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LINCOLN PARISH DETENTION CENTER
RUSTON, LOUISIANA
GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003

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 7-7-04

LINCOLN PARISH DETENTION CENTER
RUSTON, LOUISIANA
GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003

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WILLIAM R. HULSEY

A PROFESSIONAL ACCOUNTING CORPORATION
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INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Lincoln Parish Detention Center
Ruston, Louisiana

I have audited the accompanying financial statements of the governmental activities and the fund information of the Lincoln Parish Detention Center, as of and for the year ended December 31, 2003, which collectively comprise the basic financial statements of the Lincoln Parish Detention Center as listed in the table of contents. These 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 opinion.

In my opinion, the 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, 2003, and the respective changes in financial position and cash flows, where applicable, 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 20, 2004, 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 grants. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* and should be read in conjunction with this report in considering the results of my audit.

As described in Note 1, the Center has implemented a new financial reporting model, as required by the provisions of GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, as of December 31, 2003.

Management's discussion and analysis and budgetary comparison information on pages 3 through 5 and page 21 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, CPA
Certified Public Accountant

A handwritten signature in black ink, appearing to read "Wm R Hulsey", written in a cursive style.

May 20, 2004

REQUIRED SUPPLEMENTAL INFORMATION (PART A)
MANAGEMENT'S DISCUSSION AND ANALYSIS

LINCOLN PARISH DETENTION CENTER

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the Center provides an overview of the Center's activities for the year ended December 31, 2003. Please read it in conjunction with the 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 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 companies. 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 Center's net assets and changes in them. The Center's net assets - the difference between assets and liabilities - measures the Center's financial position. The increases or decreases in the Center's net assets are an indicator of whether its financial position is improving or deteriorating.

THE CENTER AS A WHOLE

For the year ended December 31, 2003, net assets changed as follows:

Beginning Net Assets	\$ 2,270,929
Decrease in Net Assets	<u>(55,156)</u>
Ending Net Assets	<u>\$ 2,215,773</u>

THE CENTER'S FUNDS

The following schedule presents a summary of revenues and expenditures for the year ended December 31, 2003.

Revenues	Amount	Percent of Total
Sales and use tax	\$ 1,452,595	86.49%
Intergovernmental: Local grant	100,000	5.95%
Charges for services	75,921	4.52%
Rents and royalties	13,782	0.82%
Commissions	34,051	2.03%
Use of money and property	<u>3,059</u>	<u>0.18%</u>
Total Revenues	<u>\$ 1,679,408</u>	<u>100.00%</u>

<u>Expenditures</u>		
Public Safety	\$ 1,246,135	76.30%
Materials and supplies	63,679	3.90%
Prisoner related charges	299,905	18.36%
Other general	959	0.06%
Capital Outlay	11,162	0.68%
Intergovernmental	11,294	0.69%
	<u> </u>	<u> </u>
Total Expenditures	<u>\$ 1,633,134</u>	<u>100.00%</u>

BUDGETARY HIGHLIGHTS

The Center's total revenues in 2003 were more than the final budget by \$85,108. Actual expenditures for the Center in 2003 were more than the final budget by \$10,415. This variance reflects the increase in prisoner related charges.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At December 31, 2003, the Center had \$4,123,092 invested in capital assets including buildings and improvements, vehicles, machinery and equipment, and land (see table below).

<u>Asset</u>	<u>Gross</u>	<u>Accumulated Depreciation</u>	<u>Net</u>
Land	46,200	-	46,200
Buildings and improvements	3,842,223	(2,017,167)	1,825,056
Vehicles	50,587	(46,498)	4,089
Machinery and equipment	184,082	(162,976)	21,106
	<u> </u>	<u> </u>	<u> </u>
Totals	<u>4,123,092</u>	<u>(2,226,641)</u>	<u>1,896,451</u>

This year's additions included \$5,168 in machinery and equipment.

Debt

At year end, the Center had a total liability of \$99,903 for compensated absences.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Center's revenues are derived mainly from sales and use taxes. The Center does not anticipate any major increases or decreases in the taxes collected.

CONTACTING THE CENTER'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the Center's finances and to show the Center's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the following:

Contact Person: Robert W. Levy
Title: District Attorney

GOVERNMENT-WIDE FINANCIAL STATEMENTS

LINCOLN PARISH DETENTION CENTER
RUSTON, LOUISIANA
STATEMENT OF NET ASSETS
DECEMBER 31, 2003

	<u>Governmental Activities</u>
ASSETS	
Cash	\$ 202,280
Investments	20,000
Accounts Receivable	140,180
Capital Assets:	
Non-Depreciable	46,200
Depreciable	<u>1,850,251</u>
TOTAL ASSETS	<u><u>\$ 2,258,911</u></u>
LIABILITIES	
Accounts Payable	\$ 43,138
Non-Current Liabilities	
Due Within One Year	
Compensated Absences	<u>-</u>
Total Liabilities	<u>43,138</u>
NET ASSETS	
Invested in Capital Assets, Net of Related Debt	1,896,451
Unrestricted	<u>319,322</u>
Total Net Assets	<u>2,215,773</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 2,258,911</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, 2003

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	\$ 1,734,564	\$ 75,921	\$ 100,000	\$ (1,558,643)

General Revenues:

Sales Taxes	1,452,595
Rents and Royalties	13,782
Commissions	34,051
Interest Earned	3,059
Total General Revenues	<u>1,503,487</u>
Changes in Net Assets	(55,156)
Net Assets - Beginning	<u>2,270,929</u>
Net Assets - Ending	<u>\$ 2,215,773</u>

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

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FUND FINANCIAL STATEMENTS

LINCOLN PARISH DETENTION CENTER
RUSTON, LOUISIANA
BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2003

		<u>General Fund</u>
ASSETS		
Cash	\$	202,280
Investments		20,000
Accounts receivable		<u>140,180</u>
 TOTAL ASSETS		 <u><u>\$ 362,460</u></u>
LIABILITIES		
Accounts payable	\$	38,965
Due to other funds		<u>4,173</u>
 Total Liabilities		 43,138
FUND BALANCE		
Unreserved, Reported in General Fund		<u>319,322</u>
 TOTAL LIABILITIES AND FUND BALANCE		 <u><u>\$ 362,460</u></u>

LINCOLN PARISH DETENTION CENTER
RUSTON, LOUISIANA
RECONCILIATION OF TOTAL GOVERNMENTAL
FUND BALANCES TO NET ASSETS OF
GOVERNMENTAL ACTIVITIES
JUNE 30, 2003

Total Governmental Fund Balances \$ 319,322

*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.

1,896,451

Net Assets of Governmental Activities

\$ 2,215,773

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 BALANCE - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2003

	<u>General Fund</u>
Revenues:	
Special sales and use tax	\$ 1,452,595
Intergovernmental:	
Local grant	100,000
Charges for services	75,921
Rents and royalties	13,782
Commissions	34,051
Use of money and property	<u>3,059</u>
Total revenues	<u>1,679,408</u>
Expenditures:	
Public safety	
Personal services	1,016,322
Operating services	229,813
Materials and supplies	63,679
Prisoner related charges	299,905
Other General	959
Capital Outlay	11,162
Intergovernmental	<u>11,294</u>
Total expenditures	<u>1,633,134</u>
Net Change in Fund Balance	46,274
Fund Balance, Beginning	271,717
Prior Period Adjustment	<u>1,331</u>
FUND BALANCE, ENDING	<u><u>\$ 319,322</u></u>

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, 2003

Net Change in Fund Balances - Total Governmental Funds	\$ 46,274
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:

Capital assets purchases capitalized	5,168
Depreciation Expense	(106,598)
	(101,430)

Change in Net Assets in Governmental Activities	\$ <u>(55,156)</u>
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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, 2003

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 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. For the fiscal year ended December 31, 2003, the Center has adopted the new financial reporting requirements of GASB Statement No. 33 and 34. As a result, an entirely new financial presentation format has been implemented.

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. The Center has elected to implement the general provisions of the Statement in the current year and plans to report capital assets acquired prior to December 31, 2003.

LINCOLN PARISH DETENTION CENTER
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting and Financial Statement Presentation

Government-Wide Financial Statements – The governmental-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. “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

Principal revenue sources considered susceptible to accrual: 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, 2003 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.

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.

LINCOLN PARISH DETENTION CENTER
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

Governmental Funds

General Fund

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

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.

Budget and Budgetary Practices

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 been expanded to a functional basis.

Unused appropriations for all of the above annually budgeted funds lapse at the end of the year.

The budget amounts shown in the financial statements are the final authorized amounts as revised during the year.

LINCOLN PARISH DETENTION CENTER
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents

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

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

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, 2003.
- 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.”

LINCOLN PARISH DETENTION CENTER
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Receivables

All receivables are recorded at their gross value and where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

Fixed Assets

Fixed assets of the Center are stated at cost and are reported in the government-wide financial statements. Depreciation of all exhaustible fixed assets are charged as an expense against operations. Depreciation is computed using the straight-line method over the estimated useful lives of 5 years

Compensated Absences

The following annual and sick leave policies are in effect:

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

NOTE 2 - DEPOSITS WITH FINANCIAL INSTITUTIONS

At year end, the carrying amount (book amount) of the Detention Center's deposits was \$202,280 while the bank balance was \$202,303. The bank balance is categorized as follows:

Amount insured by FDIC	\$ 100,000
Amount collateralized with securities held by the pledging financial institution's agent in the Detention Center's name	<u>102,303</u>
Total bank balance	\$ <u>202,303</u>

LINCOLN PARISH DETENTION CENTER
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003

NOTE 3 – PROPERTY AND EQUIPMENT

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

	2002			2003
	<u>Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u>
Non-Depreciable Assets:				
Land	\$ 46,200	\$ -	\$ -	\$ 46,200
Depreciable Assets:				
Building	3,842,223	-	-	3,842,223
Vehicles	50,587	-	-	50,587
Machinery & Equipment	<u>178,914</u>	<u>5,168</u>	-	<u>184,082</u>
Totals at Historical Cost	<u>4,117,924</u>	<u>5,168</u>	-	<u>4,123,092</u>
Less Accumulated Depreciation for:				
Building	(1,921,111)	(96,056)	-	(2,017,167)
Vehicles	(42,723)	(3,775)	-	(46,498)
Machinery & Equipment	<u>(156,209)</u>	<u>(6,767)</u>	-	<u>(162,976)</u>
Total Accumulated Depreciation	<u>(2,120,043)</u>	<u>(106,598)</u>	-	<u>(2,226,641)</u>
CAPITAL ASSETS, NET	<u>\$1,997,881</u>	<u>\$(101,430)</u>	<u>\$ -</u>	<u>\$1,896,451</u>

Depreciation was charged to the Public Safety function of the Center for \$106,598.

NOTE 4 - INVESTMENTS

Investing is performed in accordance with investment policies complying with state statutes and the Center's charter. The investments of the Center are categorized to give an indication of the level of risk assumed by the Center at December 31, 2003. The categories are described as follows:

- Category 1 - Insured or registered, with securities held by the entity or its agents in the entity's name.
- Category 2 - Uninsured and unregistered, with securities held by the counter-party's trust department or agent in the entity's name.
- Category 3 - Uninsured and unregistered, with securities held by the counter-party, in its trust department in the entity's name.

LINCOLN PARISH DETENTION CENTER
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003

NOTE 4 – INVESTMENTS (Continued)

Investments categorized by level of risk, are:

Types of Investments	1	Category 2	3	Carrying Amount	Fair Value
Mortgage backed securities	\$ -	\$ -	\$ -	\$ -	\$ -
U.S. Government securities	20,000	-	-	20,000	20,000
Total Investments	\$ 20,000	\$ -	\$ -	\$ 20,000	\$ 20,000

NOTE 5 - ACCOUNTS RECEIVABLES

The accounts receivables at December 31, 2003, consisted of the following:

Sales and use tax	\$ 131,334
Lincoln Parish Sheriff	1,074
State of Louisiana	<u>1,992</u>
Sub-total	134,400
Miscellaneous accounts receivable	<u>5,780</u>
Total	<u>\$ 140,180</u>

Based on prior experience, the uncollectible receivables are considered immaterial, thus no provision has been made for such loss in these financial statements.

LINCOLN PARISH DETENTION CENTER
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003

NOTE 6 - PENSION PLAN

Parochial Employee's Retirement System of Louisiana

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 average monthly compensation for any 36 months of consecutive service in which compensation was the highest, multiplied by years of creditable service, not to exceed 100% of member's final compensation. Retirement benefits are payable monthly for the life of the retiree, and upon the retiree's death, under certain conditions, are payable to the retiree's surviving spouse and minor children. The Center's total payroll for the year ended December 31, 2003, was \$718,590, of which 100% was the covered payroll for employees in the Parochial Retirement System. The Center has 33 employees covered under this retirement system.

NOTE 7 - FEDERALLY ASSISTED PROGRAMS

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

NOTE 8 - DEFERRED COMPENSATION PLAN

Employees of the Center may participate in a deferred compensation plan adopted under the provisions of Internal Revenue Code Section 457 (Deferred Compensation Plans with Respect to Service for State and Local Governments).

The deferred compensation plan is available to all employees of the Center. Under the plan, employees may elect to defer a portion of their salaries and avoid paying taxes on the deferred portion until the withdrawal date. The deferred compensation amount is not available for withdrawal by employees until termination, retirement, death, or unforeseeable emergency.

LINCOLN PARISH DETENTION CENTER
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003

NOTE 8 - DEFERRED COMPENSATION PLAN(Continued)

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

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

NOTE 9- LITIGATION

According to the Parish District Attorney, the Center had no pending or threatened litigation as of December 31, 2003.

NOTE 10 - COMPENSATION FOR THE BOARD OF COMMISSIONERS

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

NOTE 11 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budget/Actual Unfavorable Variances

When comparing budget to actual amounts for the year ended December 31, 2003, the General Fund had no unfavorable variances greater than 5%.

NOTE 12 - PRIOR PERIOD ADJUSTMENT

An error in prisoner related charges, which resulted in an overstatement of the previously reported fund balance, was discovered during the current year. Accordingly, an adjustment of \$1,331 was made during 2003, to increase the previously reported fund balance.

**REQUIRED SUPPLEMENTAL INFORMATION (PART B)
BUDGETARY COMPARISON SCHEUDLES**

LINCOLN PARISH DETENTION CENTER
RUSTON, LOUISIANA
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2003

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Over (Under)
	Original	Final		
Resources (Inflows):				
Special sales and use tax	\$ 1,300,000	\$ 1,390,000	\$ 1,452,595	\$ 62,595
Intergovernmental:				
Local grant	100,000	100,000	100,000	-
Charges for services	63,000	62,000	75,921	13,921
Rents and royalties	8,000	9,800	13,782	3,982
Commissions	25,000	30,000	34,051	4,051
Use of money and property	2,500	2,500	3,059	559
Amounts Available for Appropriation	<u>1,498,500</u>	<u>1,594,300</u>	<u>1,679,408</u>	<u>85,108</u>
Charges to Appropriations (Outflows):				
Public safety				
Personal services	1,051,775	1,016,913	1,016,322	(591)
Operating services	220,900	227,021	229,813	2,792
Materials and supplies	51,000	70,500	63,679	(6,821)
Prisoner related charges	288,000	283,235	299,905	16,670
Other General	2,000	1,300	959	(341)
Capital Outlay	12,000	12,000	11,162	(838)
Intergovernmental	11,750	11,750	11,294	(456)
Total Charges to Appropriations	<u>1,637,425</u>	<u>1,622,719</u>	<u>1,633,134</u>	<u>10,415</u>
Excess of Resources Over (Under)	(138,925)	(28,419)	46,274	74,693
Fund Balance at Beginning of Year	271,717	271,717	271,717	-
Prior period Adjustments	<u>1,331</u>	<u>1,331</u>	<u>1,331</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u><u>\$ 134,123</u></u>	<u><u>\$ 244,629</u></u>	<u><u>\$ 319,322</u></u>	<u><u>\$ 74,693</u></u>

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

WILLIAM R. HULSEY

A PROFESSIONAL ACCOUNTING CORPORATION
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MONROE, LOUISIANA

MEMBER
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REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Commissioners
Lincoln Parish Detention Center
Ruston, Louisiana

I have audited the financial statements of Lincoln Parish Detention Center as of and for the year ended December 31, 2003, and have issued my report thereon dated May 20, 2004. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

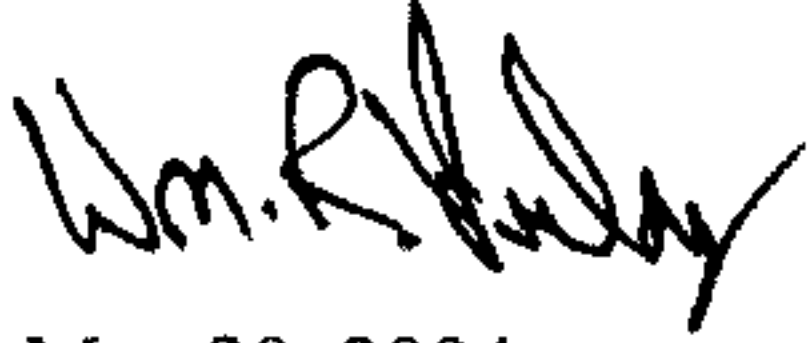
As part of obtaining reasonable assurance about whether Lincoln Parish Detention Center's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material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

Internal Control Over Financial Reporting

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

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

A handwritten signature in black ink, appearing to read "Wm. R. Hulsey". The signature is written in a cursive style with a large initial "W".

May 20, 2004