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**Prison District No. 1 of the Sixth
Judicial District of Louisiana
Lake Providence, Louisiana**

**Annual Financial Report
As of and for the Year Ended December 31, 1999**

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.

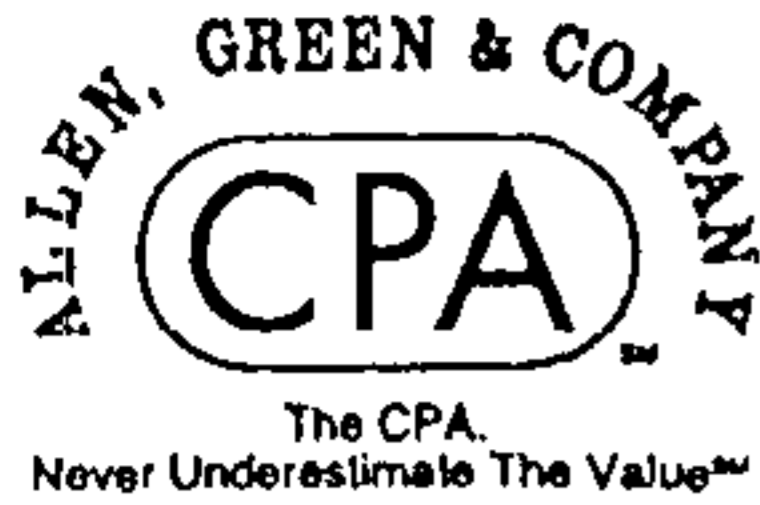
Release Date 8-2-00

**Prison District No. 1 of the Sixth
Judicial District of Louisiana
Lake Providence, Louisiana**

**Annual Financial Report
As of and for the Year Ended December 31, 1999**

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Independent Auditors' Report

Board Members
Prison District No. 1 of the Sixth
Judicial District of Louisiana
Lake Providence, Louisiana

We have audited the accompanying GENERAL-PURPOSE FINANCIAL STATEMENTS of the Prison District No. 1 of the Sixth Judicial District of Louisiana, (the District) Lake Providence, Louisiana, a component unit of the East Carroll Parish Police Jury, as of and for the year ended December 31, 1999. These general-purpose financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

We conducted our 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. Those standards require that we 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 amounts 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 component unit financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general-purpose financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the District, as of December 31, 1999, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated June 15, 2000, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provision of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with Government auditing standards and should be read in conjunction with this report in considering the results of our audit.

Our audit was made for the purpose of forming an opinion on the general-purpose financial statements of the District taken as a whole. The accompanying SUPPLEMENTAL INFORMATION, as listed in the table of contents, is presented for the purpose of additional analysis and is not a required part of the general-purpose financial statements of the District. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general-purpose financial statements taken as a whole.

Board Members
Prison District No. 1 of the Sixth
Judicial District of Louisiana
Lake Providence, Louisiana

Also, the accompanying OTHER INFORMATION as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

Allen, Green + Company, LLP
ALLEN, GREEN & COMPANY, LLP

Monroe, Louisiana
June 15, 2000

PRISON DISTRICT NO. 1 OF THE SIXTH
JUDICIAL DISTRICT OF LOUISIANA
Lake Providence, Louisiana

ALL FUND TYPES AND ACCOUNT GROUPS
Combined Balance Sheet
December 31, 1999

Statement A

	GOVERNMENTAL FUNDS			**ACCOUNT** **GROUP**		TOTAL (MEMORANDUM ONLY)
	GENERAL	SPECIAL REVENUE	FIDUCIARY TRUST AND AGENCY	GENERAL FIXED ASSETS		
ASSETS AND OTHER DEBITS						
Assets						
Cash and cash equivalents	\$ 280,497	\$ 5,794	\$ 0	\$ 0	\$	286,291
Investments	453,015	0	0	0	0	453,015
Accounts receivable	157,788	2,558	0	0	0	160,346
Due from other funds	0	21,721	31,715	0	0	53,436
Inventory	0	5,419	0	0	0	5,419
Land, buildings and equipment	0	0	0	988,111	0	988,111
	<u>0</u>	<u>0</u>	<u>0</u>	<u>988,111</u>	<u>0</u>	<u>988,111</u>
TOTAL ASSETS AND OTHER DEBITS	<u>\$ 891,300</u>	<u>\$ 35,492</u>	<u>\$ 31,715</u>	<u>\$ 988,111</u>	<u>\$</u>	<u>1,946,618</u>
LIABILITIES AND FUND EQUITY						
Liabilities:						
Bank overdraft	\$ 0	\$ 0	\$ 870	\$ 0	\$	870
Accounts payable	16,131	9,997	0	0	0	26,128
Payroll deductions payable	1,477	0	0	0	0	1,477
Due to other funds	29,183	2,532	21,721	0	0	53,436
Due to others	0	0	9,124	0	0	9,124
	<u>0</u>	<u>0</u>	<u>9,124</u>	<u>0</u>	<u>0</u>	<u>9,124</u>
Total Liabilities	<u>\$ 46,791</u>	<u>\$ 12,529</u>	<u>\$ 31,715</u>	<u>\$</u>	<u>0</u>	<u>\$ 91,035</u>
Fund Equity:						
Investment in general fixed assets	\$ 0	\$ 0	\$ 0	\$ 988,111	\$	988,111
Fund Balances:						
Reserved for inventory	0	5,419	0	0	0	5,419
Unreserved and undesignated fund balance	844,509	17,544	0	0	0	862,053
	<u>844,509</u>	<u>17,544</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>862,053</u>
Total Equity and Other Credits	<u>\$ 844,509</u>	<u>\$ 22,963</u>	<u>\$ 0</u>	<u>\$ 988,111</u>	<u>\$</u>	<u>1,855,583</u>
TOTAL LIABILITIES, EQUITY AND OTHER CREDITS	<u>\$ 891,300</u>	<u>\$ 35,492</u>	<u>\$ 31,715</u>	<u>\$ 988,111</u>	<u>\$</u>	<u>1,946,618</u>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**PRISON DISTRICT NO. 1 OF THE SIXTH
JUDICIAL DISTRICT OF LOUISIANA
Lake Providence, Louisiana**

**ALL GOVERNMENTAL FUNDS
Combined Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended December 31, 1999**

Statement B

	<u>GENERAL FUND</u>	<u>SPECIAL REVENUE FUNDS</u>	<u>TOTAL (MEMORANDUM ONLY)</u>
REVENUES			
Local sources:			
Fees, charges, and commissions for services	\$ 1,760,325	\$ 143,610	\$ 1,903,935
Use of money and property	21,804	0	21,804
Other revenues	43,409	158	43,567
Total Revenues	<u>\$ 1,825,538</u>	<u>\$ 143,768</u>	<u>\$ 1,969,306</u>
EXPENDITURES			
Current:			
General government:			
Personal services and related benefits	\$ 851,073	\$ 11,740	\$ 862,813
Operating services	430,142	125,368	555,510
Material and supplies	85,789	275	86,064
Travel and other	38,518	0	38,518
Capital outlay	41,019	0	41,019
Intergovernmental	160,128	0	160,128
Total Expenditures	<u>\$ 1,606,669</u>	<u>\$ 137,383</u>	<u>\$ 1,744,052</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ 218,869	\$ 6,385	\$ 225,254
FUND BALANCES AT BEGINNING OF YEAR	<u>625,640</u>	<u>16,578</u>	<u>642,218</u>
FUND BALANCES AT END OF YEAR	<u>\$ 844,509</u>	<u>\$ 22,963</u>	<u>\$ 867,472</u>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**PRISON DISTRICT NO. 1 OF THE SIXTH
JUDICIAL DISTRICT OF LOUISIANA
Lake Providence, Louisiana**

**GOVERNMENTAL FUNDS - GENERAL FUND
Combined Statement of Revenues, Expenditures, and Changes
in Fund Balances - Budget (Cash) Basis and Actual
For the Year Ended December 31, 1999**

Statement C

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Local sources:			
Fees, charges, and commissions for services	\$ 1,742,960	\$ 1,603,806	(139,154)
Use of money and property	20,600	21,804	1,204
Other revenues	47,362	50,623	3,261
Total Revenues	\$ 1,810,922	\$ 1,676,233	\$ (134,689)
EXPENDITURES			
Current:			
General government:			
Personal services and related benefits	\$ 861,400	\$ 851,073	10,327
Operating services	445,640	437,199	8,441
Material and supplies	85,500	85,789	(289)
Travel and other	2,100	1,730	370
Capital outlay	23,000	26,368	(3,368)
Intergovernmental	160,250	160,128	122
Total Expenditures	\$ 1,577,890	\$ 1,562,287	\$ 15,603
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ 233,032	\$ 113,946	(119,086)
FUND BALANCES AT BEGINNING OF YEAR	625,640	625,640	0
FUND BALANCES AT END OF YEAR	\$ 858,672	\$ 739,586	(119,086)

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**Prison District No. 1 of the Sixth
Judicial District of Louisiana
Lake Providence, Louisiana**

**Notes to the General-Purpose Financial Statements
As of and for the Year Ended December 31, 1999**

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**Prison District No. 1 of the Sixth
Judicial District of Louisiana
Lake Providence, Louisiana**

**Notes to the General-Purpose Financial Statements
As of and for the Year Ended December 31, 1999**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the Prison District No. 1 of the Sixth Judicial District of Louisiana, Lake Providence, Louisiana, have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

A. REPORTING ENTITY

Prison District No. 1 of the Sixth Judicial District of Louisiana was created by the East Carroll Parish Police Jury, as authorized by Louisiana Revised Statute 15:801 et. seq., on February 12, 1930, by ordinance number 1296. The District is governed by a three-member board appointed by the East Carroll Parish Police Jury. Board members receive compensation as provided for by law. The District is responsible for maintaining and operating a prison facility within the limits of East Carroll Parish. The prison houses both state and parish prisoners.

As the governing authority of the parish, for reporting purposes, the East Carroll Parish Police Jury is the financial reporting entity for the Prison District No. 1 of the Sixth Judicial District of Louisiana. The financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the East Carroll 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. This criteria includes:

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.
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.

**Prison District No. 1 of the Sixth
Judicial District of Louisiana
Lake Providence, Louisiana**

**Notes to the General-Purpose Financial Statements
As of and for the Year Ended December 31, 1999**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. REPORTING ENTITY (Continued)

Because the police jury created the District, and appoints the board of governors of the District, and has the ability to impose its will on the District, the District was determined to be a component unit of the East Carroll Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the District 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 East Carroll Parish financial reporting entity.

B. FUNDS AND ACCOUNT GROUPS

The accounts of the District are organized and operated on the basis of funds and account groups. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements. Account groups are a reporting device to account for certain assets and liabilities of the governmental funds not recorded directly in those funds.

The funds of the District are classified into the governmental category. In turn, this category is divided into separate fund types. The fund and account group classifications and a description of each existing fund type follow:

Governmental Funds

Governmental funds are used to account for the District's general government activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term debt. Governmental funds include:

General fund — the general operating fund of the District. It accounts for all activities except those required to be accounted for in other funds.

Commissary special revenue fund — is used to account for the sales of concession and personal items to the inmates of the prison. Funds derived from this fund are used solely for the benefit of the inmates.

Fiduciary Fund

Inmate trust account agency fund — is used to account for monies held for the inmates during their term of incarceration. It is custodial in nature (i.e., assets equal liabilities) and does not involve measurement of operations.

**Prison District No. 1 of the Sixth
Judicial District of Louisiana
Lake Providence, Louisiana**

**Notes to the General-Purpose Financial Statements
As of and for the Year Ended December 31, 1999**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. FUNDS AND ACCOUNT GROUPS (Continued)

Account Groups

The *general fixed assets account group* is use to account for fixed assets not accounted for in proprietary or trust funds.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available.") "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The government considers all revenues available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Revenues for prisoner care and other fees, charges, and commissions for services are recorded when the District is entitled to the funds.

Interest income on demand and time deposits are recorded when the interest has been earned and the amount is determinable.

Based on the above criteria, fees, charges, and commissions for services have been treated as susceptible to accrual.

Expenditures

Expenditures are generally recognized under the modified accrual basis when the related fund liability is incurred.

**Prison District No. 1 of the Sixth
Judicial District of Louisiana
Lake Providence, Louisiana**

**Notes to the General-Purpose Financial Statements
As of and for the Year Ended December 31, 1999**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. BUDGETS

A preliminary budget for the ensuing year is prepared by the District's secretary prior to December 31 of each year and is made available for public inspection at least fifteen days prior to the beginning of each fiscal year. The proposed budget is prepared on the cash basis of accounting. The budget is established and controlled by the board of governors at the object level of expenditure. Encumbrance accounting is not used by the District. Appropriations lapse at year-end and must be reappropriated for the following year to be expended. All changes in the budget must be approved by the board of governors.

Formal budgetary integration (within the accounting records) is employed as a management control device during the year. Budgeted amounts included in the accompanying financial statements include the original adopted budget amounts and all subsequent amendments.

For the year ended December 31, 1999, a cash basis budget was adopted for the District's general fund. No budget was adopted for the commissary special revenue fund which is a violation of state statute.

E. CASH AND CASH EQUIVALENTS

Cash includes amounts in demand deposits and interest-bearing demand deposits, and time deposit accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the District may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Under state law, the District may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are stated at cost.

F. INVESTMENTS

Investments are limited by R.S. 33:2955 and the District's investment policy. If the original maturities of investments exceed 90 days they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

The investments are reflected at fair value except for the following which are required/permitted as per GASB Statement No. 31:

1. Investments in *nonparticipating* interest-earning contracts, such as nonnegotiable certificates of deposit with redemption terms that do not consider market rates, are reported using a cost-based measure.
2. The District reported at amortized cost money market investments and *participating* interest-earning investment contracts that have a remaining maturity at time of purchase of one year or less.

**Prison District No. 1 of the Sixth
Judicial District of Louisiana
Lake Providence, Louisiana**

**Notes to the General-Purpose Financial Statements
As of and for the Year Ended December 31, 1999**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. INVESTMENTS (Continued)

Definitions:

Interest-earning investment contracts include time deposits with financial institutions (such as certificates of deposit), repurchase agreements, and guaranteed investment contracts.

Money market investments are short-term, highly liquid debt instruments that include U. S. Treasury obligations.

The District participates in the Louisiana Asset Management Pool, Inc., (LAMP) which is an external investment pool that is not SEC-registered. Because the LAMP is an arrangement sponsored by a type of governmental entity, it is exempt by statute from regulation by the SEC.

The investment objective of the LAMP is the preservation of capital and the maintenance of liquidity and, to the extent consistent with such objective, current yield.

The LAMP was established as a cooperative endeavor to enable public entities of the state of Louisiana to aggregate funds for investment. This pooling is intended to improve administrative efficiency and increase investment yield. The Board of Directors of LAMP provides certain management and administrative services to LAMP and, through a competitive bidding process, selects a custodial bank and an investment advisor. The custodial bank holds the assets of LAMP and the investment decisions are made by the investment advisor. Both the custodial bank and the investment advisor are subject to the review and oversight of LAMP.

An audit of LAMP is conducted annually by an independent certified public accountant. The Legislative Auditor of the state of Louisiana has full access to the records of the LAMP.

The LAMP may invest in U. S. Government Securities. The LAMP is designed to comply with restriction on investment by municipalities, parishes, and other types of political subdivisions imposed under Louisiana Revised Statute 33:2955.

The LAMP seeks to maintain a stable net asset value of \$1.00 per unit, but there can be no assurance that the LAMP will be able to achieve this objective. The LAMP's portfolio securities are valued at market value even though the amortized cost method is permitted by Rule 2a-7 of the Investment Company Act of 1940, as amended, which governs money market mutual funds (although the LAMP is not a money market fund and has no obligation to conform to this rule). The LAMP generally complies with other aspects of that rule, including the requirements that all portfolio securities acquired by the LAMP must have, at the time of purchase, a maximum remaining maturity of 397 days and meet certain additional quality standards and that the LAMP maintain a dollar-weighted average portfolio maturity of not more than 90 days.

The fair value of the position in the pool is the same as the value of the pool shares.

**Prison District No. 1 of the Sixth
Judicial District of Louisiana
Lake Providence, Louisiana**

**Notes to the General-Purpose Financial Statements
As of and for the Year Ended December 31, 1999**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. INVENTORY

All purchased inventory items are valued at cost using the first-in, first-out (FIFO) method.

H. FIXED ASSETS

General fixed assets are not capitalized in the fund used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures (capital outlay) in the governmental fund and the related assets are reported in the general fixed assets account group. All purchased fixed assets are valued at historical cost. No depreciation has been provided on general fixed assets. *Approximately 8% of general fixed assets are valued at actual historical cost while the remaining 92% are valued at estimated cost, based on the actual historical cost of like items.* The cost of normal maintenance and repairs that do not add to the value of fixed assets or materially extend their useful lives are not capitalized.

I. COMPENSATED ABSENCES

All full-time employees of the District earn vacation leave at rates varying from one to ten to 20 days per year, depending on length of service. Vacation leave cannot be accumulated. In addition, all employees receive sick leave as needed at the discretion of the District board of governors.

The cost of leave privileges is recognized as a current-year expenditure within the various funds when leave is actually taken.

J. FUND EQUITY

Reserves represent those portions of fund equity that are not appropriable for expenditures or that are legally segregated for a specific purpose.

Designated fund balances represent tentative management plans for future use of financial resources and are subject to change.

K. USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles 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 statement and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

**Prison District No. 1 of the Sixth
Judicial District of Louisiana
Lake Providence, Louisiana**

**Notes to the General-Purpose Financial Statements
As of and for the Year Ended December 31, 1999**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. MEMORANDUM ONLY - TOTAL COLUMNS

The total columns on the general-purpose financial statements are captioned as "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present information that reflects financial position, results of operations or cash flows in accordance with generally accepted accounting principles. Interfund eliminations have not been made in the aggregation of this data.

NOTE 2 - CASH

At December 31, 1999, the District had cash and cash equivalents (book balances) totaling \$285,421 as follows.

Demand deposits	\$284,873
Petty cash	548
Time deposits	<u>198,385</u>
Total deposits	483,806
Less: time deposits classified as investments	<u>198,385</u>
Total cash and cash equivalents, including cash overdraft per Statement A	<u>\$285,421</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits, or the resulting bank balances, must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. 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.

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, 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 District that the fiscal agent has failed to pay deposited funds upon demand.

At year-end, the District's carrying amount of deposits was \$285,421 and the bank balance was \$578,036. Of the bank balance, \$203,387 was covered by federal depository insurance. The remaining balance of \$374,649 was collateralized with securities held by the pledging financial institution's trust department or agent but not in the District's name (GASB Category 3).

**Prison District No. 1 of the Sixth
Judicial District of Louisiana
Lake Providence, Louisiana**

**Notes to the General-Purpose Financial Statements
As of and for the Year Ended December 31, 1999**

NOTE 3 - INVESTMENTS

Investments are categorized into these three categories of credit risk:

1. Insured or registered, or securities held by the District or its agent in the District's name.
2. Uninsured and unregistered, with securities held by the counter party's trust department or agent in the District's name.
3. Uninsured and unregistered, with securities held by the counter party, or by its trust department or agent but not in the District's name.

At year end, the District investment balances were as follows:

<u>Type of investment</u>	<u>Category</u>			<u>Carrying Amount</u>		<u>Total Carrying Amount</u>
	<u>1</u>	<u>2</u>	<u>3</u>	<u>Fair Value</u>	<u>Cost</u>	
Certificate of deposit	\$ -	\$198,385	\$ -	\$ -	\$198,385	\$198,385
Total	<u>\$ -</u>	<u>\$198,385</u>	<u>\$ -</u>			
Investments not subject to categorization:						
External investment pool (LAMP)				<u>254,630</u>	<u>-</u>	<u>254,630</u>
Total investments				<u>\$254,630</u>	<u>\$198,385</u>	<u>\$453,015</u>

NOTE 4 - RECEIVABLES

The receivables of \$160,346 at December 31, 1999, are as follows:

<u>Class of Receivable</u>	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total</u>
Fees and charges	\$157,788	\$ -	\$157,788
Other	<u>-</u>	<u>2,558</u>	<u>2,558</u>
Total	<u>\$157,788</u>	<u>\$2,558</u>	<u>\$160,346</u>

**Prison District No. 1 of the Sixth
Judicial District of Louisiana
Lake Providence, Louisiana**

**Notes to the General-Purpose Financial Statements
As of and for the Year Ended December 31, 1999**

NOTE 5 - FIXED ASSETS

The changes in general fixed assets are as follows:

	<u>Balance Beginning</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance Ending</u>
Land and improvements	\$120,990	\$ -	\$ -	\$120,990
Buildings	589,496	-	-	589,496
Furniture and equipment	<u>236,606</u>	<u>41,019</u>	-	<u>277,625</u>
Total	<u>\$947,092</u>	<u>\$41,019</u>	<u>\$ -</u>	<u>\$988,111</u>

NOTE 6 - RETIREMENT SYSTEMS

Substantially all employees of the District are members of the Parochial Employees Retirement System of Louisiana (System), a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. The System is composed of two district plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the District are members of Plan A.

All permanent employees working at least 28 hours per week who are paid wholly or in part from parish funds and all elected parish officials are eligible to participate in the System. Under Plan A, employees who retire at or after age 60 with at least 10 years of creditable service, at or after age 55 with at least 25 years of creditable service, or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3% of their final average salary for each year of creditable service. However, for those employees who were members of the supplemental plan only before January 1, 1980, the benefit is equal to 1% of final average salary plus \$24 for each year of supplemental-plan-only service earned before January 1, 1980, plus 3% of final-average salary for each salary for each year of service credited after the revision date. Final average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefits accrued to their date of termination. The system also provides death and disability benefits. Benefits are established or amended by state statute.

**Prison District No. 1 of the Sixth
Judicial District of Louisiana
Lake Providence, Louisiana**

**Notes to the General-Purpose Financial Statements
As of and for the Year Ended December 31, 1999**

NOTE 6 - RETIREMENT SYSTEMS (Continued)

Under Plan A, members are required by state statute to contribute 9.50% of their annual covered salary and the District is required to contribute at an actuarially determined rate. The current rate is 7.25% of annual covered payroll. Contributions to the system also include one-fourth of 1% (except Orleans and East Baton Rouge Parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active member of each plan. The contribution requirements of plan members and the District are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The District's contributions to the System under Plan A for the years ending December 31, 1999, 1998, and 1997 were \$52,022, \$48,153, and \$39,783, respectively, equal to the required contributions for each year.

The system issues an annual publicly available report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Parochial Employees' Retirement System of Louisiana, Post Office Box 14619, Baton Rouge, Louisiana 70898-4619, or by calling (225) 928-1361.

NOTE 7 - OTHER POSTEMPLOYMENT BENEFITS

The District provides certain continuing health care and life insurance benefits for its retired employees. Substantially all of the District's employees become eligible for these benefits if they reach normal retirement age while working for the District. These benefits for retirees and similar benefits for active employees are provided through an insurance company whose monthly premiums are paid jointly by the employee and by the District. The District recognizes the cost of providing these benefits for the retirees as an expenditure when paid during the year. The District had expenditures of \$1,448 for one retiree.

NOTE 8 - COMPENSATED ABSENCES

At December 31, 1999, the District had no employee leave benefits requiring recognition in accordance with GASB Codification Section C60.

NOTE 9 - INTERFUND ASSETS/LIABILITIES

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Special revenue		
Inmate commissary	Inmate trust	\$21,721
Agency fund		
Inmate trust	General fund	29,183
	Inmate commissary	<u>2,532</u>
		<u>\$53,436</u>

**Prison District No. 1 of the Sixth
Judicial District of Louisiana
Lake Providence, Louisiana**

**Notes to the General-Purpose Financial Statements
As of and for the Year Ended December 31, 1999**

NOTE 10 - CHANGES IN DEPOSITS DUE OTHERS

A summary of changes in inmate trust account agency fund deposits due others is as follows:

Balance at January 1, 1999	\$ 6,381
Additions	113,703
Deletions	<u>(120,954)</u>
 Balance at December 31, 1999	 <u><u>\$(870)</u></u>

NOTE 11 - BUDGETS TO ACTUAL RECONCILIATION

Budget comparison statements included in the accompanying financial statements include the original adopted budgets and all subsequent amendments. The following reconciles the excess of revenues and other sources over expenditures and other uses as shown on budgetary comparison Statement C (cash) to the same amounts shown on Statement B (GAAP basis):

	<u>General Fund</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses (cash)	\$ 113,946
Adjustments:	
Receivables	149,305
Payables	<u>(44,382)</u>
 Excess of revenues and other sources over expenditures and other uses (GAAP) basis	 <u><u>\$ 218,869</u></u>

NOTE 12 - LITIGATION AND CLAIMS

At December 31, 1999, the District is not involved in any lawsuits.

**Prison District No. 1 of the Sixth
Judicial District of Louisiana
Lake Providence, Louisiana**

SUPPLEMENTAL INFORMATION

**Prison District No. 1 of the Sixth
Judicial District of Louisiana
Lake Providence, Louisiana**

**Compensation Paid Board Members
For the Year Ended December 31, 1999**

The schedule of compensation paid board members is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature.

The board members serve without compensation. A \$50 per month per board member reimbursement is made to the general fund of the East Carroll Parish Police Jury.

Bobby L. Moore

Joseph G. Jackson

Billy Travis

**Prison District No. 1 of the Sixth
Judicial District of Louisiana
Lake Providence, Louisiana**

**OTHER REPORT REQUIRED BY
GOVERNMENT AUDITING STANDARDS**

The following is a report on compliance and on internal control over financial reporting based on an audit of financial statements performed in accordance with Government Auditing Standards, issued by the Comptroller General of the United States. The section of the report on compliance is based solely on the audit of the general-purpose financial statements and presents, where applicable, compliance matters that would be material to the general-purpose financial statements. The section of the report on internal control over financial reporting is, likewise, based solely on the audit of the general-purpose financial statements and includes, where appropriate, any reportable conditions and/or material weaknesses.



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1963 - 2000

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 Members

Prison District No. 1 of the Sixth
Judicial District of Louisiana
Lake Providence, Louisiana

We have audited the general-purpose financial statements of Prison District No. 1 of the Sixth Judicial District of Louisiana, Lake Providence, Louisiana, a component unit of the East Carroll Parish Police Jury, as of and for the year ended December 31, 1999, and have issued our report thereon dated June 15, 2000. We conducted our 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 the District's general-purpose financial statements are free of material misstatement, we 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 our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under Government Auditing Standards which is described in condition 99-F3.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the District's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying Schedule of Findings and Questioned Costs as items 99-F1, 99-F2 and 99-F4.

Board Members
Prison District No. 1 of the Sixth
Judicial District of Louisiana
Lake Providence, Louisiana

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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions described above we consider 99-F1 to be a material weakness.

This report is intended solely for the information and use of the Board members, management, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Allen, Green + Company, LLP

ALLEN, GREEN & COMPANY, LLP

Monroe, Louisiana
June 15, 2000

**Prison District No. 1 of the Sixth
Judicial District of Louisiana
Lake Providence, Louisiana**

**Schedule of Findings and Questioned Costs
As of and for the Year Ended December 31, 1999**

PART II - Findings related to the financial statements which are required to be reported in accordance with Generally Accepted Government Auditing Standards:

Reference # and title: 99-F1 Financial Records

Entity-wide or program/department specific: This finding is specific to the commissary special revenue fund and the inmate trust account agency fund.

Criteria or specific requirement: Strong internal controls require receipts and disbursements to be recorded timely, deposits to be made timely and bank accounts to be reconciled to the general ledger in a timely manner. A physical inventory for the commissary should be conducted at certain intervals and reconciled to the general ledger balance.

Condition found: Activity for the commissary special revenue fund and the inmate trust account agency fund is entered on Quickbooks from the information in the manual checkbook. Deposits for July through December were not entered on the Quickbooks register nor on the manual check register. Cash balances for these accounts were not maintained during this time period. The bank accounts also were not reconciled to the general ledger. Deposits were also not made timely.

For the time period January through June, purchases and sales from inventory were maintained by item on Quickbooks. In July through December, only the sales from inventory were recorded on Quickbooks. A physical inventory was taken at certain intervals but was not reconciled to the general ledger. No physical inventory was taken at December 31, 1999 to support the general ledger balance.

Possible asserted effect (cause and effect):

Cause: This situation is the result of employee turnover.

Effect: Bills could not be paid in a timely manner because the cash balance information was not available. The general fund recorded a payable to the inmate trust fund for amounts due to inmates and the amount due to the commissary. Support for the ending balance of inventory could not be provided.

Recommendations to prevent future occurrences: Accounting for the commissary and inmate trust bank accounts should be performed by an employee with bookkeeping knowledge. Receipts and disbursements should be recorded as incurred and bank accounts reconciled in a timely manner. We recommend the accounting for the commissary and inmate trust funds be done by East Carroll Parish Police Jury personnel.

Physical inventories should be reconciled to the general ledger and any discrepancies resolved in a timely manner.

**Prison District No. 1 of the Sixth
Judicial District of Louisiana
Lake Providence, Louisiana**

**Schedule of Findings and Questioned Costs
As of and for the Year Ended December 31, 1999**

PART II - Findings related to the financial statements which are required to be reported in accordance with Generally Accepted Government Auditing Standards:

Reference # and title: 99-F2 Vendor Disbursements

Entity-wide or program/department specific: This finding is entity-wide.

Criteria or specific requirement: For adequate internal control, disbursements should have sufficient documentation and have approval for payment.

Condition found: In the general fund, the following was found:

1. Two checks with only one signature.
2. One check with no purchase order.
3. One instance of disbursement not approved by appropriate personnel.
4. One instance in which invoice amount did not agree to check amount.
5. Eight instances in which payment was made from a copy of an invoice, not the original invoice.
6. Four instances in which the invoice was not paid timely.
7. One instance in which the charge was not supported by evidence of receipt of goods.

In the commissary special revenue fund, the following was found:

1. Seven instances of documentation not provided.
2. Four instances where canceled check could not be provided.
3. Eight instances of documentation not canceled to aid in prevention of duplicate payments.
4. Two instances of disbursement not approved by appropriate personnel.
5. Eleven instances in which the invoice was not paid timely.

Proper perspective for judging the prevalence and consequences: From a total population of approximately 1,500 checks, 60 were selected for testing.

Possible asserted effect (cause and effect):

Cause: The cause is unknown.

Effect: The District is not retaining sufficient documentation for disbursements.

Recommendations to prevent future occurrences: All disbursements should have sufficient documentation before the disbursement is made. Payments should be made from copies of invoices only on rare occasions. The documentation should be approved by the appropriate personnel. The documentation should be canceled to prevent duplicate payment and all documentation retained.

**Prison District No. 1 of the Sixth
Judicial District of Louisiana
Lake Providence, Louisiana**

**Schedule of Findings and Questioned Costs
As of and for the Year Ended December 31, 1999**

PART II - Findings related to the financial statements which are required to be reported in accordance with Generally Accepted Government Auditing Standards:

Reference # and title: 99-F3 Need to Comply with Local Government Budget Act

Entity-wide or program/department specific: This finding is specific to the commissary special revenue fund.

Criteria or specific requirement: LSA-R.S. 39.1304 requires the District to adopt a budget for the general fund and all special revenue funds.

Condition found: The District did not adopt a budget for the commissary special revenue fund for the year ended December 31, 1999.

Proper perspective for judging the prevalence and consequences: The commissary special revenue fund had \$143,768 of revenue and \$138,207 of expenditures.

Possible asserted effect (cause and effect):

Cause: The cause is unknown.

Effect: The District is in violation of LSA-R.S. 39.1304.

Recommendations to prevent future occurrences: The District should prepare a budget for the commissary special revenue fund and present it to the Board for adoption. The District should also make amendments to the budget as necessary.

Reference # and title: 99-F4 Issuance of Cash Receipts

Entity-wide or program/department specific: This finding is specific to the inmate trust account.

Criteria or specific requirement: Strong controls are needed in situations where cash is received. Strong controls would include issuing a pre-numbered receipt and accounting for the numerical sequence. These numbers should be identified on the deposit slip so that receipts are traceable to deposits.

Condition found: Receipts of the inmate trust fund are checks, money orders and cash. Prenumbered receipts are issued for the cash received. When the deposit slip is prepared, checks and money orders are listed by individual but the cash is not. The receipt numbers that make up the cash deposit is not included on the deposit slip. Cash receipts can not be traced to validated deposits because the receipt number was not included on the deposit slip.

Proper perspective for judging the prevalence and consequences: A total of \$113,703 was deposited in the inmate trust account for 1999. The actual cash deposits cannot be determined as all the deposit slips are not available.

**Prison District No. 1 of the Sixth
Judicial District of Louisiana
Lake Providence, Louisiana**

**Schedule of Findings and Questioned Costs
As of and for the Year Ended December 31, 1999**

**PART II - Findings related to the financial statements which are required to be reported in accordance
with Generally Accepted Government Auditing Standards:**

Reference # and title: 99-F4 Issuance of Cash Receipts (Continued)

Possible asserted effect (cause and effect):

Cause: The cause is unknown.

Effect: Tracing cash receipts issued to deposits in the bank is a very time-consuming process.

Recommendations to prevent future occurrences: All inmate cash received should be receipted. The deposit should be made daily. The deposit slip should identify the receipt numbers so that all numbered receipts can easily be traced to the bank deposit.

**Prison District No. 1 of the Sixth
Judicial District of Louisiana
Lake Providence, Louisiana**

Other Information

The information in the following section concerns management's actions or intentions concerning prior- and current-year audit findings. This information has been prepared by the management of the District. Management accepts full responsibility for the accuracy of the information. This information has not been audited by the auditors, and accordingly, no opinion is expressed.

**Prison District No. 1 of the Sixth
Judicial District of Louisiana
Lake Providence, Louisiana**

**Summary Schedule of Prior Audit Findings
December 31, 1998**

Reference # and title: 98-1 Need to Comply With Local Government Budget Act

Initially occurred: Fiscal year ended December 31, 1997.

Condition: The District did not adopt a budget for the commissary special revenue fund for the year ended December 31, 1998.

Corrective action planned: See current year Corrective Action Plan for finding 99-F3.

Reference # and title: 98-2 Vendor Disbursement Testing

Initially occurred: Fiscal year ended December 31, 1997.

Condition: In the general fund, the following was found:

1. Four instances of documentation not provided.
2. Eleven instances of documentation not canceled to prevent duplicate payment.
3. Eleven instances of disbursement not approved by appropriate personnel.

In the commissary special revenue fund, the following was found:

1. Six instances of documentation not provided.
2. Three instances of disbursement not approved by appropriate personnel.

In the inmate trust agency fund, the following was found:

1. Six instances of documentation not provided.

Corrective action planned: See current-year Corrective Action Plan for finding 99-F2.

**Prison District No. 1 of the Sixth
Judicial District of Louisiana
Lake Providence, Louisiana**

**Summary Schedule of Prior Audit Findings
December 31, 1998**

Reference # and title: 98-3 Cash Receipts

Initially occurred: Fiscal year ended December 31, 1997.

Condition: Four days of receipts were selected for testing controls. Receipts chosen for testing could not be traced to validated deposits because the receipt number was not included on the deposit slip.

Corrective action planned: See current year Corrective Action Plan for finding 99-F4.

Reference # and title: 98-4 Payroll Disbursement Testing

Initially occurred: Fiscal year ended December 31, 1997.

Condition: Time sheets could not be located for two payroll disbursements selected for testing.

Corrective action taken: The filing system was reviewed and improved to ensure all time sheets supporting payroll disbursements could be located.

**Prison District No. 1 of the Sixth
Judicial District of Louisiana
Lake Providence, Louisiana**

**Corrective Action Plan for Current-Year Findings and Questioned Costs
As of and for the Year Ended December 31, 1999**

Reference # and title: 99-F1 Financial Records

Condition: Activity for the commissary special revenue fund and the inmate trust account agency fund is entered on Quickbooks and a manual checkbook is also maintained. Deposits for July through December were not entered on the Quickbooks register nor on the manual check register. Cash balances for these accounts were not maintained during this time period. The bank accounts also were not reconciled to the general ledger. Deposits were also not made timely.

For the time period January through June, purchases and sales from inventory were maintained by item on Quickbooks. In July through December, only the sales from inventory were recorded on Quickbooks. A physical inventory was taken at certain intervals but was not reconciled to the general ledger. No physical inventory was taken at December 31, 1999 to support the general ledger balance.

Corrective action planned: The Board has already taken action to correct the problems identified above. A change in personnel was made and the accounting for these two funds now follows the same procedures as for the general fund. The accounting is done by East Carroll Parish Police Jury personnel at the Police Jury office.

Person responsible for corrective action:

Mr. Darrin L. Dixon, President
Prison District #1 of the Sixth
Judicial District of Louisiana
400 First Street
Lake Providence, LA 71254

Telephone: (318) 559-2256
Fax: (318) 559-1502

Anticipated completion date: By June 30, 2000.

**Prison District No. 1 of the Sixth
Judicial District of Louisiana
Lake Providence, Louisiana**

**Corrective Action Plan for Current-Year Findings and Questioned Costs
As of and for the Year Ended December 31, 1999**

Reference # and title: **99-F2** **Vendor Disbursements**

Condition: In the general fund, the following was found:

1. Two checks with only one signature.
2. One check with no purchase order.
3. One instance of disbursement not approved by appropriate personnel.
4. One instance in which invoice amount did not agree to check amount.
5. Eight instances in which payment was made from a copy of an invoice, not the original invoice.
6. Four instances in which the invoice was not paid timely.
7. One instance in which the charge was not supported by evidence of receipt of goods.

In the commissary special revenue fund, the following was found:

1. Seven instances of documentation not provided.
2. Four instances where canceled check could not be provided.
3. Eight instances of documentation not canceled to aid in prevention of duplicate payments.
4. Two instances of disbursement not approved by appropriate personnel.
5. Eleven instances in which the invoice was not paid timely.

Corrective action planned: The Board has already taken action to correct the problems identified above. A change in personnel was made and now the accounting and filing for all funds will be done by the East Carroll Parish Police Jury.

Person responsible for corrective action:

Mr. Darrin L. Dixon, President
Prison District #1 of the Sixth
Judicial District of Louisiana
400 First Street
Lake Providence, LA 71254

Telephone: (318) 559-2256
Fax: (318) 559-1502

Anticipated completion date: By June 30, 2000.

**Prison District No. 1 of the Sixth
Judicial District of Louisiana
Lake Providence, Louisiana**

**Corrective Action Plan for Current-Year Findings and Questioned Costs
As of and for the Year Ended December 31, 1999**

Reference # and title: **99-F3** **Need to Comply with Local Government Budget Act**

Condition: The District did not adopt a budget for the commissary special revenue fund for the year ended December 31, 1999.

Corrective action planned: A budget was adopted by the Board for the 2000 year.

Person responsible for corrective action:

Mr. Darrin L. Dixon, President
Prison District #1 of the Sixth
Judicial District of Louisiana
400 First Street
Lake Providence, LA 71254

Telephone: (318) 559-2256
Fax: (318) 559-1502

Anticipated completion date: Immediately.

Reference # and title: **99-F4** **Issuance of Cash Receipts**

Condition: Receipts can not be traced to validated deposits because the receipt number was not included on the deposit slip.

Corrective action planned: Cash receipt numbers will be included on the deposit slips for the inmate account.

Person responsible for corrective action:

Mr. Darrin L. Dixon, President
Prison District #1 of the Sixth
Judicial District of Louisiana
400 First Street
Lake Providence, LA 71254

Telephone: (318) 559-2256
Fax: (318) 559-1502

Anticipated completion date: By July 31, 2000.

**Prison District No. 1 of the Sixth
Judicial District of Louisiana
Lake Providence, Louisiana**

Management Letter Items

**Prison District No. 1 of the Sixth
Judicial District of Louisiana
Lake Providence, Louisiana**

**Status of Prior Management Letter Items
December 31, 1999**

Reference # and title: 99-M1 Disbursements to Cash

Initially occurred: Fiscal year ended December 31, 1998.

Condition: During vendor testing, we noted a check payable to "cash." Checks payable to "cash" weaken control over disbursements. A check payable to cash may be cashed by anyone.

Corrective action taken: Checks payable to cash are prohibited.

Reference # and title: 98-M2 Hourly Wage Documentation

Initially occurred: Fiscal year ended December 31, 1998.

Condition: Documentation of hourly rates for employees is not maintained in the personnel files for these employees. The Supervisor hiring these employees verbally informs the person preparing the payroll of the hourly rate. No salary schedules exist for hourly employees. Salaried employee wages are approved by the Board but the documentation from the minutes is not maintained in the employees personnel folder.

Corrective action taken: Approval of hourly rates is maintained in the employees' personnel file. Copies of the minutes of approval of hourly rates are also maintained in the personnel files.

Reference # and title: 98-M3 Check Signers

Initially occurred: Fiscal year ended December 31, 1998.

Condition: The check signers for the inmate and commissary accounts are the check preparers. These check signers changed several times during the year due to a change in personnel.

Corrective action taken: The check signers for the inmate and commissary accounts are the same check signers as the barracks (general fund) account and are independent of the check preparation process.

Reference # and title: 98-M4 Fixed Asset Listing

Initially occurred: Fiscal year ended December 31, 1998.

Condition: Several assets were selected from the fixed asset listings to trace to the asset. One item included on the listing with a cost of \$4,000 is not being used and another item with a cost of \$954 could not be located.

Corrective action taken: A complete inventory of fixed assets was conducted and reconciled to the present fixed asset listing.