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LINCOLN PARISH DETENTION CENTER  
RUSTON, LOUISIANA

*Component Unit Financial Statements*  
*For the Year Ended December 31, 2005*

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 8-16-06

LINCOLN PARISH DETENTION CENTER  
RUSTON, LOUISIANA  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2005

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**WILLIAM R. HULSEY**

A PROFESSIONAL ACCOUNTING CORPORATION  
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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, 2005, 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.

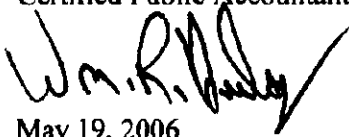
In my opinion, the component unit financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and fund information for the Lincoln Parish Detention Center, as of December 31, 2005, and the respective changes in financial position 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 19, 2006, 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

Management's discussion and analysis and budgetary comparison information on pages 3 through 4 and 18, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, I did not audit the information and express no opinion on it.

WILLIAM R. HULSEY  
Certified Public Accountant



May 19, 2006

**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, 2005 and 2004. 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 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, 2005 and 2004, net assets changed as follows:

	<b>2005</b>	<b>2004</b>
Beginning Net Assets	\$ 2,445,275	\$ 2,215,773
Increase (Decrease) in Net Assets	(176,341)	229,503
Ending Net Assets	\$ 2,268,934	\$ 2,445,276

## THE DETENTION CENTER'S FUNDS

The following schedule presents a summary of the revenues and expenditures for the years ended December 31, 2005 and 2004:

Revenues	2005	Percent of Total	2004	Percent of Total
Sales and use tax	\$ 1,547,933	88.05%	\$ 1,794,813	89.54%
Intergovernmental: Local grant	100,000	5.68%	100,000	4.98%
Charges for services	62,796	3.58%	73,072	3.65%
Rents and royalties	9,174	0.53%	10,590	0.53%
Commissions	33,730	1.92%	21,704	1.08%
Use of money and property	4,103	0.24%	4,256	0.22%
<b>Total Revenues</b>	<b>\$ 1,757,736</b>	<b>100.00%</b>	<b>\$ 2,004,435</b>	<b>100.00%</b>

Expenditures	2005	Percent of Total	2004	Percent of Total
Public Safety	\$ 1,349,812	73.19%	\$ 1,273,984	71.78%
Materials and supplies	29,298	1.59%	72,032	4.06%
Prisoner related charges	410,871	22.28%	300,195	16.91%
Other general	84	0.01%	38	0.00%
Capital Outlay	133,737	2.37%	114,697	6.46%
Intergovernmental	10,275	0.56%	13,986	0.79%
<b>Total Expenditures</b>	<b>\$ 1,934,077</b>	<b>100.00%</b>	<b>\$ 1,774,932</b>	<b>100.00%</b>

## BUDGETARY HIGHLIGHTS

The Detention Center's total revenues in 2005 showed a positive variance of \$100,636 when compared to the budgeted amount. The major contributor was an increase in revenue from sales and use taxes. Expenditures actually incurred were \$42,992 in excess of the budgeted amount with the significant portion of that variance shown in prisoner related charges. Prisoner related charges have continued a trend of sharp increases especially in housing prisoners.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

At December 31, 2005, the Detention Center had investments in capital assets totaling \$4,146,270. The following is a schedule of those assets and the accumulated depreciation recognized as compared to December 31, 2004:

<b>Assets</b>	<b>December 31, 2005 Balance</b>	<b>Additions</b>	<b>Disposals</b>	<b>December 31, 2004 Balance</b>
Land	\$ 46,200			\$ 46,200
Building	3,842,223			3,842,223
Vehicles	50,587			50,587
Machinery & Equipment	207,260	14,155		193,105
Total Historical Cost	4,146,270	14,155		4,132,115
Less:				
Accumulated Depreciation	(2,438,987)	(104,310)		(2,334,677)
Capital Assets, Net	\$ 1,707,283	\$ (90,155)		\$ 1,797,438

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

### **Debt**

At year end, the Detention Center had no liability for compensated absences.

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

The Detention Center's revenues are derived mainly from sales and use taxes. The Center does not anticipate any unusual major increases in the taxes collected such as that experienced in 2005 but rather expects that revenues will return to normal levels.

### **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: Robert W. Levy  
Title: District Attorney



**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

LINCOLN PARISH DETENTION CENTER  
RUSTON, LOUISIANA  
STATEMENT OF NET ASSETS  
DECEMBER 31, 2005

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash	\$ 295,263
Investments	20,000
Accounts receivable	162,982
Prepaid Expenses	124,474
Non-Depreciable Assets	46,200
Depreciable Assets	<u>1,661,083</u>
 TOTAL ASSETS	 <u><u>\$ 2,310,002</u></u>
<b>LIABILITIES</b>	
Accounts payable	\$ 41,050
Due To Other Governments - LPPJ	<u>18</u>
 TOTAL LIABILITIES	 41,068
<b>NET ASSETS</b>	
Invested in Capital Assets, Net of Related Debt	1,707,283
Unrestricted	<u>561,651</u>
 Total Net Assets	 <u><u>2,268,934</u></u>
 TOTAL LIABILITIES AND NET ASSETS	  <u><u>\$ 2,310,002</u></u>

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, 2005

Function/Program Activities	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	
Government Activities:				
Public Safety	<u>\$ 1,934,077</u>	<u>\$ 62,796</u>	<u>\$ 100,000</u>	<u>\$ -</u>
				<u>\$ (1,771,281)</u>

General Revenues:

Sales Taxes	1,547,933
Rents and Royalties	9,174
Commissions	33,730
Interest Earned	4,103
Total General Revenues	<u>1,594,940</u>
Changes in Net Assets	(176,341)
Net Assets - Beginning	<u>2,445,275</u>
Net Assets - Ending	<u>\$ 2,268,934</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, 2005

	<u>General Fund</u>
<b>Assets:</b>	
Cash	\$ 295,263
Invesments	20,000
Accounts Receivable	162,982
Prepaid Expenses	124,474
<b>TOTAL ASSETS</b>	<b>\$ 602,719</b>
 <b>Liabilities and fund equity:</b>	
<b>Liabilities:</b>	
Accounts payable	\$ 41,050
Due To Other Governments - LPPJ	18
Total Liabilities	41,068
 <b>Fund Balances:</b>	
Unreserved, Reported in:	
General Fund	561,651
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>\$ 602,719</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, 2005

Total Governmental Fund Balances	\$ 561,651
<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.	<u>1,707,283</u>
Net Assets of Governmental Activities	<u>\$ 2,268,934</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, 2005

	<u>General Fund</u>
Revenues:	
Special sales and use tax	\$ 1,547,933
Intergovernmental revenues:	
Local grant	100,000
Charges for services	62,796
Rents and royalties	9,174
Commissions	33,730
Use of money and property	4,103
	1,757,736
 Expenditures	
Public safety	
Personal services	1,028,653
Operating services	321,159
Materials and supplies	29,298
Prisoner related charges	410,871
Other general	84
Capital Outlay	43,582
Intergovernmental	10,275
	1,843,922
 Excess of revenues over expenditures	(86,186)
 Fund balances, beginning	647,837
	\$ 561,651
	561,651

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, 2005

Net Change in Fund Balances - Total Governmental Funds	\$ (86,186)
 <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	14,155
Depreciation expense	(104,310)
	(90,155)
 Change in Net Assets in Governmental Activities	 \$ (176,341)



LINCOLN PARISH DETENTION CENTER  
RUSTON, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2005

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, 2005

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, 2005 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, 2005

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, 2005

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.

Fund Equity

Equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- b. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. There were no restricted net assets at December 31, 2005.
- c. Unrestricted net assets – All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

NOTE 2 - CASH

At year end, the carrying amount (book amount) of the Center's deposits was \$295,263, the bank balance was \$319,187. The bank balance is categorized as follows:

Amount Insured by FDIC and FSLIC	\$ 100,000
Amount collateralized with securities held by the pledging financial institution's agent in the Detention Center's name	<u>387,647</u>
Total Bank Balance	<u>\$ 487,647</u>

LINCOLN PARISH DETENTION CENTER  
RUSTON, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2005

NOTE 3 - PROPERTY AND EQUIPMENT

Capital asset activity for the year ended December 31, 2005 is as follows:

	December 31, 2004			December 31, 2005	
	<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	
Vehicles	50,587	-	-	50,587	
Machinery & Equipment	193,105	14,155	-	207,260	
Totals at Historical Cost	4,132,115	14,155	-	4,146,270	
Less Accumulated Depreciation for:					
Building	(2,113,224)	( 96,056)	-	( 2,209,280)	
Vehicles	( 50,273)	( 315)	-	( 50,588)	
Machinery & Equipment	( 171,180)	( 7,939)	-	( 179,119)	
Total Accumulated Depreciation	(2,334,677)	( 104,310)	-	( 2,438,987)	
<b><u>CAPITAL ASSETS, NET</u></b>	<b><u>\$1,797,438</u></b>	<b><u>\$( 90,155)</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 1,707,283</u></b>	

Depreciation was charged to the Public Safety function of the Center for \$104,310.

NOTE 4 - INVESTMENTS

Investing is performed in accordance with investment policies complying with state statutes and the Center's charter. The investments of the Center are categorized to give an indication of the level of risk assumed by the Center at December 31, 2005. The categories are described as follows:

Category 1 – Insured or registered, with securities held by the entity or its agents in the entity's name.

Category 2 – Insured and unregistered, with securities held by the counter-party's trust department or agent in the entity's name.

Category 3 – Uninsured and unregistered, with securities held by the counter-party, in its trust department in the entity's name.

Investments categorized by level of risk, are:

Types of Investments	<u>1</u>	<u>2</u>	<u>3</u>	<u>Carrying Amount</u>	<u>Fair Value</u>
U.S. Gov't Securities	\$ 19,555	\$ -	\$ -	\$ 20,000	\$19,555
Total Investments	<u>\$ 19,555</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,000</u>	<u>\$19,555</u>

LINCOLN PARISH DETENTION CENTER  
RUSTON, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2005

NOTE 5 - ACCOUNTS RECEIVABLE

The account receivable at December 31, 2005, is as follows:

Sales and use tax	<u>\$ 162,982</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 6 - 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.

NOTE 7 - FEDERALLY ASSISTED PROGRAMS

The Center receives significant financial assistance from numerous federal and state governmental agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements. The programs are audited in accordance with the Single Audit Act of 1984 and are subject to further examination by the grantor agency.

NOTE 8 - 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).

LINCOLN PARISH DETENTION CENTER  
RUSTON, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2005

NOTE 8 - DEFERRED COMPENSATION PLAN(Continued)

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 9 - COMPENSATION FOR THE BOARD OF COMMISSIONERS

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

NOTE 10 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budget/Actual Variances

When comparing budget to actual amounts for the year ended December 31, 2005, there were no governmental fund types that had unfavorable variances greater than 5%.

NOTE 11 - LITIGATION AND CLAIMS

According to the Parish District Attorney, the Lincoln Parish Detention Center had no pending or threatened litigation as of December 31, 2005.

**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, 2005**

	<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	\$ 1,312,500	\$ 1,450,000	\$ 1,547,933	\$ 97,933
Intergovernmental:				
Local grant	100,000	100,000	100,000	-
Charges for services	74,000	61,900	62,796	896
Rents and royalties	11,000	9,200	9,174	(26)
Commissions	25,000	32,500	33,730	1,230
Use of money and property	4,000	3,500	4,103	603
<b>Total Revenues</b>	<b>1,526,500</b>	<b>1,657,100</b>	<b>1,757,736</b>	<b>100,636</b>
<b><u>Expenditures (Outflows):</u></b>				
Public Safety				
Personal services	1,110,180	1,038,150	1,028,653	9,497
Operating services	285,400	334,630	321,159	13,471
Materials and supplies	28,500	26,500	29,298	(2,798)
Prisoner related charges	295,500	349,050	410,871	(61,821)
Other general	1,750	100	84	16
Capital Outlay	20,000	43,500	43,582	(82)
Intergovernmental	13,000	9,000	10,275	(1,275)
<b>Total Expenditures</b>	<b>1,754,330</b>	<b>1,800,930</b>	<b>1,843,922</b>	<b>(42,992)</b>
<b><u>Excess of Revenues Over Expenditures</u></b>	<b>(227,830)</b>	<b>(143,830)</b>	<b>(86,186)</b>	<b>57,644</b>
<b><u>Fund Balance at Beginning of Year</u></b>	<b>647,837</b>	<b>647,837</b>	<b>647,837</b>	<b>-</b>
<b><u>FUND BALANCE AT END OF YEAR</u></b>	<b>\$ 420,007</b>	<b>\$ 504,007</b>	<b>\$ 561,651</b>	<b>\$ 57,644</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, 2005

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**

**WILLIAM R. HULSEY**

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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 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, 2005 and have issued my report thereon dated May 19, 2006. 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**

In planning and performing my audit, I considered the Lincoln Parish Detention Center's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by errors or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

**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 no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the board, 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 19, 2006

LINCOLN PARISH DETENTION CENTER  
RUSTON, LOUISIANA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2005

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

**Financial Statements**

Type of auditor’s report issued:	Unqualified
Internal control over financial reporting:	
Material weakness (es) identified?	No
Reportable condition (s) identified that are not considered to be material weakness (es)	None reported
Noncompliance material to financial statements noted?	No

**Federal Awards**

Internal control over major programs:	
Material weakness (es) identified?	NA
Reportable condition (s) identified that are not considered to be material weakness (es)?	NA
Type of auditor’s report issued on compliance for major programs:	NA
Any audit findings disclosed that are required to be reported in accordance with section 510 (a) of Circular A-133?	NA
Dollar threshold used to distinguish between type A and type B programs?	NA
Auditee qualified as low-risk auditee?	No

**SECTION II – Financial Statement Findings**

No matters were reported.

**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, 2005

Internal Control and Compliance Material to Federal Awards

There were not findings for this category.

Internal Control and Compliance Material to the Financial Statements

04-1 Detention Center Cash Receipts and Deposits

Condition:

During the audit it was noted that Detention Center Commissioners investigated and discovered a misappropriation of \$560 in cash from the Work Release Program. One inmate had his delinquent fee of \$560 paid the day before his release in cash after normal working hours. This cash was placed in the vault that night and was missing the next morning.

Recommendation:

The Work Release program should follow internal control procedures set forth by the Lincoln Parish Detention Center. These internal controls prescribe that all receipts for the Work Release Program should be taken during normal operating hours and that all deposits should be made by the personnel in chard of deposits.

Current Status:

The above recommendation was put in place during the year. Deposits are made daily.