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LINCOLN PARISH DETENTION CENTER
BUSTON, LOUISIANA
GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2002

Under provisions of state law this report is a public document. A copy of this report is being submitted to the parish 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 6/30/03

LINCOLN PARISH DETENTION CENTER
RUSTON, LOUISIANA
GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000

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INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Lincoln Parish Detention Center
Baton Rouge, Louisiana

I have audited the accompanying general purpose financial statements of the Lincoln Parish Detention Center, as of and for the year ended December 31, 2002, as listed on the contents page. These general purpose financial statements are the responsibility of the Detention Center's management. My responsibility is to express my opinion on these general purpose 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 general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the accounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall general purpose financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the general purpose financial statements referred to in the first paragraph present fairly in all material respects, the financial position of the Lincoln Parish Detention Center as of December 31, 2002, and the results of its operations for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

WILLIAM B. HULSEY, CPA
Certified Public Accountant



June 9, 2003

LINCOLN PARISH DETENTION CENTER
 BOSTON, LOUISIANA
 COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
 DECEMBER 31, 2002

	General Fund	General Fund Asset Account Group	Totals (Memorandum Only)
Assets:			
Cash	\$ 126,944	\$ -	\$ 126,944
Investments	30,000	-	30,000
Accounts receivable	3,128	-	3,128
Intergovernmental receivable	124,298	-	124,298
Prepaid expenses	37,517	-	37,517
General fund assets	-	4,143,458	4,143,458
TOTAL ASSETS	\$ 311,887	\$ 4,143,458	\$ 4,455,345
Liabilities and Fund Equity:			
Liabilities:			
Accounts payable	\$ 38,819	\$ -	\$ 38,819
State tax refunds payable	-	-	-
Due to other fund	-	-	-
Total liabilities	38,819	-	38,819
Fund Equity:			
Fund Balance:			
Investment in general fund assets	-	4,143,458	4,143,458
Unassigned:			
Undesignated	273,068	-	273,068
Total fund equity	273,068	4,143,458	4,416,526
TOTAL LIABILITIES AND FUND EQUITY	\$ 311,887	\$ 4,143,458	\$ 4,455,345

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

LINCOLN PARISH DETENTION CENTER
 BUSTON, LOUISIANA
 STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2002

Revenues:	
Special sales and use tax	\$ 1,900,150
Intergovernmental:	
Local grant	300,000
Charges for services	60,091
Rents and royalties	8,711
Commissions	20,631
Use of money and property	2,170
Other	-
	<hr/>
Total revenues	1,900,151
<hr/>	
Expenditures:	
Public safety	
Personnel services	802,500
Operating services	171,300
Election expense	-
Materials and supplies	61,250
Prisoner related charges	290,320
Other general	1,119
Capital outlay	8,617
Intergovernmental	10,900
	<hr/>
Total expenditures	1,529,277
<hr/>	
Excess (deficiency) of revenues over expenditures	(38,728)
Fund balance, beginning	300,500
Prior period adjustment	(1,781)
	<hr/>
Fund balance, ending	\$ 271,848

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

LINCOLN PARISH DETENTION CENTER
 HUNTER, LOUISIANA
 STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL - GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2002

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Special sales and use tax	\$ 1,308,000	\$ 1,308,265	\$ 265
Intergovernmental:			
Local Grants	198,000	198,000	-
Charges for services	68,000	68,891	(4,891)
Use of money and property	35,580	68,194	4,614
	<u>1,308,580</u>	<u>1,308,551</u>	<u>29</u>
Total revenues	<u>1,308,580</u>	<u>1,308,551</u>	<u>29</u>
Expenditures:			
Public safety			
Personal services	983,263	982,933	330
Operating services	172,134	171,282	852
Electric expense	-	-	-
Materials and supplies	73,680	61,290	12,390
Prisoner related charge	299,075	299,221	1,854
Other general	1,580	3,139	(1,559)
Capital outlay	8,500	8,607	(107)
Intergovernmental	12,000	19,233	(7,233)
	<u>1,646,074</u>	<u>1,579,277</u>	<u>66,797</u>
Total expenditures	<u>1,646,074</u>	<u>1,579,277</u>	<u>66,797</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (45,574)</u>	<u>(45,574)</u>	<u>\$ (45,574)</u>
Fund balance, beginning		203,583	
Prior period adjustment		<u>(1,781)</u>	
Fund balance, ending		<u>\$ 273,048</u>	

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

LINCOLN PARISH DETENTION CENTER
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2002

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Financial Reporting Entity

This report includes the fund and account group which is controlled by the Board of Commissioners. The accompanying financial statements are intended to present the financial position and results of operations of only the transactions of the Center.

Fund Accounting

The accounts of the Lincoln Parish Detention Center are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprises its assets, liabilities, fund equity, revenues, and expenditures. Revenues are accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The funds presented in the financial statements are described as follows:

Governmental Funds

General Fund

The General Fund is the general operating fund for the Lincoln Parish Detention Center. It is used to account for all financial sources and uses of the Detention Center.

General Fixed Assets

The fixed assets used in governmental fund type operations of the Police Jury are accounted for in the General Fixed Assets Account Group, rather than in the governmental funds. Public domains or infrastructures are not capitalized. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost or estimated historical cost if historical is not available.

LINCOLN PARISH DETENTION CENTER
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2002

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Investments

Louisiana statutes permit the Center to invest in United States' bonds, treasury notes, or certificates, or other obligations of the U.S. Government and agencies of the U.S. Government which are federally insured, and certificates of deposit of state banks having their principal offices in the state of Louisiana, or in central or trust fund institutions which are registered and which have underlying investments limited to securities of the United States Government or its agencies.

The Center's policy is to include short-term interest bearing deposits and treasury notes with a maturity of three months or less as cash.

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.

Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The records of the Lincoln Parish Detention Center are maintained on a modified accrual basis of accounting, whereby revenues are recognized when they become available and measurable. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

Expenditures are recognized when they are incurred.

Funding Policies

The Lincoln Parish Detention Center receives its monies through sales and use taxes, local grants, and state reimbursement for the detention of state prisoners held in the parish detention center.

LINCOLN PARISH DETENTION CENTER
BUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2002

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgetary Practices

Budgetary practices of the Lincoln Parish Detention 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 Lincoln Parish Detention Center Commission. Budgeted amounts shown in the accompanying financial statements include original adopted budget amounts and all subsequent amendments.

The Commission 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 been 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.

Compensated Absences

The following annual and sick leave policies are in effect:

Employees accrue from five to fifteen days of annual sick leave each year depending on years of service with the Detention Center. Annual leave or sick leave can accumulate up to sixty days. Upon separation, all unused sick leave lapses.

A provision for the compensated absences has been determined to be immaterial by the Detention Center, therefore, no provision has been included in these general purpose financial statements.

LINCOLN PARISH DETENTION CENTER
 BUSTON, LOUISIANA
 NOTES TO FINANCIAL STATEMENTS (Continued)
 FOR THE YEAR ENDED DECEMBER 31, 2002

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Memorandum Only - Total Columns

The total columns on the combined statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

NOTE 2 - INTERGOVERNMENTAL RECEIVABLE

The intergovernmental receivable at December 31, 2002, consisted of the following:

Sales and use tax	\$ 123,868
Lincoln Parish Sheriff	<u>1,239</u>
Total	<u>\$ 124,258</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 3 - DEPOSITS WITH FINANCIAL INSTITUTIONS

At year end, the carrying amount (book amount) of the Detention Center's deposits was \$126,944 while the bank balance was \$164,301. The bank balance is categorized as follows:

Amount insured by FDIC	\$ 100,000
Amount collateralized with securities held by the pledging financial institution's agent in the Detention Center's name	<u>64,301</u>
Total bank balance	<u>\$ 164,301</u>

LINCOLN PARISH DETENTION CENTER
 BUSTON, LOUISIANA
 NOTES TO FINANCIAL STATEMENTS (Continued)
 FOR THE YEAR ENDED DECEMBER 31, 2002

NOTE 4 - INVESTMENTS

Investing is performed in accordance with investment policies complying with state statutes and the Detention Center's charter. The investments of the Detention Center are categorized to give an indication of the level of risk assumed by the Detention Center at December 31, 2002. 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 - Uninsured 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	1	Category 2	3	Carrying Amount	Fair Value
Mortgage backed securities	\$ -	\$ -	\$ -	\$ -	\$ -
U.S. Government securities	20,000	-	-	20,000	20,000
Total Investments	\$ 20,000	\$ -	\$ -	\$ 20,000	\$ 20,000

NOTE 5 - CHANGES IN GENERAL FIXED ASSETS

A summary of the changes in the General Fixed Asset Account Group is as follows:

	Balance 12/31/01	Additions	Deletions	Balance 12/31/02
Land	\$ 46,200	\$ -	\$ -	\$ 46,200
Buildings	3,842,223	-	-	3,842,223
Furniture and equipment	138,239	650	-	138,889
Improvements	11,685	2,128	-	13,813
Machinery and equipment	88,287	5,828	-	94,115
Total	\$ 4,134,834	\$ 8,606	\$ -	\$ 4,143,440

LINCOLN PARISH DETENTION CENTER
BUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2002

NOTE 6 - PENSION PLAN

Parochial Employees' Retirement System of Louisiana

Plan description

The Parochial Employees' Retirement System, a Public Employees Retirement System, is a cost sharing multiple-employer plan that is governed by the Louisiana Revised Statutes, Title II, Sections 1901 through 2012, 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 the 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 Lincoln Parish Detention Center's total payroll for the year ended December 31, 2002, was \$720,487, of which 180% was the covered payroll for employers in the Parochial Retirement System. The Detention Center has 23 employees covered under this retirement system.

NOTE 7 - LITIGATION

According to the Parish District Attorney, the Detention Center had no pending or threatened litigation as of December 31, 2002.

NOTE 8 - COMPENSATION FOR THE COMMISSION

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

NOTE 9 - FEDERALLY ASSISTED PROGRAMS

The Detention Center has no federally financial assisted programs, therefore, no schedule of federally assisted program activity has been presented in accordance with the Office of Management and Budget Circular A-133, "Audits of State and Local Governments".

LINCOLN PARISH DETENTION CENTER
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2002

NOTE 10 - 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 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.

The deferred compensation plan is administered by PERSCO (Public Employee Benefit Service Corporation) and Hartford, Inc. Under the terms of an IRC Section 457 deferred compensation plan, all deferred compensation and income attributable to the investment of the deferred compensation amounts held by the financial institution, until paid or made available to the employees or beneficiaries, are the property of the Center, subject only to the claims of the Center's general creditors. In addition, the participants in the plan have rights equal to those of the general creditors of the Center, and each participant's rights are equal to his or her share of the fair market value of the plan assets. The Center believes that it is unlikely that plan assets will be needed to satisfy claims of general creditors that may arise.

As part of its fiduciary role, the Center has an obligation of due care in selecting the third-party administrator. In the opinion of the Center's legal counsel, the Center has acted in a prudent manner and is not liable for losses that may arise from the administration of the plan.

NOTE 11 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budget/Actual Unfavorable Variances

When comparing budget to actual amounts for the year ended December 31, 2002, the General Fund had no unfavorable variances greater than 9%.

NOTE 12 - PRIOR PERIOD ADJUSTMENT

An error in prisoner related charges, which resulted in an overstatement of the previously reported fund balance, was discovered during the current year. Accordingly, an adjustment of \$1,791 was made during 2002, to reduce the previously reported fund balance.

WILLIAM R. HULSEY

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CERTIFIED PUBLIC ACCOUNTANTS

**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL
REPORTING 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 Lincoln Parish Detention Center as of and for the year ended December 31, 2002, and have issued my report thereon dated June 9, 2003. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether 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 grants, 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*.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered 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 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 traced no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

This report is intended for the information of management, the Board of Commissioners, the Lincoln Parish Police Jury, and the Louisiana Legislative Auditor. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

WILLIAM R. HULSEY
Certified Public Accountant



June 8, 2003