

LINCOLN PARISH DETENTION CENTER
RUSTON, LOUISIANA

Component Unit Financial Statements
For the Year Ended December 31, 2020

LINCOLN PARISH DETENTION CENTER
RUSTON, LOUISIANA
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

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LINCOLN PARISH DETENTION CENTER
RUSTON, LOUISIANA
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

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MEMBER
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INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Lincoln Parish Detention Center
Ruston, Louisiana

Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities of the Lincoln Parish Detention Center, a component unit of the Lincoln Parish Police Jury, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Center's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express opinions 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

To the Board of Commissioners
Lincoln Parish Detention Center
Ruston, Louisiana

Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of the Lincoln Parish Detention Center, as of December 31, 2020, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedule of Changes in Net OPEB Liability and Related Ratios, and the Budgetary Comparison Schedules, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other Information

The Schedule of Compensation, Reimbursements, Benefits and Other Payments to Agency Head, Political Subdivision Head, or Chief Executive Officer is the responsibility of management and was derived directly from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the Schedule of Compensation, Reimbursements, Benefits and Other Payments to Agency Head, Political Subdivision Head, or Chief Executive Officer is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated August 31, 2021, on my consideration of the Center's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of the testing, and not to provide an opinion on internal control over financial reporting or on compliance.

To the Board of Commissioners
Lincoln Parish Detention Center
Ruston, Louisiana

That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Lincoln Parish Detention Center's internal control over financial reporting and compliance.

WILLIAM R. HULSEY (APAC)
Certified Public Accountant

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

September 27, 2021

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

**LINCOLN PARISH DETENTION CENTER
MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A)**

Our discussion and analysis of the Lincoln Parish Detention Center provides the reader with an overview of the Center’s activities for the years ended December 31, 2020 and 2019. Please read it in conjunction with the Lincoln Parish Detention Center’s financial statements.

USING THIS ANNUAL REPORT

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

REPORTING THE LINCOLN PARISH DETENTION CENTER AS A WHOLE:

THE STATEMENT OF NET POSITION AND THE STATEMENT OF ACTIVITIES

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

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

THE DETENTION CENTER AS A WHOLE

For the years ended December 31, 2020 and 2019 net position changed as follows:

| | <u>2020</u> | <u>2019</u> |
|-------------------------------------|--------------|--------------|
| Beginning Net Position (Restated) | \$ 3,586,987 | \$ 4,073,460 |
| Increase (Decrease) in Net Position | (564,969) | (350,721) |
| Ending Net Position | \$ 3,022,018 | \$ 3,722,739 |

THE DETENTION CENTER'S FUNDS

The following schedule presents a summary of the revenues and expenditures for the years ended December 31, 2020 and 2019

| Revenues | 2020 | Percent of Total | 2019 | Percent of Total |
|---------------------------|---------------------|---------------------|---------------------|---------------------|
| Sales and use tax | \$ 2,300,714 | 46.99% | \$ 2,289,182 | 54.52% |
| Intergovernmental Grants | 100,000 | 2.04% | 102,672 | 2.45% |
| Charges for services | 1,859,441 | 37.98% | 1,786,354 | 42.54% |
| Cares Act Funding | 604,892 | 12.35% | - | -% |
| Other Revenues | 26,210 | 0.60% | 2,864 | 0.07% |
| Use of money and property | 4,799 | 0.04% | 17,930 | 0.43% |
| Total Revenues | \$ 4,896,056 | 100.00% | \$ 4,199,002 | 100.00% |

| Expenditures | 2019 | Percent of Total | 2019 | Percent of Total |
|---------------------------|--------------------|---------------------|--------------------|---------------------|
| Public Safety | \$4,617,589 | 100.00% | \$4,549,723 | 100.00% |
| Total Expenditures | \$4,617,589 | 100.00% | \$4,549,723 | 100.00% |

BUDGETARY HIGHLIGHTS

The Detention Center's total revenues in 2020 showed a positive variance of \$220,756 when compared to the budget amount. Expenditures actually incurred were \$77,471 more than the budgeted amount with the significant portion of that variance shown in personnel and material and supplies. Due to an increase in pre-trial detainee population in the last few years, the budget for housing adult prisoners continues to increase, with relief from the dormitory expansion project to come in one to two fiscal years.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At December 31, 2020, the Detention Center had investments in capital assets totaling \$6,149,916 (\$1,907,604 net of depreciation). The following is a schedule of those assets and the accumulated depreciation recognized as compared to December 31, 2019:

| Assets | December 31, 2019 Balance | Additions | Disposals | December 31, 2020 Balance |
|--------------------------|------------------------------|-----------|-----------|------------------------------|
| Land | \$ 46,200 | \$ - | \$ - | \$ 46,200 |
| Construction in Progress | - | - | - | - |
| Building | 3,842,223 | - | - | 3,842,223 |
| Improvements | 1,423,738 | - | - | 1,423,738 |
| Vehicles | 174,578 | - | - | 174,578 |
| Furniture and Fixtures | 107,842 | 41,058 | - | 148,900 |
| Machinery & Equipment | 524,542 | 35,935 | - | 560,477 |

| | | | | |
|--------------------------|-------------|-------------|------|-------------|
| Less: | | | | |
| Accumulated Depreciation | (4,066,163) | (222,349) | - | (4,288,512) |
| Capital Assets, Net | \$2,052,960 | (\$145,356) | \$ - | \$1,907,604 |

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

OTHER POST-EMPLOYMENT BENEFITS

In the year ended December 31, 2020, the Lincoln Parish Detention Center has complied with requirements of Government Accounting Standards Board Statement Number 75, *Accounting and Financial Reporting for Post-Employment Benefits Other than Pensions*. This statement requires that employers disclose the *Annual Required Contribution* and *Net Post-employment Benefit Obligation* as determined by actuarial computations.

ECONOMIC FACTORS AND NEXT YEAR’S BUDGETS AND RATES

The Detention Center’s revenues are derived mainly (46.99%) from sales and use taxes. The Center sales tax revenue increased compared to 2019 by \$11,532 (1.00%). The Detention Center Commission will continue to monitor the situation closely and make adjustments where necessary to ensure that resources are utilized in a cost-effective manner.

CONTACTING THE DETENTION CENTER’S FINANCIAL MANAGEMENT

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

Contact Person: Jim Tuten
Title: Warden

GOVERNMENT-WIDE FINANCIAL STATEMENTS

LINCOLN PARISH DETENTION CENTER
RUSTON, LOUISIANA
STATEMENT OF NET POSITION
DECEMBER 31, 2020

| | <u>Governmental Activities</u> |
|--------------------------------------|------------------------------------|
| <i>Assets</i> | |
| Cash | \$ 4,057,336 |
| Accounts Receivable | 418,094 |
| Due from LPPJ | 120 |
| Non-Depreciable Assets | 46,200 |
| Depreciable Assets | <u>1,861,404</u> |
| Total Assets | <u>6,383,154</u> |
| <i>Deferred Outflow of Resources</i> | |
| Pension Related | 1,343,930 |
| Post Employment Benefits Related | <u>521,393</u> |
| Total Deferred Outflow of Resources | 1,865,323 |
| <i>Liabilities</i> | |
| Accounts Payable | 168,299 |
| Due To Other Governments - LPPJ | 2,053,614 |
| Compensated Absences | 142,915 |
| Net Pension Liability | 1,386,639 |
| Postretirement Benefit Plan Payable | <u>1,111,215</u> |
| Total Liabilities | <u>4,862,682</u> |
| <i>Deferred Inflow of Resources</i> | |
| Pension Related | 330,895 |
| Post Employment Benefits Related | <u>32,882</u> |
| Total Deferred Inflow of Resources | 363,777 |
| <i>Net Position</i> | |
| Net Investment in Capital Assets | 1,907,604 |
| Unrestricted | <u>1,114,414</u> |
| Total Net Position | <u><u>\$ 3,022,018</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, 2020

| Function/Program Activities | Program Revenues | | | | Net (Expense) Revenue and Changes in Net Position Governmental Activities |
|-----------------------------|------------------|-------------------------|--|--|--|
| | Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | |
| Government Activities: | | | | | |
| Public Safety | \$ 4,617,589 | \$ 1,859,441 | \$ 704,892 | \$ - | \$ (2,053,256) |

General Revenues:

| | |
|-------------------------------------|------------------|
| Sales Taxes | 2,300,714 |
| Contributed Capital | - |
| Transfers to Other Funds | (843,436) |
| Interest Earned | 4,799 |
| Miscellaneous Revenue | 26,210 |
| Total General Revenues | 1,488,287 |
| Changes in Net Position | (564,969) |
| Net Position - Beginning (Restated) | 3,586,987 |
| Net Position - Ending | \$ 3,022,018 |

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

FUND FINANCIAL STATEMENTS

LINCOLN PARISH DETENTION CENTER
RUSTON, LOUISIANA
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2020

| | <u>General Fund</u> |
|--|---------------------|
| ASSETS | |
| Cash | \$ 4,057,336 |
| Accounts Receivable | 418,094 |
| Prepaid Expenses | - |
| Due from Other Governments - LPPJ | 120 |
| TOTAL ASSETS | \$ 4,475,550 |
| Liabilities and Fund Equity: | |
| LIABILITIES | |
| Accounts Payable | \$ 168,299 |
| Due To Other Governments - LPPJ | 2,053,614 |
| Total Liabilities | 2,221,913 |
| FUND BALANCE | |
| Unassigned | 2,253,637 |
| Total Fund Balance | 2,253,637 |
| TOTAL LIABILITIES AND FUND EQUITY | \$ 4,475,550 |

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

LINCOLN PARISH DETENTION CENTER
RUSTON, LOUISIANA
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2020

| | |
|--|----------------------------|
| Total Governmental Fund Balances | \$ 2,253,637 |
| <i>Amounts reported for governmental activities in the statement of net position are different because:</i> | |
| Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. | 1,907,604 |
| Pension related items are not reported in the fund financial statements: | |
| Deferred Outflows | 1,343,930 |
| Deferred Inflows | (330,895) |
| Net Pension Liability | (1,386,639) |
| Unfunded postretirement benefit plan obligations are not financial expenditures and therefore are not reported in the funds. | |
| | (622,704) |
| Compensated absences are not due and payable in the current period and therefore are not reported in the funds. | |
| | <u>(142,915)</u> |
| Net Position of Governmental Activities | <u><u>\$ 3,022,018</u></u> |

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

LINCOLN PARISH DETENTION CENTER
RUSTON, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

| | <u>General Fund</u> |
|--|---------------------|
| Revenues: | |
| Special Sales and Use Tax | \$ 2,300,714 |
| Intergovernmental Revenues: | |
| Local Grant | 100,000 |
| Charges for Services | 1,859,441 |
| CARES Act Funding | 604,892 |
| Interest Income | 4,799 |
| Miscellaneous Revenue | 26,210 |
| Total Revenues | 4,896,056 |
| Expenditures | |
| Public Safety | |
| Personnel Services | 2,725,837 |
| Operating Services | 423,113 |
| Materials and Supplies | 296,203 |
| Prisoner Related Charges | 547,601 |
| Capital Outlay | 110,961 |
| Other Expenditures | 16,996 |
| Total Expenditures | 4,120,711 |
| Excess (Deficiency) of Revenues Over Expenditures | 775,345 |
| Other Financing Sources (Uses) | |
| Operating Transfers Out | (843,436) |
| Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses | (68,091) |
| Fund Balances, Beginning | 2,321,728 |
| Fund Balances, Ending | \$ 2,253,637 |

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

LINCOLN PARISH DETENTION CENTER
RUSTON, LOUISIANA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020

| | |
|---|-------------|
| Net Change in Fund Balances - Total Governmental Funds | \$ (68,091) |
|---|-------------|

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

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

| | |
|-------------------------------------|-----------|
| Capital asset purchases capitalized | 76,993 |
| Depreciation expense | (222,349) |
| | (145,356) |

Payments of long-term debt, including contributions to the OPEB obligation, are reported as expenditures in governmental funds. However, these amounts are a reduction of long-term liabilities in the Statement of Net Position and are not reflected in the Statement of Activities:

| | |
|---|-----------|
| Compensated Absences | (7,163) |
| Pension Expense | (373,604) |
| Post Retirement benefit plan expenditures | 29,245 |
| | (750,522) |

| | |
|---|--------------|
| Change in Net Position in Governmental Activities | \$ (564,969) |
|---|--------------|

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

LINCOLN PARISH DETENTION CENTER
RUSTON, LOUISIANA

AGENCY FUNDS
COMBINING SCHEDULE OF FIDUCIARY ASSETS AND LIABILITIES
FOR THE YEAR ENDED DECEMBER 31, 2020

| | <u>Inmate Trust Funds Agency Fund</u> | <u>Transitional Work Program Agency Fund</u> | <u>Inmate Welfare Fund Agency Fund</u> | <u>Total</u> |
|---------------------------|---|--|--|-------------------|
| <i>Assets</i> | | | | |
| Cash and Cash Equivalents | \$ 35,008 | \$ 15,495 | \$ 192,111 | \$ 242,614 |
| TOTAL ASSETS | <u>35,008</u> | <u>15,495</u> | <u>192,111</u> | <u>242,614</u> |
| <i>Liabilities</i> | | | | |
| Deposits Due Inmates | 35,008 | 15,495 | 192,111 | 242,614 |
| TOTAL LIABILITIES | <u>\$ 35,008</u> | <u>\$ 15,495</u> | <u>\$ 192,111</u> | <u>\$ 242,614</u> |

LINCOLN PARISH DETENTION CENTER
RUSTON, LOUISIANA

FIDUCIARY FUND TYPES - AGENCY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2020

| | <u>Inmate Trust Funds</u> | <u>Transitional Work Program</u> | <u>Inmate Welfare Fund</u> | <u>Total</u> |
|-------------------------------|-------------------------------|--------------------------------------|--------------------------------|-------------------|
| Balances at Beginning of Year | \$ 49,352 | \$ 13,452 | \$ 173,991 | \$ 236,795 |
| ADDITIONS | | | | |
| Work Release Income | - | 249,796 | - | 249,796 |
| Inmate Deposits | 379,106 | - | 161,226 | 540,332 |
| Interest Earned | - | - | 155 | 155 |
| TOTAL ADDITIONS | <u>379,106</u> | <u>249,796</u> | <u>161,381</u> | <u>790,283</u> |
| TOTAL AVAILABLE | 428,458 | 263,248 | 335,372 | 1,027,078 |
| REDUCTIONS | | | | |
| Withdrawals by/for Inmates | 393,450 | 247,753 | 143,261 | 784,464 |
| TOTAL REDUCTIONS | <u>393,450</u> | <u>247,753</u> | <u>143,261</u> | <u>784,464</u> |
| BALANCE AT END OF YEAR | <u>\$ 35,008</u> | <u>\$ 15,495</u> | <u>\$ 192,111</u> | <u>\$ 242,614</u> |

LINCOLN PARISH DETENTION CENTER
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The Center complies with accounting principles generally accepted in the United States of America (GAAP). GAAP includes all relevant Government Accounting Standards Board (GASB) pronouncements. In the government-wide financial statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989 have been applied unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent sections of this note.

Basis of Presentation

In June, 1999, the GASB unanimously approved statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*. Certain of the significant changes in the presentation of its funds financial information include, for the first time a Management Discussion and Analysis (MD&A) section providing an analysis of the Center’s overall financial position and results of operations and financial statements prepared using full accrual accounting for all fund activities. These and other changes are reflected in the accompanying financial statements including the notes to the financial statements.

Reporting Entity

As the governing authority of the parish, for reporting purposes, the Lincoln Parish Police Jury is the financial reporting entity for Lincoln Parish. The financial reporting entity consists of (a) the primary government (police jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the Lincoln Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. These criteria include:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the police jury to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.
2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.

LINCOLN PARISH DETENTION CENTER
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reporting Entity (Continued)

3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the police jury appoints a voting majority of its governing body, the Center was determined to be a component unit of the Lincoln Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the Center and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

Government-Wide Financial Statements – The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental Fund Financial Statements – The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period. The Center considers revenues to be available if they are collected within 60 days of the end of the current fiscal year end.

Principal revenue sources considered susceptible to accrual include sales and use taxes, local grants, and state reimbursement for the detention of state prisoners held in the Parish Detention Center. Some revenue items that are considered measurable and available to finance operations during the year from an accounting perspective are not available for expenditure due to the Center's present appropriation system. These revenues have been accrued in accordance with accounting principles generally accepted in the United States of America since they have been earned and are expected to be collected within sixty days of the end of the period.

Other revenues are considered to be measurable and available only when cash is received by the Center. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. Modifications to the accrual basis of accounting include:

- Employees' vested annual leave is recorded as an expenditure when utilized. The amount of accumulated annual leave unpaid at December 31, 2020 has been reported only in the government-wide financial statements.
- Interest on general long-term obligations is recognized when paid.
- Debt service expenditures are recorded only when payment is due.

LINCOLN PARISH DETENTION CENTER
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Accounting

The financial activities of the Center are recorded in individual funds, each of which is deemed to be a separate accounting entity. The Center uses fund accounting to report on its financial position and results of operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

Governmental Funds

General Fund – This fund accounts for all activities of the Center not specifically required to be accounted for in other funds. Included are transactions for services such as general government, health services, public safety, regulatory services and social services.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Budgeting Procedures

Budgetary practices of the Center include public notice of the proposed budget, public inspection of the proposed budget, and public hearings on the budget. Budgets are prepared on a modified accrual basis of accounting.

The board is authorized to transfer budget amounts within a function by object classification; however, any revisions that alter the total expenditures of any function must be approved by the board. Budgeted amounts shown in the accompanying financial statements include original adopted budget amounts and all subsequent amendments.

The board approves total budget appropriations, is authorized to transfer budget amounts between departments within any fund, and alters the total appropriations of any fund. Therefore, the level of budgetary responsibility is by total appropriations; however, for report purposes, this level has expanded to a functional basis.

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

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

LINCOLN PARISH DETENTION CENTER
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents

Cash includes demand deposits and money market accounts. Under state law, the Lincoln Parish Detention Center may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union or the laws of the United States. Further, the Lincoln Parish Detention Center may invest in the time deposits or certificates of deposit of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

Valuation of Carrying Amounts of Deposits

Cash is reported at net book value – the year end bank balance plus any deposits in transit and less any outstanding checks that have not cleared the bank as of that date.

Annual and Sick Leave

Employees accrue from five to fifteen days of annual and sick leave each year depending on years of service with the Detention Center for a total of not more than 60 days. Similarly, employees earn holiday time if called to work on regularly paid holidays and “K-time” for overtime hours worked but not paid. Vacation hours not used by March 31 of the following fiscal year are rolled into sick time and therefore no longer compensatory upon separation of employment. Accrued leave balances compensatory upon separation of employment carried a balance of \$142,915 at December 31, 2020.

Fund Equity

GASB Statement No. 54 establishes standards for five fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of resources reported in government funds. The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form – prepaid items or inventories; or (b) legally or contractually required to be maintained intact.

The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned and unassigned.

Restricted Fund Balance – This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance – These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions or ordinances of the commissioners– the government’s highest level of decision-making authority. Those committed amounts cannot be used for any other purpose unless the police jurors remove the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements

LINCOLN PARISH DETENTION CENTER
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Equity (Continued)

Assigned Fund Balance – This classification reflects the amounts constrained by the Center’s “intent” to be used for specific purposes, but are neither restricted nor committed. The commissioners and management have the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the general fund, that are not classified as nonspendable and are neither restricted nor committed.

Unassigned Fund Balance – This fund balance is the residual classification for the general fund. It is also used to report negative fund balances in other governmental funds.

When both restricted and unrestricted resources are available for use, it is the Center’s policy to use externally restricted resources first, then unrestricted resources – committed, assigned and unassigned – in order as needed.

NOTE 2 – CASH AND CASH EQUIVALENTS

Custodial Credit Risk – Deposits. The custodial credit risk is the risk that in the event of a bank failure, the Center’s deposits may not be returned to it. The Center’s policy to ensure there is no exposure to this risk is to require each financial institution to pledge its’ own securities to cover any amount in excess of Federal Depository Insurance Coverage. Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Center that the fiscal agent bank has failed to pay deposited funds upon demand. Accordingly, the Center had no custodial credit risk related to its deposits at December 31, 2020. The Center had cash and cash equivalents in demand deposits, totalin \$4,057,336 at December 31, 2020.

These deposits are stated at cost, which approximates market. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Cash and cash equivalents (bank balances other than these backed by the U.S. government) at December 31, 2020, are secured, as follows:

| | |
|---------------------------------------|--------------------|
| Bank Balances | <u>\$4,106,615</u> |
| FDIC Insurance | 250,000 |
| Pledged Securities (uncollateralized) | <u>4,806,867</u> |
| Total | <u>\$5,056,867</u> |

LINCOLN PARISH DETENTION CENTER
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 3 - PROPERTY AND EQUIPMENT

Capital asset activity for the year ended December 31, 2020 is as follows:

| | December 31, 2019 | | | December 31, 2020 |
|------------------------------------|----------------------|----------------------|------------------|----------------------|
| | <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 |
| Improvements | 1,423,738 | - | - | 1,423,738 |
| Vehicles | 174,578 | - | - | 174,578 |
| Furniture & Fixtures | 107,842 | 41,058 | - | 148,900 |
| Machinery & Equipment | <u>524,542</u> | <u>35,935</u> | - | <u>560,477</u> |
| Totals at Historical Cost | <u>6,072,923</u> | <u>76,993</u> | - | <u>6,149,916</u> |
| Less Accumulated Depreciation for: | | | | |
| Building | (3,198,651) | (86,450) | - | (3,285,101) |
| Improvements | (434,257) | (62,092) | - | (496,349) |
| Vehicles | (124,249) | (17,074) | - | (141,323) |
| Furnitures & Fixtures | (96,981) | (-) | - | (96,981) |
| Machinery & Equipment | <u>(212,025)</u> | <u>(56,733)</u> | - | <u>(268,758)</u> |
| Total Accumulated Depreciation | <u>(4,066,163)</u> | <u>(222,349)</u> | - | <u>(4,288,512)</u> |
| <u>CAPITAL ASSETS, NET</u> | <u>\$2,052,960</u> | <u>\$ (145,356)</u> | <u>\$ -</u> | <u>\$ 1,907,604</u> |

Depreciation was charged to the Public Safety function of the Center for \$222,349.

NOTE 4 - ACCOUNTS RECEIVABLE

The accounts receivable at December 31, 2020, is as follows:

| | |
|-------------------------------------|-------------------|
| Sales and Use Tax | \$ 249,482 |
| City of Ruston | 3,750 |
| Louisiana Department of Corrections | 124,840 |
| Other Receivables | <u>40,022</u> |
| Total | <u>\$ 418,094</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, 2020

NOTE 5 - PENSION PLAN

Plan Description

The Lincoln Parish Detention Center contributes to the Sheriffs' Pension and Relief Fund (System) which is a cost sharing multiple employer defined benefit pension plan. All employees who are 18 years or older at the time of original employment, who earn not less than \$400 per month if employed after September 7, 1979, and before January 1, 1991; \$550 if employed between January 1, 1991 and December 31, 1999; and \$800 if employed after January 1, 2000, are required to participate in the System.

Any member of the System who was hired on or before December 31, 2011, can retire providing the member meets on of the following criteria:

1. Age 55 with 12 years of creditable service.
2. Any age with 30 years of creditable service.
3. Active, contributing members with at least ten years of creditable service may retire at age 60, with the accrued normal retirement benefit reduced actuarially for each month or fraction thereof that retirement begins prior to the member's earliest normal retirement date assuming continuous service.

Any member of the System who was hired on or after January 1, 2012, can retire providing the member meets on of the following criteria:

1. Age 62 with 12 years of creditable service.
2. Age 60 with 20 years of creditable service.
3. Age 55 with 30 years of creditable service.

For members hired on or before December 31, 2011, the retirement allowance is equal to three and one-third percent of the member's average final compensation multiplied by his years of creditable service, not to exceed (after reduction for optimal payment form) 100% of average final compensation. Active, contributing members with at least ten years of creditable service may retire at age sixty. The accrued normal retirement benefit is reduced actuarially for each month or fraction thereof that retirement begins prior to the member's earliest normal retirement date assuming continuous service.

For members hired on or after January 1, 2012, the retirement allowance is equal to the benefit accrual rate times the member's average final compensation multiplied by his years of creditable service, not to exceed (after reduction for optimal payment form) 100% of average final compensation. The benefit accrual rate for such members with less than thirty years of service is three percent; for members with thirty or more years of service the accrual rate is three and one-third percent. Members with twenty or more years of service may retire with a reduced retirement at age fifty.

For a member whose first employment making him eligible for membership in the system began on or before June 30, 2006, final average compensation is based on the average monthly earnings during the highest thirty-six consecutive months or joined months if service was interrupted. The earnings to be considered for each twelve-month period within the thirty-six month period shall not exceed 125% of the preceding twelve-month period.

LINCOLN PARISH DETENTION CENTER
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 5 - PENSION PLAN – Continued

For a member whose first employment making him eligible for membership in the system began after June 30, 2006 and before July 1, 2013, final average compensation is based on the average monthly earnings during the highest sixty consecutive months or joined months if service was interrupted. The earnings to be considered for each twelve-month period within the sixty-month period shall not exceed 125% of the preceding twelve-month period.

For a member whose first employment making him eligible for membership in the system began on or after July 1, 2013, final average compensation is based on the average monthly earnings during the highest sixty consecutive months or joined months if service was interrupted. The earnings to be considered for each twelve-month period within the sixty-month period shall not exceed 115% of the preceding twelve-month period.

For the year ended December 31, 2021, the Detention Center's total payroll for all employees was \$1,831,253. Total covered payroll was \$1,881,815. Covered payroll refers to all compensation paid by the DETENTION CENTER to active employees covered by the Plan.

The System also provides death and disability benefits; benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. The report may be obtained by writing to Osey McGee, Jr., Sheriffs' Pension and Relief Fund, 1225 Nicholson Drive, Baton Rouge, Louisiana 70802, or by calling (225) 219-0500.

Contributions

According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ended December 31, 2021, the actual employer contribution rate was 12.25%, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The Detention Center's contributions to the System for the year ending December 31, 2021 were \$233,124. In accordance with state statute, the System receives ad valorem taxes, insurance premium taxes, and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities, but are not considered special funding situations.

Members are required by state statute to contribute 10.25% of their annual covered salary. The contributions are deducted from the employee's wages or salary and remitted by the Detention Center to the System monthly.

LINCOLN PARISH DETENTION CENTER
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 5 - PENSION PLAN – Continued

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

At December 31, 2020, the Employer reported a liability of \$1,386,639 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2020 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The Detention Center’s proportion of the Net Pension Liability was based on a projection of the Detention Center’s long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2020, the Detention Center’s proportion was 0.595745%, which was a decrease of 0.036685% from its proportion measured as of June 30, 2019.

For the year ended December 31, 2020, the Detention Center recognized pension expense of \$473,109 plus employer’s amortization of change in proportionate share, differences between employer contributions and proportionate share of contributions, and current year contributions, (\$99,505). Total pension expense was \$373,604.

At June 30, 2020, the Detention Center reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|--------------------------------|-------------------------------|
| Differences between expected and actual experience | - | 162,070 |
| Changes in assumptions | 340,822 | - |
| Net difference between projected and actual earnings on pension plan | 333,617 | - |
| Changes in employer’s proportion of beginning net pension liability | 669,491 | 168,825 |
| Differences between employer and proportionate share of contributions | - | - |
| Subsequent measurement contributions | - | - |
| Total | 1,343,930 | 330,895 |

Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

| Year ended June 30: | |
|---------------------|----------|
| 2021 | 206,421 |
| 2022 | 278,117 |
| 2023 | 290,682 |
| 2024 | 253,995 |
| 2025 | (16,180) |

LINCOLN PARISH DETENTION CENTER
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 5 - PENSION PLAN – Continued

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2020 are as follows:

| | |
|----------------------------------|--|
| Valuation Date | June 30, 2020 |
| Actuarial Cost Method | Entry Age Normal |
| Actuarial Assumptions: | |
| Investment Rate of Return | 7.10%, net of investment expense |
| Discount Rate | 7.10% |
| Projected salary increases | 5.5% (2.50% inflation, 3.00% merit) |
| Mortality rates | RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Tables for active members, healthy annuitants and beneficiaries RP-2000 Disables Lives Mortality Table for disabled annuitants |
| Expected remaining service lives | 2019 – 6 years 2018 – 6 years 2017 – 7 years 2016 – 7 years 2015 – 6 years 2014 – 6 years |
| Cost of Living Adjustments | The present value of future retirement benefits is based on benefits currently being paid by the Fund and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic. |

The mortality rate assumptions were set after reviewing an experience study performed over the period July 1, 2009 through June 30, 2014. The data was then assigned credibility weighting and combined with a standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent to the estimated duration of the Fund’s liabilities. Annuity values calculated based on this mortality were compared to those produced by using a setback of standard tables. The result of the procedure indicated that these tables would produce liability values approximating the appropriate generational mortality tables used.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

LINCOLN PARISH DETENTION CENTER
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 5 - PENSION PLAN – Continued

Estimates of arithmetic real rates of return for each major asset class based on the Fund’s target asset allocation as of June 30, 2020 were as follows:

| Asset Class | Expected Rate of Return | | |
|------------------------------------|-------------------------|------------------------------|--|
| | Target Allocation | Real Return Arithmetic Basis | Long-Term Expected Real Rate of Return |
| Equity securities | 62% | 7.1% | 4.4% |
| Bonds | 23% | 3.0% | 0.7% |
| Alternative investments | 15% | 4.6% | 0.6% |
| Cash and cash equivalents | - | - | - |
| Totals | 100% | | 5.7% |
| Inflation | | | 2.4% |
| Expected arithmetic nominal return | | | 8.1% |

Discount Rate

The discount rate used to measure the total pension liability was 7.10%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the Fund’s actuary. Based on those assumptions, the Fund’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Detention Center’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Detention Center’s proportionate share of the net pension liability calculated using the discount rate of 7.1%, as well as what the DETENTION CENTER’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (6.1%) or one percentage-point higher (8.1 %) than the current rate:

| | 1.0% Decrease | Current Discount Rate | 1.0% Increase |
|---|---------------|-----------------------|---------------|
| Employer’s proportionate share of net pension liability | 2,518,618 | 1,386,639 | 442,624 |

LINCOLN PARISH DETENTION CENTER
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 5 - PENSION PLAN – Continued

Plan Fiduciary Net Position

Detailed information about the System's fiduciary net position is available in the separately issued Sheriff's Pension and Relief Fund audit report for the year ended June 30, 2020. Access to the report can be found on the Louisiana Legislative Auditor's website, www.la.gov.

NOTE 6 - DEFERRED COMPENSATION PLAN

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

The deferred compensation plan is available to all employees of the Lincoln Parish Detention Center. Under the plan, employees may elect to defer a portion of their salaries and avoid paying taxes on the deferred portion until the withdrawal date. The deferred compensation amount is not available for withdrawal by employees until termination, retirement, death, or unforeseeable emergency. In accordance with the provisions of GASB Statement No. 32 and No. 34, plan balances and activities are not reflected in the financial statements of the Lincoln Parish Detention Center.

NOTE 7 - COMPENSATION FOR THE BOARD OF COMMISSIONERS

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

NOTE 8 – POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

General Information about the OPEB Plan

Plan description – The Lincoln Parish Detention Center (the Center) provides certain continuing health care and life insurance benefits for its retired employees. The Lincoln Parish Detention Center's OPEB Plan (the OPEB Plan) is a single-employer defined benefit OPEB plan administered by the Center. The authority to establish and/or amend the obligation of the employer, employees and retirees rests with the Center. No assets are accumulated in a trust that meets the criteria in Governmental Accounting Standards Board (GASB).

Benefits Provided – Medical, dental, vision and life insurance benefits are provided through comprehensive plans and are made available to employees upon actual retirement. The employer pays 100% of the medical coverage for the retiree and a portion for dependents for employees hired before July 1, 2010. For employees hired on and after July 1, 2010, only retiree coverage is provided by the employer. For employees hired on and after September 1, 2013 the employer pays 50% if service is less than 30 years. Employees are covered by a retirement system whose retirement eligibility (D.R.O.P. entry) provisions as follows: 30 years of service at any age or, age 55 and 12 years of service for hire prior to 1/1/2012; else age 55 and 30 years of service or, age 60 and 20 years of service or, age 62 and 15 years of service for hire prior to 9/1/2013; else age 55 and 30 years of service or, age 60 and 20 years of service. For all years there is a minimum service requirement of 15 years.

LINCOLN PARISH DETENTION CENTER
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 8 – POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS- Continued

Life insurance coverage is provided to retirees 100% of the rate is paid by the employer. The full amount of insurance coverage while active is continued after retirement, but insurance coverage amounts are reduced to 75% of the original amount at age 65 and to 50% of the original amount at age 70.

Employees covered by benefit terms – At December 31, 2020, the following employees were covered by the benefit terms:

| | |
|--|-----------|
| Inactive employees or beneficiaries currently receiving benefit payments | 8 |
| Inactive employees entitled to but not yet receiving benefit payments | - |
| Active employees | <u>50</u> |
| | <u>58</u> |

Total OPEB Liability

The Center’s total OPEB liability of \$1,111,215 was measured as of December 31, 2020 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and other inputs – The total OPEB liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

| | |
|-----------------------------|---|
| Inflation | 2.0% |
| Salary increases | 3.0%, including inflation |
| Discount rate | 2.74% annually (Beginning of Year to Determine ADC) 2.12%, annually (As of End of Year Measurement Date) |
| Healthcare cost trend rates | 5.5% annually until year 2030, then 4.5% |
| Mortality | SOA RP-2014 Table |

The discount rate was based on the Bond Buyers' 20 Year General Obligation municipal bond index as of December 31, 2020, the end of the applicable measurement period.

The actuarial assumptions used in the December 31, 2020 valuation were based on the results of ongoing evaluations of the assumptions from January 1, 2009 to December 31, 2020.

Changes in the Total OPEB Liability

| | |
|--|----------------------------|
| Balance at December 31, 2019 | <u>\$ 651,949</u> |
| Changes for the year: | |
| Service cost | - |
| Interest | 17,863 |
| Differences between expected and actual experience | 301,709 |
| Changes in assumptions | 190,133 |
| Benefit payments and net transfers | <u>(50,439)</u> |
| Net changes | <u>459,266</u> |
| Balance at December 31, 2020 | <u><u>\$ 1,111,215</u></u> |

LINCOLN PARISH DETENTION CENTER
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 8 – POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS- Continued

Sensitivity of the total OPEB liability to changes in the discount rate – The following presents the total OPEB liability of the Center, as well as what the Center’s total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.12%) or 1-percentage-point higher (3.12%) than the current discount rate:

| | 1.0% Decrease (1.12%) | Current Discount Rate (2.12%) | 1.0% Increase (3.12%) |
|----------------------|----------------------------------|--|----------------------------------|
| Total OPEB liability | \$ 1,312,752 | \$ 1,111,215 | \$ 949,711 |

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates – The following presents the total OPEB liability of the Center, as well as what the Center’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (4.5%) or 1-percentage-point higher (6.5%) than the current healthcare trend rates:

| | 1.0% Decrease (4.5%) | Current Trend (5.5%) | 1.0% Increase (6.5%) |
|----------------------|---------------------------------|---------------------------------|---------------------------------|
| Total OPEB liability | \$ 970,001 | \$ 1,111,215 | \$ 1,286,069 |

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2020, the Center recognized OPEB expense of \$63,557. At December 31, 2020, the Center reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|-----------------------------------|----------------------------------|
| Differences between expected and actual experience | \$ 284,834 | \$ (4,604) |
| Changes in assumptions | 236,559 | (28,278) |
| Total | \$ 521,393 | \$ (32,882) |

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

| Years ending December 31: | |
|------------------------------|---------|
| 2021 | 45,694 |
| 2022 | 45,694 |
| 2023 | 45,694 |
| 2024 | 45,694 |
| 2025 | 45,694 |
| Thereafter | 260,042 |

LINCOLN PARISH DETENTION CENTER
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 9 - LITIGATION AND CLAIMS

According to the Parish District Attorney, the Lincoln Parish Detention Center had no pending or threatened litigation as of December 31, 2020.

NOTE 10 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budget/Actual Variances

When comparing budget to actual amounts for the year ended December 31, 2020, there were no unfavorable variances more than 5%.

NOTE 11 – PRIOR PERIOD ADJUSTMENT

For the year ended December 31, 2020, Compensated Absences were reported as a liability in the government wide financial statements. Previously, this amount had been reported in the Lincoln Parish Police Jury financial statements. The amount of the restated net position is \$135,752.

NOTE 12 – SUBSEQUENT EVENTS

Subsequent events have been evaluated through September 27, 2021, which the day the financial statements were available to be issued. There were no matters that require disclosure.

**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, 2020

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance With Final Budget Favorable (Unfavorable)</u> |
|---|-------------------------|-------------------------|---------------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| <u>Revenues (Inflows):</u> | | | | |
| Special Sales and Use Tax | \$ 2,350,000 | \$ 2,202,000 | \$ 2,300,714 | \$ 98,714 |
| Intergovernmental Revenues: | | | | |
| Local Grant | 100,000 | 100,000 | 100,000 | - |
| Charges for Services | 1,828,000 | 1,753,300 | 1,859,441 | 106,141 |
| CARES Act Funding | - | 605,000 | 604,892 | (108) |
| Interest Income | 18,000 | 6,000 | 4,799 | (1,201) |
| Miscellaneous Revenue | 2,000 | 9,000 | 26,210 | 17,210 |
| Total Revenues | <u>4,298,000</u> | <u>4,675,300</u> | <u>4,896,056</u> | <u>220,756</u> |
| <u>Expenditures (Outflows):</u> | | | | |
| Public Safety | | | | |
| Personnel Services | 2,652,440 | 2,690,840 | 2,725,837 | (34,997) |
| Operating Services | 770,000 | 486,300 | 423,113 | 63,187 |
| Materials and Supplies | 65,000 | 39,000 | 296,203 | (257,203) |
| Prisoner Related Charges | 969,500 | 713,900 | 547,601 | 166,299 |
| Capital Outlay | 50,000 | 97,000 | 110,961 | (13,961) |
| Other Expenditures | 31,000 | 16,200 | 16,996 | (796) |
| Total Expenditures | <u>4,537,940</u> | <u>4,043,240</u> | <u>4,120,711</u> | <u>(77,471)</u> |
| <u>Excess (Deficiency) of Expenditures Over</u> | | | | |
| <u>Revenues</u> | (239,940) | 632,060 | 775,345 | 143,285 |
| <u>Other Financing Sources:</u> | | | | |
| Operating Transfers Out | 15,000 | - | (843,436) | 843,436 |
| <u>Fund Balance at</u> | | | | |
| <u>Beginning of Year</u> | 2,321,728 | 2,321,728 | 2,321,728 | - |
| <u>FUND BALANCE AT END OF YEAR</u> | <u>\$ 2,096,788</u> | <u>\$ 2,953,788</u> | <u>\$ 2,253,637</u> | <u>\$ 143,285</u> |

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

LINCOLN PARISH DETENTION CENTER
RUSTON, LOUISIANA
NOTES TO BUDGETARY COMPARISON SCHEDULES
FOR THE YEAR ENDED DECEMBER 31, 2020

Budgetary practices of the Center include public notice of the proposed budget, public inspection of the proposed budget, and public hearings on the budget. Budgets are prepared on a modified accrual basis of accounting.

The board is authorized to transfer budget amounts within a function by object classification; however, any revisions that alter the total expenditures of any function must be approved by the board. Budgeted amounts shown in the accompanying financial statements include original adopted budget amounts and all subsequent amendments.

The board approves total budget appropriations, is authorized to transfer budget amounts between departments within any fund, and alters the total appropriations of any fund. Therefore, the level of budgetary responsibility is by total appropriations; however for report purposes, this level has expanded to a functional basis.

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

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

State law requires the Center to amend its budgets when revenues plus projected revenues within a fund are expected to fall short from budgeted revenues by five percent or more and when expenditures and other uses of a fund are expected to exceed budgeted amounts by five percent or more.

LINCOLN PARISH DETENTION CENTER
SCHEDULE OF EMPLOYER'S SHARE OF NET PENSION LIABILITY
FOR THE YEAR ENDED DECEMBER 31, 2020

| Fiscal Year | Agency's proportion of the net pension liability (asset) | Agency's proportionate share of the net pension liability (asset) | Agency's covered payroll | Agency's proportionate share of the net pension liability (asset) as a percentage of its covered payroll | Plan fiduciary net position as a percentage of the total pension liability |
|----------------|---|--|--------------------------------|---|--|
| 2019 | 0.25074% | \$ 1,186,039 | \$ 1,752,106 | 68% | 88.91% |
| 2020 | 0.22308% | \$ 1,343,930 | \$ 1,479,053 | 91% | 84.73% |

Amounts presented were determined as of the measurement date (previous fiscal year end).
Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

SCHEDULE OF EMPLOYER CONTRIBUTIONS
FOR THE YEAR ENDED DECEMBER 31, 2020

| Fiscal Year | (a) Statutorily required contribution | (b) Contributions in relation to the statutorily required contribution | (a-b) Contribution deficiency | Agency's covered payroll | Contributions as a percentage of covered payroll |
|----------------|--|--|-------------------------------------|--------------------------------|--|
| 2019 | \$ 214,633 | \$ 214,633 | \$ - | \$ 1,186,039 | 18.10% |
| 2020 | \$ 181,184 | \$ 181,184 | \$ - | \$ 1,479,053 | 12.25% |

Amounts presented were determined as of the end of the fiscal year.
Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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

LINCOLN PARISH DETENTION CENTER
RUSTON, LOUISIANA
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED DECEMBER 31, 2020

| | 2018 | 2019 | 2020 |
|--|-------------------|-------------------|---------------------|
| Total OPEB Liability | | | |
| Service cost | \$ - | \$ - | \$ - |
| Interest | 23,300 | 24,554 | 17,863 |
| Changes of benefit terms | - | - | - |
| Differences between expected and actual experience | (6,331) | 10,335 | 301,709 |
| Changes of assumptions | (38,882) | 77,838 | 190,133 |
| Benefit payments | (56,539) | (59,649) | (50,439) |
| Net change in total OPEB liability | <u>(78,452)</u> | <u>53,078</u> | <u>459,266</u> |
| Total OPEB liability - beginning | <u>677,323</u> | <u>598,871</u> | <u>651,949</u> |
| Total OPEB liability - ending (a) | <u>\$ 598,871</u> | <u>\$ 651,949</u> | <u>\$ 1,111,215</u> |
| | | | |
| Covered-employee payroll | \$ - | \$ - | \$ 2,130,825 |
| Net OPEB liability as a percentage of covered-employee payroll | 0.00% | 0.00% | 52.15% |
| Notes to Schedule: | | | |
| <i>Benefit Changes:</i> | None | None | None |
| <i>Changes of Assumptions:</i> | | | |
| <i>Discount Rate:</i> | 4.10% | 2.74% | 2.12% |
| <i>Mortality:</i> | RP-2000 | RP-2000 | RP-2014 |
| <i>Trend:</i> | 5.5% | 5.5% | Variable |

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

OTHER SUPPLEMENTAL INFORMATION

LINCOLN PARISH DETENTION CENTER
RUSTON, LOUISIANA
SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS TO
AGENCY HEAD OR CHIEF EXECUTIVE OFFICER
FOR THE YEAR ENDED DECEMBER 31, 2020

Jim Tuten
Detention Center Warden

Purpose:

| | | |
|-----------------------|--------|--------------------|
| Salary | \$ | 143,044 |
| Benefits - Insurance | | 47,903 |
| Benefits - Retirement | | 14,487 |
| Total | \$ | <u>205,434</u> |

MEMBER
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF LOUISIANA
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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Commissioners
Lincoln Parish Detention Center
Ruston, Louisiana

I have audited, in accordance with the 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, the financial statements of the governmental activities of the Lincoln Parish Detention Center, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Center's basic financial statements, and have issued my report thereon dated September 27, 2021.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered the Center's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Center's internal control. Accordingly, I do not express an opinion on the effectiveness of the Center's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Center's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

To the Board of Commissioners
Lincoln Parish Detention Center
Ruston, Louisiana

Compliance and Other Matters

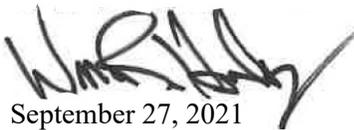
As part of obtaining reasonable assurance about whether the Lincoln Parish Detention Center's financial statements are free from material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have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

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended for the use of management of the Lincoln Parish Detention Center and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

WILLIAM R. HULSEY (APAC)
Certified Public Accountant



September 27, 2021

LINCOLN PARISH DETENTION CENTER
RUSTON, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2020

To the Board of Commissioners
 Lincoln Parish Detention Center
 Ruston, Louisiana

I have audited the financial statements of the Lincoln Parish Detention Center (the Center) as of and for the year ended December 31, 2020, and have issued my report thereon dated September 27, 2021. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. My audit of the financial statements as of December 31, 2020, resulted in an unqualified opinion.

SECTION I – Summary of Auditor’s Results

A. Report on Internal Control and Compliance Material to the Financial Statements

| | |
|--|---------------------|
| <u>Internal Control</u> | |
| Material Weakness | ___ yes <u>X</u> no |
| Significant Deficiencies not considered to be Material Weaknesses | ___ yes <u>X</u> no |
| <u>Compliance</u> | |
| Compliance Material to Financial Statements | ___ yes <u>X</u> no |

B. Federal Awards

| | |
|--|---------------------|
| Material Weakness Identified | ___ yes <u>X</u> no |
| Significant Deficiencies not considered to be Material Weaknesses | ___ yes <u>X</u> no |

Type of Opinion on Compliance For Major Programs (No Major Programs)
 Unqualified ___ Qualified ___
 Disclaimer ___ Adverse ___

Are their findings required to be reported in accordance with the Uniform Guidance (a)? N/A

C. Identification of Major Programs: N/A

Name of Federal Program (or cluster)
 CFDA Number(s)

Dollar threshold used to distinguish between Type A and Type B Programs. N/A

Is the auditee a “low-risk” auditee, as defined by the Uniform Guidance? N/A

SECTION II – Financial Statement Findings

No matters were reported.

SECTION III – Federal Award Findings and Questioned Costs

No matters were reported.

LINCOLN PARISH DETENTION CENTER
RUSTON, LOUISIANA
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2020

Internal Control and Compliance Material to Federal Awards

There were no findings for this category.

Internal Control and Compliance Material to the Financial Statements

There were no findings for this category.

Management Letter Comments

There were no findings for this category.