

LINCOLN PARISH DETENTION CENTER
RUSTON, LOUISIANA

Component Unit Financial Statements
For the Year Ended December 31, 2007

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 8/6/08

LINCOLN PARISH DETENTION CENTER
RUSTON, LOUISIANA
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

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

WILLIAM R. HULSEY
A PROFESSIONAL ACCOUNTING CORPORATION
2203 JUSTICE AVENUE
MONROE, LOUISIANA 71201

P. O. BOX 2253
MONROE, LOUISIANA 71207
wrh@hulseycpa.com
(318) 362-9900
FAX (318) 362-9921

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, 2007, 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.

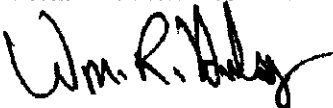
In my opinion, the component unit financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and fund information for the Lincoln Parish Detention Center, as of December 31, 2007, and the respective changes in financial position 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 30, 2008, 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
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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 30, 2008

**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, 2007 and 2006. Please read it in conjunction with the Lincoln Parish Detention Center's financial statements.

USING THIS ANNUAL REPORT

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

REPORTING THE LINCOLN PARISH DETENTION CENTER AS A WHOLE:

THE STATEMENT OF NET ASSETS AND THE STATEMENT OF ACTIVITIES

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

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

THE DETENTION CENTER AS A WHOLE

For the years ended December 31, 2007 and 2006, net assets changed as follows:

	2007	2006
Beginning Net Assets	\$2,082,024	\$ 2,268,934
Restatement of Beginning Net Assets	-	55,397
Increase(Decrease) in Net Assets	78,185	(242,307)
Ending Net Assets	\$2,160,209	\$ 2,082,024

THE DETENTION CENTER'S FUNDS

The following schedule presents a summary of the revenues and expenditures for the years ended December 31, 2007 and 2006:

Revenues	2007		2006	
		Percent of Total		Percent of Total
Sales and use tax	\$ 2,082,451	88.50%	\$1,798,175	89.35%
Intergovernmental: Local grant	100,000	4.25%	100,000	4.97%
Charges for services	126,595	5.38%	70,927	3.53%
Rents and royalties	10,102	0.43%	8,413	0.42%
Commissions	31,182	1.33%	31,937	1.58%
Use of money and property	2,727	0.11%	3,052	0.15%
Total Revenues	\$ 2,353,057	100.00%	\$2,012,504	100.00%

Expenditures	2007		2006	
		Percent of Total		Percent of Total
Public Safety	\$ 1,502,184	66.03%	\$1,385,564	61.45%
Materials and supplies	31,146	1.37%	35,731	1.59%
Prisoner related charges	612,633	26.93%	703,176	31.18%
Other general	0.00	0.00%	0.00	0.00%
Capital Outlay	118,002	5.19%	119,017	5.28%
Intergovernmental	10,907	0.48%	11,324	0.50%
Total Expenditures	\$ 2,274,872	100.00%	\$2,254,812	100.00%

BUDGETARY HIGHLIGHTS

The Detention Center's total revenues in 2007 showed a positive variance of \$7,857 when compared to the budgeted amount. The major contributor was an increase in revenue from charges for services. Expenditures actually incurred were \$29,893 in excess of the budgeted amount with the significant portion of that variance shown in public safety personal and operating services. Prisoner related charges had shown a trend of sharp increases especially in housing prisoners. This trend, though still very significant, showed a decrease for housing adult prisoners.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At December 31, 2007, the Detention Center had investments in capital assets totaling \$4,198,454 (\$1,544,536 net of depreciation). The following is a schedule of those assets and the accumulated depreciation recognized as compared to December 31, 2006:

Assets	December 31, 2006 Balance	Additions	Disposals	December 31, 2007 Balance
Land	\$ 46,200	-	-	\$ 46,200
Building	3,842,223	-	-	3,842,223
Vehicles	50,587	34,245	-	84,832
Machinery & Equipment	207,260	17,939	-	225,199
Total Historical Cost	4,146,270	52,184	-	4,198,454
Less:				
Accumulated Depreciation	(2,543,185)	(110,733)	-	(2,653,918)
Capital Assets, Net	\$1,603,085	\$(110,733)	-	\$1,544,536

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

Debt

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Detention Center's revenues are derived mainly (88.50%) from sales and use taxes. The Center does not anticipate any unusual major increases in the taxes collected such as that experienced in a prior year 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: Mike Stone
Title: Sheriff

LINCOLN PARISH DETENTION CENTER
RUSTON, LOUISIANA
STATEMENT OF NET ASSETS
DECEMBER 31, 2007

	<u>Governmental Activities</u>
ASSETS	
Cash	\$ 257,949
Investments	19,994
Accounts Receivable	247,927
Prepaid Expenses	152,219
Non-Depreciable Assets	46,200
Depreciable Assets	<u>1,498,336</u>
 TOTAL ASSETS	 <u><u>\$ 2,222,625</u></u>
LIABILITIES	
Accounts Payable	\$ 60,413
Due To Other Governments - LPPJ	<u>2,003</u>
 TOTAL LIABILITIES	 62,416
NET ASSETS	
Invested in Capital Assets, Net of Related Debt	1,544,536
Unrestricted	<u>615,673</u>
 Total Net Assets	 <u>2,160,209</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u><u>\$ 2,222,625</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, 2007

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	\$ 2,274,872	\$ 126,595	\$ 100,000	\$ (2,048,277)

General Revenues:

Sales Taxes	2,082,451
Rents and Royalties	10,102
Commissions	31,182
Interest Earned	2,727
Total General Revenues	<u>2,126,462</u>
Changes in Net Assets	78,185
Net Assets - Beginning (Restated)	<u>2,082,024</u>
Net Assets - Ending	<u>\$ 2,160,209</u>

The accompanying notes are an integral part of this financial statement.

LINCOLN PARISH DETENTION CENTER
RUSTON, LOUISIANA
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2007

	<u>General Fund</u>
ASSETS	
Cash	\$ 257,949
Invesments	19,994
Accounts Receivable	247,927
Prepaid Expenses	<u>152,219</u>
TOTAL ASSETS	<u><u>\$ 678,089</u></u>
 Liabilities and Fund Equity:	
LIABILITIES	
Accounts payable	\$ 60,413
Due To Other Governments - LPPJ	<u>2,003</u>
Total Liabilities	62,416
 FUND BALANCE	
Unreserved, Reported in:	
General Fund	<u>615,673</u>
TOTAL LIABILITIES AND FUND EQUITY	<u><u>\$ 678,089</u></u>

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, 2007

Total Governmental Fund Balances \$ 615,673

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.

1,544,536

Net Assets of Governmental Activities

\$ 2,160,209

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, 2007

	<u>General Fund</u>
Revenues:	
Special Sales and Use Tax	\$ 2,082,451
Intergovernmental Revenues:	
Local Grant	100,000
Charges for Services	126,595
Rents and Royalties	10,102
Commissions	31,182
Miscellaneous Revenue	2,727
Total Revenues	2,353,057
Expenditures	
Public Safety	
Personal Services	1,100,563
Operating Services	401,621
Materials and Supplies	31,146
Prisoner Related Charges	612,633
Capital Outlay	59,453
Intergovernmental	10,907
Total Expenditures	2,216,323
Excess of Revenues Over Expenditures	136,734
Fund Balances, Beginning (Restated)	478,939
Fund Balances, Ending	\$ 615,673

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, 2007

Net Change in Fund Balances - Total Governmental Funds	\$ 136,734
<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	52,184
Depreciation expense	(110,733)
	(58,549)
Change in Net Assets in Governmental Activities	\$ 78,185

The accompanying notes are an integral part of this financial statement.

LINCOLN PARISH DETENTION CENTER
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

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, 2007

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, 2007 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, 2007

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, 2007

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, 2007.
- 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 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, 2007. The Center had cash and cash equivalents in demand deposits, totaling \$257,949 at December 31, 2007.

LINCOLN PARISH DETENTION CENTER
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 2 - CASH AND CASH EQUIVALENTS (continued)

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, 2007, are secured, as follows:

Bank Balances	\$ <u>340,058</u>
FDIC Insurance	100,000
Pledged Securities (uncollateralized)	<u>341,410</u>
Total	\$ <u>441,410</u>

NOTE 3 - INVESTMENTS

Custodial Credit Risk - Investments. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Center's investments in United States government securities are held by the Center's agent in the Center's name. Therefore, the Center had no custodial credit risk related to its investments at December 31, 2007.

Under state law, the Center may invest funds in obligations of the United States, in federally-insured investments, or in time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. At December 31, 2007, the Center had the following investments stated at cost, which approximates market:

United States Government Securities	\$ <u>19,994</u>
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Interest Rate Risk. In accordance with its investments policy, the Center manages its exposure to declines in fair market values by limiting investment portfolio to "money market investments" which are defined as creditworthy, highly liquid investments with maturities of one year or less. Although there may be certain circumstances in which longer-term securities are utilized, the general use of long-term securities shall be avoided.

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

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

LINCOLN PARISH DETENTION CENTER
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 4 - PROPERTY AND EQUIPMENT

Capital asset activity for the year ended December 31, 2007 is as follows:

	December 31, 2006			December 31, 2007
	<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	34,245	-	84,832
Machinery & Equipment	<u>207,260</u>	<u>17,939</u>	-	<u>225,199</u>
Totals at Historical Cost	4,146,270	52,184	-	4,198,454
Less Accumulated Depreciation for:				
Building	(2,305,336)	(96,056)	-	(2,401,392)
Vehicles	(50,588)	(6,278)	-	(56,866)
Machinery & Equipment	<u>(187,261)</u>	<u>(8,399)</u>	-	<u>(195,660)</u>
Total Accumulated Depreciation	<u>(2,543,185)</u>	<u>(110,733)</u>	-	<u>(2,653,918)</u>
<u>CAPITAL ASSETS, NET</u>	<u>\$1,603,085</u>	<u>\$(58,549)</u>	<u>\$ -</u>	<u>\$ 1,544,536</u>

Depreciation was charged to the Public Safety function of the Center for \$110,733.

NOTE 5 - ACCOUNTS RECEIVABLE

The account receivable at December 31, 2007, is as follows:

Sales and Use Tax	\$ 218,549
Other Receivables	<u>29,378</u>
Total	<u>\$ 247,927</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.

LINCOLN PARISH DETENTION CENTER
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 6 - PENSION PLAN (continued)

Plan Description (continued)

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

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

Funding Policy

Under the plan, members are required by state statute to contribute 9.5% of their annual covered salary and the Detention Center is required to contribute at an actuarially determined rate. The current rate is 13.25% of annual covered payroll. The Center's contributions to the System for the years ending December 31, 2007, 2006, and 2005 were \$90,158, \$84,420, and \$83,250, respectively, equal to the required contributions for each year.

NOTE 7 - 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 8 - COMPENSATION FOR THE BOARD OF COMMISSIONERS

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

NOTE 9 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budget/Actual Variances

When comparing budget to actual amounts for the year ended December 31, 2007, there were no governmental fund types that had unfavorable variances greater than 5%.

LINCOLN PARISH DETENTION CENTER
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 10 – POST EMPLOYMENT HEALTH CARE BENEFITS

In addition to the pension benefits described in Note 6, the Lincoln Parish Police Jury provides post-retirement health care benefits through an insurance company, in accordance with state statutes, to all employees who retire from the Police Jury meeting the following:

- After attaining age 60, with at least 10 years of service,
- After attaining age 55, with at least 25 years of service, or
- No age requirement if the employee has provided 30 years of service

The Police Jury contributed \$35,272 in premiums for health care and life insurance. The Police Jury provides postemployment health insurance benefits for 5 retired employees.

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, 2007.

NOTE 12 – SUBSEQUENT EVENT

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

NOTE 13 – PRIOR PERIOD ADJUSTMENT

During the audit for December 31, 2007, it was noted that revenue of \$55,397 from 2006 was received but the corresponding receivable was not adjusted to reflect the revenue collection. A restatement of \$55,397 to beginning net assets has been recorded resulting in an increase of net assets on the government-wide and fund financial statements as follows:

	<u>Government-Wide</u>	<u>Fund</u>
Net Assets Prior to Restatement	\$ 2,026,627	\$ 423,542
Adjustment to Record Prior Year Revenue	<u>55,397</u>	<u>55,397</u>
<u>NET ASSETS RESTATED</u>	<u>\$ 2,082,024</u>	<u>\$ 478,939</u>

LINCOLN PARISH DETENTION CENTER
RUSTON, LOUISIANA
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues (Inflows):</u>				
Special Sales and Use Tax	\$ 1,750,000	\$ 2,100,000	\$ 2,082,451	\$ (17,549)
<u>Intergovernmental Revenues:</u>				
Local Grant	100,000	100,000	100,000	-
Charges for Services	85,000	103,000	126,595	23,595
Rents and Royalties	8,000	9,500	10,102	602
Commissions	30,000	30,000	31,182	1,182
Miscellaneous Revenue	2,500	2,700	2,727	27
Total Revenues	1,975,500	2,345,200	2,353,057	7,857
<u>Expenditures (Outflows):</u>				
<u>Public Safety</u>				
Personal Services	1,114,000	1,085,640	1,100,563	(14,923)
Operating Services	308,100	391,160	401,621	(10,461)
Materials and Supplies	35,000	30,050	31,146	(1,096)
Prisoner Related Charges	737,000	606,930	612,633	(5,703)
Other General	1,500	-	-	-
Capital Outlay	50,000	59,500	59,453	47
Intergovernmental	12,500	13,150	10,907	2,243
Total Expenditures	2,258,100	2,186,430	2,216,323	(29,893)
<u>Excess of Revenues Over Expenditures</u>				
	(282,600)	158,770	136,734	(22,036)
<u>Fund Balance at Beginning of Year (Restated)</u>	<u>478,939</u>	<u>478,939</u>	<u>478,939</u>	<u>-</u>
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ 196,339</u>	<u>\$ 637,709</u>	<u>\$ 615,673</u>	<u>\$ (22,036)</u>

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, 2007

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.

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

WILLIAM R. HULSEY
A PROFESSIONAL ACCOUNTING CORPORATION
2203 JUSTICE AVENUE
MONROE, LOUISIANA 71201

P. O. BOX 2253
MONROE, LOUISIANA 71207
wrh@hulseycpa.com
(318) 362-9900
FAX (318) 362-9921

**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 as of and for the year ended December 31, 2007, and have issued my report thereon dated May 30, 2008. 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 as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Center's internal control over financial reporting. My consideration of internal control included procedures to evaluate the design of controls relevant to an audit of financial statements and to determine whether they have been implemented, but it did not include procedures to test the operating effectiveness of controls, and accordingly, was not directed to discovering significant deficiencies in internal control. Accordingly, I do not express an opinion on the effectiveness of the Center's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

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

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

As part of obtaining reasonable assurance about whether the Lincoln Parish Detention Center's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the committee, the Legislative Auditor, the Lincoln Parish Police Jury and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

WILLIAM R. HULSEY
Certified Public Accountant



May 30, 2008

LINCOLN PARISH DETENTION CENTER
RUSTON, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2007

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, 2007, and have issued my report thereon dated May 30, 2008. 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, 2007, 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 yes no
Significant Deficiencies not considered to be
Material Weaknesses yes no

Compliance

Compliance Material to Financial Statements yes no

B. Federal Awards

Material Weakness Identified yes no
Significant Deficiencies not considered to be
Material Weaknesses yes 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

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, 2007

Internal Control and Compliance Material to Federal Awards

There were not findings for this category.

Internal Control and Compliance Material to the Financial Statements

There were not findings for this category.

Management Letter Comments

There were not findings for this category.