Lincoln Parish Detention Center's internal control over financial reporting and compliance.

WILLIAM R. HULSEY (APAC)
Certificate Public Accountant

Monroe, Louisiana
May 30, 2017

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, 2016 and 2015. 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 Position 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 POSITION 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 position and changes in them. The Detention Center's net position (the difference between assets and liabilities) measure the Detention Center's financial position. The increases or decreases in the Detention Center's net position are an indicator of whether its financial position is improving or not.

THE DETENTION CENTER AS A WHOLE

For the years ended December 31, 2016 and 2015, net position changed as follows:

	2016	2015
Beginning Net Position (Restated)	$ 3,484,553	$ 2,155,233
Increase (Decrease) in Net Position	392,232	1,329,320
Ending Net Position	$ 3,876,785	$ 3,484,553

THE DETENTION CENTER'S FUNDS

The following schedule presents a summary of the revenues and expenditures for the years ended December 31, 2016 and 2015:

Revenues	2016	Percent of Total	2015	Percent of Total
Sales and use tax	$ 2,378,587	54.88%	$ 2,931,676	61.49%
Intergovernmental: Local grant	100,000	2.27%	100,000	2.09%
Charges for services	1,734,457	42.52%	1,604,811	36.42%
Use of money and property	1,049	.02%	-	0.00%
Other revenues	3,941	1.31%	130,932	2.75%
Total Revenues	$ 4,414,730	100.00%	$ 4,767,420	100.00%

Expenditures	2016	Percent of Total	2015	Percent of Total
Public Safety	$2,715,536	69.42%	$2,662,123	65.85%
Maintenance of Equipment	37,846	4.44%	56,077	1.37%
Prisoner related charges	1,056,176	24.87%	942,498	23.32%
Capital Outlay	81,375	1.27%	370,151	9.15%
Intergovernmental	-	-	12,488	.31%
Total Expenditures	$3,890,933	100.00%	$4,043,337	100.00%

BUDGETARY HIGHLIGHTS

The Detention Center's total revenues in 2016 showed a positive variance of $147,214 when compared to the budgeted amount. Expenditures actually incurred were $57,767 less than the budgeted amount. Prisoner related charges have always represented the major portion of budgeted expenditures and have continued to decrease due to a cooperative agreement with the Lincoln Parish Sheriff Office that went into effect mid-year 2013. Due to an increase in pre-trial detainee population in the last 18 months, the budget for housing adult prisoners has significantly increased. This is due to the cost of housing prisoners out of parish.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At December 31, 2016, the Detention Center had investments in capital assets totaling $5,908,209 ($2,411,427 net of depreciation). The following is a schedule of those assets and the accumulated depreciation recognized as compared to December 31, 2015:

Assets	December 31, 2015 Balance	Additions	Disposals	December 31, 2016 Balance
Land	$ 46,200	-	-	$ 46,200
Construction in Progress	-	-	-	-
Building	3,842,223	-	-	3,842,223
Improvements	1,424,318	-	-	1,424,318
Vehicles	124,627	49,951	-	174,578
Furniture and Fixtures	113,462	-	-	113,462
Machinery & Equipment	276,004	31,424	-	307,428
Total Historical Cost	5,826,834	81,375	-	5,862,009
Less:				
Accumulated Depreciation	(3,313,519)	(183,263)	-	(3,496,782)
Capital Assets, Net	$2,513,315	(101,888)	-	$2,411,427

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

OTHER POST-EMPLOYMENT BENEFITS

In the year ended December 31, 2016, 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 (54.89%) from sales and use taxes. The Center's sales tax revenue had level collections for 2016, decreasing by $553,089 (23%) when compared to 2015. The Center experienced unusually high collections in 2015 attributed mainly to oil and gas exploration activity in the Parish in last year. As expected, the sales tax collected for 2016 was more in line with 2014 and prior years. Until the oil and gas industry activity picks back up in the Parish, sales tax is expected to remain level.

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: Jim Tuten Title: Warden

GOVERNMENT-WIDE FINANCIAL STATEMENTS

LINCOLN PARISH DETENTION CENTER
RUSTON, LOUISIANA

GOVERNMENTAL ACTIVITIES
STATEMENT OF NET POSITION
AS OF DECEMBER 31, 2016

ASSETS	
Cash and cash equivalents	$ 486,752
Receivables, net of allowances for uncollectibles	1,976,133
Other assets	9,546
Capital assets	2,411,427
TOTAL ASSETS	4,883,858
LIABILITIES	
Current liabilities:	
Accounts, salaries, and other payables	252,179
Due to primary government	706,622
Deposits due others	48,272
TOTAL LIABILITIES	1,007,073
NET POSITION	
Net investment in capital assets	2,411,427
Unrestricted net position	1,465,358
TOTAL NET POSITION	$ 3,876,785

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

LINCOLN PARISH DETENTION CENTER
RUSTON, LOUISIANA

GOVERNMENTAL ACTIVITIES
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2016

FUNCTIONS	EXPENSES	PROGRAM REVENUES: CHARGES FOR SERVICES	PROGRAM REVENUES: OPERATING GRANTS AND CONTRIBUTIONS	PROGRAM REVENUES: CAPITAL GRANTS AND CONTRIBUTIONS	NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION
Public safety	$ 4,022,498	$ 1,877,147	$ 100,000	$ -	$ (2,045,351)
		General revenues:			
		Sales tax			2,378,587
		Use of money and property			1,049
		Other revenues			57,947
		Total general revenues			2,437,583
		Change in net position			392,232
		Net position at beginning of year			3,484,553
		Net position at end of year			$ 3,876,785

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

FUND FINANCIAL STATEMENTS

LINCOLN PARISH DETENTION CENTER
RUSTON, LOUISIANA

GOVERNMENTAL FUNDS - BALANCE SHEET
AS OF DECEMBER 31, 2016

	General Fund	Inmate Welfare Fund	Total
ASSETS			
Cash and cash equivalents	$ 430,826	$ 7,654	$ 438,480
Receivables	1,976,133	-	1,976,133
TOTAL ASSETS	$ 2,406,959	$ 7,654	$ 2,414,613
LIABILITIES			
Accounts, salaries, and other payables	$ 252,179	$ -	$ 252,179
Due to primary government	706,622	-	706,622
TOTAL LIABILITIES	958,801	-	958,801
DEFERRED INFLOWS			
Charges for services - unavailable	115,283	-	115,283
FUND EQUITY - FUND BALANCE			
Assigned for inmate welfare	-	7,654	7,654
Unassigned	1,332,873	-	1,332,873
Total fund balance	1,332,873	7,654	1,340,527
TOTAL LIABILITIES AND FUND BALANCE	$ 2,406,957	$ 7,654	$ 2,414,611

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

LINCOLN PARISH DETENTION CENTER
RUSTON, LOUISIANA

RECONCILIATION OF THE GOVERNMENTAL FUNDS' BALANCE SHEET TO THE STATEMENT OF NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2016

Total fund balances - governmental funds	$ 1,340,527
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources	2,411,427
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds	115,283
Long-term liabilities (assets) are not due and payable in the current period and therefore are not reported in the fund statements.	9,548
Net position of governmental activities	$ 3,876,785

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

LINCOLN PARISH DETENTION CENTER
RUSTON, LOUISIANA

GOVERNMENTAL FUNDS - STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2016

	General Fund	Inmate Welfare Fund	Total
Revenues:			
Sales tax	$ 2,378,587	$ -	$ 2,378,587
Local grants	100,000	-	100,000
Charges for services	1,734,457	31,375	1,765,832
Use of money and property	1,029	20	1,049
Other revenues	3,941	500	4,441
Total revenues	4,218,014	31,895	4,249,909
Expenditures:			
Current - public safety:			
Personal services	2,253,037	-	2,253,037
Operating services	957,183	5,225	962,408
Materials and supplies	574,819	22,556	597,375
Travel and other	24,519	1,898	26,417
Capital outlay	81,375	-	81,375
Total expenditures	3,890,933	29,679	3,920,612
Change in fund balance	327,081	2,216	329,297
Fund balance at beginning of year (restated)	1,005,792	5,438	1,011,230
Fund balance at end of year	$ 1,332,873	$ 7,654	$ 1,340,527

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

LINCOLN PARISH DETENTION CENTER
RUSTON, LOUISIANA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2016

Net change in fund balances - total governmental funds	$	329,297
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital outlays		81,375
Depreciation		(183,263)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		115,283
Payments of long-term debt, including contributions to the OPEB obligation, are reported as expenditures in governmental funds. However, these amounts are a reduction of long-term liabilities in the Statement of Net Position and are not reflected in the Statement of Activities.		49,540
Change in net position of governmental activities	$	392,232

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

LINCOLN PARISH DETENTION CENTER
RUSTON, LOUISIANA

FIDUCIARY FUND TYPE - AGENCY FUNDS
STATEMENT OF NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2016

ASSETS	
Cash and cash equivalents	$ 48,272
LIABILITIES	
Deposits due others	$ 48,272

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. 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 the 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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, 2016 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.

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.

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. If the total amount of unused vacation time reaches a "ceiling" equal to two times the annual vacation balance, the excess will be credited to sick leave. Upon termination of employment, employees will be paid for unused vacation time that they are eligible for according to the policy. 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

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, 2016. The Center had cash and cash equivalents in demand deposits, totaling $486,752 at December 31, 2016.

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, 2016, are secured, as follows:

Bank Balances	$ 448,485
FDIC Insurance	250,000
Pledged Securities (uncollateralized)	1,230,478
Total	$1,480,478

NOTE 3 – CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2016 is as follows:

	December 31, 2015 Balance	Additions	Disposals	December 31, 2016 Balance
Non-Depreciable Assets:				
Land	$ 46,200	$ -	$ -	$ 46,200
Depreciable Assets:				
Building	3,842,223	-	-	3,842,223
Improvements	1,424,318	-	-	1,424,318
Vehicles	124,627	49,951	-	174,578
Furniture and Fixtures	113,462	-	-	113,462
Machinery & Equipment	276,004	31,424	-	307,428
Totals at Historical Cost	5,780,634	81,375	-	5,862,009
Less Accumulated Depreciation for:				
Building	(2,852,851)	(86,450)	-	(2,939,301)
Improvements	(186,269)	(62,118)	-	(248,387)
Vehicles	(36,607)	(20,305)	-	(56,911)
Furniture and Fixtures	(102,007)	-	-	(102,007)
Machinery & Equipment	(135,785)	(14,390)	-	(150,176)
Total Accumulated Depreciation	(3,313,519)	(183,263)	-	(3,496,782)
Total assets being depreciated	2,467,115	(101,888)	-	2,365,227
CAPITAL ASSETS, NET	$2,513,315	$(101,888)	$ -	$ 2,411,427

Depreciation was charged to the Public Safety function of the Center for $183,263.

NOTE 4 - ACCOUNTS RECEIVABLE

The accounts receivable at December 31, 2016, are as follows:

Sales and Use Tax	$ 1,366,617
City of Ruston	53,322
Louisiana Department of Corrections	261,510
Other Receivables	294,684
Total	$ 1,976,133

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 Louisiana Sheriffs' Pension and Relief Fund, 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.

NOTE 5 - PENSION PLAN (CONTINUED)

Plan Description (continued)

Under the Louisiana Sheriffs' Pension and Relief Fund, a member is eligible for normal retirement if he has at least 30 years of creditable service regardless of age, or 12 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 Fund 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 Sheriffs' Pension and Relief Fund, 1225 Nicholson Dr., Baton Rouge, LA 70802.

Funding Policy

Under the plan, members are required by state statute to contribute 10.25% of their annual covered salary and the Detention Center is required to contribute at an actuarially determined rate. The current rate is 13.75% of annual covered payroll. The Detention Center began reimbursing the Lincoln Parish Sheriff's Office for salaries and benefits that are paid by the Sheriff for its employees who work at the Center in 2014. The Center's contributions to the System for the years ending December 31, 2016, 2015, and 2014 were $200,286, $213,994, and $192,815, respectively, equal to the required contributions for each year.

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 medical 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.

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. We have used the unblended rates provided and included the actuarial cost 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 based on blended rate (active and retired). The employer pays 100% of the cost of the retiree life insurance, but it is based on this blended rate. Since GASB Codification Section P50 requires the use of "unblended" rates, we have used the 94GAR mortality table described below 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.

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 insurance benefits (the Center's portion of the retiree medical and life insurance 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 2016 and 2015, the Center's portion of health care and life insurance funding cost for retired employees totaled $101,361 and $93,853, respectively.

Effective January 1, 2008, the Center implemented Government Accounting Standards Board Codification Section P50, *Accounting and Financial Reporting by Employers for Post-employment Benefits Other than Pensions* (GASB Codification Section). 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 Codification Section P50. The ARC is the sum of the Normal Cost plus the contribution to amortize the Unfunded Actuarial Accrued Liability (UAAL).

NOTE 8 – POST-EMPLOYMENT BENEFITS (Continued)

A level dollar, open amortization period of 30 years (the maximum amortization period allowed by GASB Codification Section P50) has been used for the post-employment benefits. The actuarially computed ARC is as follows:

	2016	2015
Normal cost	$ 0	$ 0
30-year UAL amortization amount	52,537	50,516
Annual required contribution (ARC)	$ 52,537	$ 50,516

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:

	2016	2015
Beginning Net OPEB Obligation	$ 39,992	$ 84,842
Annual required contribution	52,537	50,516
Interest on Net OPEB Obligation	1,600	3,394
ARC Adjustment	(2,313)	(4,906)
OPEB Cost	51,824	49,003
Contribution to Irrevocable Trust	-	-
Current year retiree premium	(101,361)	(93,853)
Change in Net OPEB Obligation	(49,538)	(44,850)
Ending Net OPEB Obligation	$ (9,545)	$ 39,992

The following table shows the Center's annual other post-employment benefits (OPEB) cost, percentage of the cost contributed, and the net other post-employment benefits (OPEB) liability for last year and this year:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual Cost Contributed	Net OPEB Liability (Asset)
December 31, 2016	$ 51,824	195.59%	$ (9,545)
December 31, 2015	$ 49,003	191.52%	$ 39,992

Funded Status and Funding Progress – In 2016 and 2015, the Center made no contributions to its post-employment benefits plan. The plan is not funded, has no assets, and hence has a funded ratio of zero. Based on the January 1, 2014 actuarial valuation, the most recent valuation, the Actuarial Accrued Liability (AAL) at the end of the year December 31, 2016 was $944,809 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.

NOTE 8 – POST-EMPLOYMENT BENEFITS (Continued)

	2016	2015
Actuarial Accrued Liability (AAL)	$ 944,809	$ 908,470
Actuarial Value of Plan Assets (AVP)	-	-
Unfunded Act. Accrued Liability (UAAL)	$ 944,809	$ 908,470
Funded Ratio (AVP/AAL)	0.00%	0.00%
Covered Payroll (active plan members)	$ 1,277,542	$ 1,295,494
UAAL as a percentage of covered payroll	73.96%	70.13%

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. 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 Codification Section P50.

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 the D.R.O.P., as described above under "Plan Description". Medical benefits are provided to employees upon actual retirement.

NOTE 8 – POST-EMPLOYMENT BENEFITS (Continued)

Investment Return Assumption (Discount Rate) – GASB Codification Section P50 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 a graded schedule beginning with 8% annually, down to an ultimate annual rate of 5.0% for ten years out 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 rates and 50% of the unloaded female mortality rates, is used. This is a recently published mortality table which has been used in determining the value of accrued benefits in defined benefit pension plans. Projected future mortality improvement has not been used since it is our opinion that this table contains sufficiently conservative margin for the population involved in this valuation.

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 Codification Section P50.

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.

NOTE 8 – POST-EMPLOYMENT BENEFITS (Continued)

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

	OPEB Costs and Contributions		
	FY 2014	FY 2015	FY 2016
OPEB Cost	$ 46,337	$ 49,003	$ 51,824
Contribution	0	0	0
Retiree premium	86,901	93,853	101,361
Total contribution and premium	86,901	93,853	101,361
Change in net OPEB obligation	$ -40,564	$ -44,850	$ -49,538
% of contribution to cost	0.00%	0.00%	0.00%
% of contribution plus premium to cost	187.54%	191.52%	195.59%

NOTE 9 – PRIOR PERIOD ADJUSTMENT

During the 2016 audit, it was discovered that three bank accounts: inmate trust funds, transitional work program, and inmate welfare, had not previously been reported. The inmate welfare account became the base for a special revenue fund. That special revenue fund is the only nonmajor fund so its beginning fund balance of $5,438 is a prior period adjustment. The beginning net position of governmental activities was also adjusted to reflect inmate welfare's beginning balance.

NOTE 10 - LITIGATION AND CLAIMS

According to the Parish District Attorney, the Lincoln Parish Detention Center had no pending or threatened litigation as of December 31, 2016.

NOTE 11 – COOPERATIVE AGREEMENT

The Lincoln Parish Detention Center was in a cooperative endeavor agreement with LaSalle Management Company to manage the Detention Center for 10 years beginning June 5, 2008. The Detention Center and LaSalle Management decided to end this agreement as of June 30, 2013, with Lincoln Parish Police Jury paying $100,000 and the Detention Center Commission paying $400,000 to end the agreement. In return, LaSalle settled all amounts owed to the Detention Center amounting to approximately $289,000. The Lincoln Parish Sheriff's Office is now in charge of the daily activities of the Detention Center. The Police Jury has no employees at the Detention Center. The Sheriff's office bills the Detention Center Commission monthly for salaries, benefits, etc. for its employees.

NOTE 12 – SUBSEQUENT EVENTS

Subsequent events have been evaluated through May 30, 2017, 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
FOR THE YEAR ENDED DECEMBER 31, 2016

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL	ACTUAL	
Revenues:				
Sales tax	$ 2,060,000	$ 2,315,000	$ 2,378,587	$ 63,587
Local grants	100,000	100,000	100,000	-
Charges for services	1,461,400	1,654,900	1,734,457	79,557
Use of money and property	70	600	1,029	429
Other revenues	150	300	3,941	3,641
Total revenues	3,621,620	4,070,800	4,218,014	147,214
Expenditures:				
Personal services	2,193,100	2,393,650	2,253,037	(140,613)
Operating services	885,050	952,050	957,183	5,133
Materials and supplies	421,000	526,000	574,819	48,819
Travel and other	20,000	27,000	24,519	(2,481)
Capital outlay	-	50,000	81,375	31,375
Total expenditures	3,519,150	3,948,700	3,890,933	(57,767)
Change in net assets	102,470	122,100	327,081	204,981
Net assets at beginning of year	1,108,062	1,127,892	1,005,792	(122,100)
Net assets at end of year	$ 1,210,532	$ 1,249,992	$ 1,332,873	$ 82,881

LINCOLN PARISH DETENTION CENTER
RUSTON, LOUISIANA
NOTES TO BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2016

Budgetary practices of the Center include public notice of the proposed budget, public inspection of the proposed budget and public hearings on the budge. 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 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 been expanded to a functional basis.

Unused appropriations lapse at the end of 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.

Budget/Actual Unfavorable Variances

When comparing budget to actual revenue and expenditure amounts for the year ended December 31, 2016, the following governmental funds had variances greater than 5%:

	Budget	Actual	Unfavorable Variance
Materials and supplies	$526,000	$574,819	$48,819
Capital outlay	50,000	81,375	31,375

OTHER SUPPLEMENTAL INFORMATION

LINCOLN PARISH DETENTION CENTER
RUSTON, LOUISIANA

FIDUCIARY FUND TYPE - AGENCY FUNDS
COMBINING STATEMENT OF NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2016

	Transitional Work Program Fund	Inmate Trust Fund	Total
ASSETS			
Cash and cash equivalents	$ 16,435	$ 31,837	$ 48,272
LIABILITIES			
Deposits due others	$ 16,435	$ 31,837	$ 48,272

LINCOLN PARISH DETENTION CENTER
RUSTON, LOUISIANA
SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS TO
AGENCY HEAD OR CHIEF EXECUTIVE OFFICER
FOR THE YEAR ENDED DECEMBER 31, 2016

	Jim Tuten Detention Center Warden
Purpose:	
Salary	$ 114,241
Benefits - Insurance	8,954
Benefits - Retirement	30,782
Deferred Compensation	9,219
Benefits - Health Incentive	1,200
State Supplemental Pay	6,000
Total	$ 170,396

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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 Board of Commissioners
Lincoln Parish Detention Center
Ruston, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the General Fund of the Lincoln Parish Detention Center, as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the Lincoln Parish Detention Center's basic financial statements and have issued our report thereon dated May 30, 2017.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Lincoln Parish Detention Center's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Lincoln Parish Detention Center's internal control. Accordingly, we do not express an opinion on the effectiveness of the Lincoln Parish Detention Center's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings as item 2016-001, that we consider to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Lincoln Parish Detention Center's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings as item 2016-001.

Lincoln Parish Detention Center's Response to Findings

Lincoln Parish Detention Center's response to the findings identified in our audit is described in the accompanying schedule of findings. Lincoln Parish Detention Center's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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

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.

WILLIAM R. HULSEY (APAC)
Certificate Public Accountant

Monroe, Louisiana
May 30, 2017

LINCOLN PARISH DETENTION CENTER
RUSTON, LOUISIANA
SCHEDULE OF FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2016

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, 2016, and have issued my report thereon dated May 30, 2017. 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, 2016, 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
Material Weakness _X_ yes ___no
Significant Deficiencies not considered to be
Material Weaknesses ___ yes _X_no
Compliance
Compliance Material to Financial Statements _X_ yes ___no

B. Federal Awards

Material 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

SECTION II – Financial Statement Findings

2016-001 Bank Accounts not Reported

Condition
Prior to 2016, the Center did not report three bank accounts. The accounts hold inmate trust funds, activity of the work release program and inmate welfare funds. The balances in the accounts totaled $43,641 at December 31, 2016.

Criteria
Accounting principles generally accepted in the United States of America require that all revenues, expenditures, assets, liabilities, and equity be captured in the entity's financial statements. Louisiana audit law requires the Center to submit all records to the auditor for examination.

Cause
It appears that internal control policies and procedures were not designed to ensure that all bank accounts were reported.

Effect
Prior financial statements did not include the three bank accounts.

Recommendation
We recommend that management review policies and procedures and revise them as determined necessary.

Management's Response
Because the software used to maintain these three accounts is specific to inmate trust amounts, and outside of our primary accounting software, these were inadvertently omitted from the information provided to be audited. All accounts will be provided in the future, and internal controls to ensure all relevant information is reviewed by management will be implemented.

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, 2016

Internal Control and Compliance Material to Federal Awards

There were no findings for this category.

Internal Control and Compliance Material to the Financial Statements

There were no findings for this category.

Management Letter Comments

There were no findings for this category.