

CADDO CORRECTIONAL CENTER
Shreveport, Louisiana

Financial Statements
June 30, 2002

CADDO CORRECTIONAL CENTER

Shreveport, Louisiana

Financial Statements

June 30, 2002

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CADDO CORRECTIONAL CENTER
Shreveport, Louisiana

Combined Balance Sheet - All Fund Types and Account Groups
June 30, 2002

(with memorandum only totals for June 30, 2001)

	Governmental Fund Types General Fund	Fiduciary Fund Type - Agency Funds	Account Groups		Totals (Memorandum Only)	
			General Fixed Assets	General Long-Term Obligations	2002	2001
Assets and Other Debits						
Cash and cash equivalents	\$ 2,909,536	\$ 30,301	\$ -	\$ -	\$ 2,939,837	\$ 3,836,284
Investments	-	-	-	-	-	-
Receivables	1,536,360	-	-	-	1,536,360	1,346,385
Inventory	51,664	-	-	-	51,664	71,671
Fixed assets	-	-	936,501	-	936,501	1,048,595
Amount to be provided for accrued claims	-	-	-	24,233	24,233	42,404
Amount to be provided for accrued vacation	-	-	-	830,121	830,121	775,844
Total assets and other debits	\$ 4,497,560	\$ 30,301	\$ 936,501	\$ 854,354	\$ 6,318,716	\$ 7,121,183
Liabilities , Equity and Other Credits						
Liabilities						
Accounts payables	\$ 267,763	\$ -	\$ -	\$ -	\$ 267,763	\$ 66,504
Accrued expenses	187,957	-	-	-	187,957	143,401
Due to others	-	30,301	-	-	30,301	41,389
Accrued claims payable	-	-	-	24,233	24,233	60,575
Accrued vacation	-	-	-	830,121	830,121	775,844
Total Liabilities	455,720	30,301	-	854,354	1,340,375	1,087,713
Equity and other credits						
Investment in general fixed assets	-	-	936,501	-	936,501	1,048,595
Fund balance						
Reserved for inventory	51,664	-	-	-	51,664	71,671
Unreserved - undesignated	3,990,176	-	-	-	3,990,176	4,913,204
Total equity and other credits	4,041,840	-	936,501	-	4,978,341	6,033,470
Total liabilities, equity and other credits	\$ 4,497,560	\$ 30,301	\$ 936,501	\$ 854,354	\$ 6,318,716	\$ 7,121,183

CADDO CORRECTIONAL CENTER
Shreveport, Louisiana

General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance

Year ended June 30, 2002
(with comparative amounts for the year ended June 30, 2001)

	2002	2001
Revenues:		
Sales tax	\$ 8,782,786	\$ 7,904,128
Intergovernmental revenues:		
State sources:		
Housing state prisoners	2,876,405	2,963,607
State supplemental pay	717,255	691,225
Caddo Parish Sheriff	-	775,000
Caddo Parish Commission	2,597,329	2,588,437
Commissions for services - commissary sales	135,961	116,560
Telephone revenue	274,804	189,785
Interest	76,196	161,690
Miscellaneous	158,672	78,466
Total revenues	15,619,408	15,468,898
Expenditures:		
Current - public safety:		
Personal services and related benefits	13,101,227	11,680,592
Materials and supplies	470,525	352,662
Statutory charges	1,825,085	1,750,009
Contractual charges	1,007,773	804,884
Other charges	131,346	58,298
Capital outlay	26,487	50,231
Total expenditures	16,562,443	14,696,676
Excess (deficiency) of revenues over (under) expenditures	(943,035)	772,222
Fund balances at beginning of year	4,984,875	4,212,653
Fund balances at end of year	\$ 4,041,840	\$ 4,984,875

CADDO CORRECTIONAL CENTER
Shreveport, Louisiana

General Fund
Statement of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual on a Budgetary Basis
Year ended June 30, 2002
(with comparative amounts for the year ended June 30, 2001)

	2002		Variance - Favorable (Unfavorable)	2001
	Budget	Actual		Actual
Revenues:				
Sales tax	\$ 8,700,000	\$ 8,699,309	\$ (691)	\$ 8,380,997
Intergovernmental revenues:				
State sources:				
Housing state prisoners	2,820,000	2,934,708	114,708	2,882,940
State supplemental pay	700,000	711,737	11,737	695,183
Basic Training Reimbursement	2,000	-	(2,000)	-
Local grants:				
Caddo Parish Sheriff	-	-	-	775,000
Caddo Parish Commission	2,800,000	2,569,936	(230,064)	2,588,181
Commissions for services - commissary sales	125,000	123,926	(1,074)	116,560
Telephone revenue	240,000	248,636	8,636	227,286
Interest	80,000	76,196	(3,804)	178,675
Miscellaneous	20,000	92,539	72,539	76,867
Total revenue	<u>15,487,000</u>	<u>15,456,987</u>	<u>(30,013)</u>	<u>15,921,689</u>
Expenditures:				
Current - public safety:				
Personal services and related benefits	13,248,000	13,059,598	188,402	11,705,596
Materials and supplies	1,067,000	461,086	605,914	336,305
Statutory charges	442,000	1,805,065	(1,363,065)	1,840,869
Contractual charges	1,780,000	1,013,869	766,131	803,236
Other charges	114,000	120,150	(6,150)	57,221
Capital outlay	50,000	45,023	4,977	33,066
Total expenditures	<u>16,701,000</u>	<u>16,504,791</u>	<u>196,209</u>	<u>14,776,293</u>
Excess (deficiency) of revenues over (under) expenditures	(1,214,000)	(1,047,804)	166,196	1,145,396
Fund balance at beginning of year	<u>5,358,049</u>	<u>5,358,049</u>	<u>-</u>	<u>4,212,653</u>
Fund balance at end of year	<u>\$ 4,144,049</u>	<u>\$ 4,310,245</u>	<u>\$ 166,196</u>	<u>\$ 5,358,049</u>

CADDO CORRECTIONAL CENTER
Shreveport, Louisiana

Notes to Financial Statements
June 30, 2002

Note 1 - Reporting Entity and Summary of Significant Accounting Policies

The Caddo Correctional Center ("Center") was created by the Caddo Parish Commission ("Commission") under the provisions of Louisiana Revised Statute 33:1236 providing for the maintenance and operation of a parish prison. The jail is a modern correctional facility that has a maximum capacity of 1,070 male and female inmates.

Reporting Entity The basic criterion for determining whether a governmental organization should be included in a primary governmental unit's reporting entity for financial statements is financial accountability. Financial accountability includes the appointment of a voting majority of the organization's governing body and the ability of the primary government to impose its will on the organization or if there is a financial benefit burden relationship. In addition, an organization which is fiscally dependent on the primary government should be included in its reporting entity.

By intergovernmental agreement between the Caddo Parish Sheriff ("Sheriff") and the Commission, the Sheriff manages and operates the jail facility. The Sheriff also maintains accounting records, prepares annual budgets, and prepares financial information. The operation of the Center is funded by the one-quarter cent sales tax. The Sheriff receives directly all funds generated from any source as a result of operations at the jail, including concessions, telephones, and grants, all of which are dedicated to the operation of the jail facility. Ultimate responsibility for the facility is vested in the Commission. The financial operations of the facility are reflected in the financial statements of the Commission and are not reflected in the financial statements of the Sheriff.

The accompanying financial statements present the financial position and results of operations of the Center relating only to the Sheriff's responsibility to operate the Center. These statements do not report the expenditures relating to the maintenance of the Center since it is the Commission's responsibility to maintain the Center, nor do these financial statements present the financial position or results of operations of the Sheriff.

The accounting policies of the Center conform to generally accepted accounting principles as applicable to governmental units. The following is a summary of the more significant policies:

Basis of Presentation - The Center's operations are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, and expenditures.

The following fund types and account groups are utilized:

Governmental Fund - The Governmental Fund is that fund through which most governmental functions are financed. The acquisition, use, and balances of expendable financial resources and the related liabilities are accounted for through the governmental fund. The General Fund is accounted for on a spending or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included

on the balance sheet. Reported fund balance (net current assets) is considered a measure of "available spendable resources." Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, the General Fund is said to present a summary of sources and uses of "available spendable resources" during a reporting period.

The General Fund, as provided by Louisiana Revised Statute 33:1422, is the principal fund of the Center and accounts for the operations of the Center. The Center's primary source of revenue is a 1/4-cent sales tax and appropriations from the Commission and the Sheriff. Other sources of revenue include per diem for housing state prisoners, state supplemental pay for deputies, telephone revenue, and commissary sales. General operating expenditures are paid from this fund.

Fiduciary Funds - Fiduciary funds are used to account for assets held by the Center in a trustee capacity or as an agent for individuals, private organizations, and other governmental units.

Agency Funds - Agency Funds are used to account for assets held in a trustee capacity. The Center's Agency Funds are used for the receipt and disbursement of funds for inmates of the Caddo Correctional Center. The Agency Funds are custodial in nature (assets equal liabilities) and do not present results of operations or have a measurement focus.

Account Groups - Account groups are used to establish accounting control and accountability for the Center's general fixed assets and general long-term obligations. The General Fixed Assets Account Group is established to account for all fixed assets of the Center. The General Long-Term Obligations Account Group is established to account for all long-term obligations of the Center.

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

The Governmental Fund is accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. Expenditures are recognized when the related fund liability is incurred.

The General Fund uses the following practices in recording revenues and expenditures:

Revenues

Intergovernmental revenues and commissions for services are recorded when the Center is entitled to the funds.

Sales taxes held by the intermediary collecting agency are recognized as revenue.

Interest income on time deposits is recorded as earned.

Substantially all other revenues are recorded when received.

Expenditures

Governmental Fund expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

The Fiduciary Funds (Agency Funds) use the following practices in recording additions and reductions:

Additions

Additions are generally not susceptible to accrual because they are not measurable until received in cash. However, some additions become measurable before being received and are accrued accordingly.

Reductions

Reductions are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

Budgetary Accounting - The Center utilizes the following procedures in establishing the budgetary data for the General Fund:

- 1) During June, the Sheriff's office prepares the proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
- 2) A public hearing is held on the proposed budget.
- 3) The adopted budget is published in the official journal prior to the commencement of the fiscal year for which the budget is being adopted.
- 4) A public hearing is held for proposed amendments to the budget.
- 5) Amended budget is published in official journal.
- 6) All budgetary appropriations lapse at the end of each fiscal year.
- 7) The budget is prepared on the basis of cash estimates, which means that for budgetary purposes revenues are budgeted in the year of receipt rather than the year earned, and expenditures are budgeted in the year paid rather than in the year incurred. Inventory purchases are recorded as expenditures at the time of purchase rather than under the consumption method. Expenditures may not legally exceed appropriations on a fund basis.

Encumbrances and Budget - Encumbrance accounting, under which purchase orders are recorded to reserve that portion of the applicable appropriation, is not employed. However, formal integration of the budget into the accounting records is employed as a management control device. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments.

Inventory - Inventory consists of dietary items. Inventory is valued at cost and is recorded as expenditures under the consumption method using the first-in, first-out cost method.

Reported inventory is equally offset by a fund balance reserve that indicates that this portion of fund balance does not constitute available spendable resources even though it is a component of net current assets.

Fixed Assets and Long-Term Liabilities - The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with the Center are determined by its measurement focus where the focus is upon determination of changes in financial position rather than upon net income determination.

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, rather than in governmental funds. Such assets are valued at historical cost, if purchased and at fair market value at date of gift, if donated. No depreciation has been provided for assets accounted for in the General Fixed Assets Account Group.

Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Obligations Account Group, not in the General Fund.

The two account groups are not "funds." They are concerned only with the measurement of financial position. They are not involved with measurement of results of operations.

Because of their spending measurement focus, expenditure recognition for governmental fund types is limited to exclude amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities. They are instead reported as liabilities in the General Long-Term Obligations Account Group.

Accrued Vacation - Employees of the Center earn from 10 to 20 days of vacation leave each year, depending upon their length of service. Employees resigning or heirs of deceased employees may be paid for unused vacation leave at their current rate of pay. Sick leave is granted at the discretion of the Sheriff, but employees are not paid for accumulated sick leave upon retirement or resignation. The Center accrues costs incurred for vacation leave in the General Long-Term Obligations Account Group. Accrued sick leave benefits are not accrued due to the Center's policy of not paying benefits upon termination. No accrual is made in the General Fund because the current portion of the liability does not exceed a normal year's accumulation of benefits and is deemed immaterial.

Investments - Investments are reported at fair value based on quoted market prices. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

State statutes generally authorize the Center to invest in direct United States Treasury obligations; indebtedness issued or guaranteed by federal governmental agencies (provided such obligations are backed by the full faith and credit of the U.S. government); indebtedness issued or guaranteed by federally sponsored U.S. government agencies; time certificates of deposit of state banks organized under the laws of Louisiana and national banks having their principal office in the state of Louisiana; or mutual or trust fund institutions which are registered with the Securities and Exchange Commission. In addition, local governmental entities in Louisiana are authorized to invest in the Louisiana Asset Management Pool Inc. (LAMP), a nonprofit corporation formed by an initiative of the State Treasurer and organized under the laws of the State of Louisiana, which operates a local government investment pool.

While LAMP is not required to be a registered investment company under the Investment Company Act of 1940, its investment policies are similar to those established by Rule 2-a-7, which governs registered money market funds. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest. The dollar weighted average portfolio maturity of LAMP investments is restricted to not more than 90 days and consists of no securities with maturity in excess of 397 days. The fair value of investments is determined on a weekly basis to monitor any variances between amortized cost. LAMP is designed to be highly liquid to give participants immediate access to their account balances. For financial reporting purposes, investments with the LAMP are treated as cash equivalents.

Reservations of Fund Balance - Reserves represent those portions of fund balance not appropriate for expenditure or legally segregated for a specific future use.

Claims and Judgments - Claims and judgments are recorded as expenditures in governmental funds for the amount that will be liquidated with current available financial resources. The remainder of any liability is recorded in the General Long-Term Obligations Account Group.

Comparative Total Data - Comparative amounts and total data for the prior year have been presented in the accompanying financial statements to provide an understanding of changes in the Center's financial position.

Total Columns - Amounts in the "Totals (Memorandum Only)" columns of the financial statements represent a summation of the combined financial statement line items of the General Fund, Fiduciary Fund, General Fixed Assets Account Group, and the General Long-Term Obligations Account Group and are presented for analytical purposes only. The summation includes fund types and account groups that use different bases of accounting. Therefore, amounts shown in the "Totals (Memorandum Only)" columns are not comparable to a consolidation and do not represent the total resources available for the Center.

Use of Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, expenses, and other financing sources and uses during the reporting period. Actual results could differ from those estimates.

Note 2 - Budgetary Data

Budgets and Budget Basis of Accounting - The budget is adopted on a cash basis which means that for budgetary purposes revenues and expenditures are recorded in the year received (paid) rather than in the year earned (incurred). Inventory items are also recorded at the time purchased rather than when consumed.

Revisions made to the original General Fund expenditures budget was as follows:

	Original Budget	Total Revision	Revised Budget
General Fund	\$ 15,635,000	\$ 1,066,000	\$ 16,701,000

Adjustments necessary to convert the excess of revenues over expenditures at the end of the year on the budgetary basis to a basis consistent with generally accepted accounting principles (GAAP) are as follows:

Excess of revenues and other financing sources over (under) expenditures and other financing uses (budgetary basis)	(\$ 1,047,804)
Accrual of expenditures at June 30,2002	(279,754)
Accrual of expenditures at June 30,2001	220,086
Accrual of sales tax and other revenue at June 30, 2002	1,386,567
Accrual of sales tax and other revenue at June 30, 2001	(1,222,130)
Net revenue and expenditure accruals	<u>104,769</u>
Excess of expenditures over (under) revenues and other financing sources (GAAP basis)	\$(<u>943,035</u>)

Note 3 - Cash and Cash Equivalents

All deposits of the Center are held by area financial institutions. At June 30, 2002, the carrying amount of the Center's cash deposits was \$2,939,837 and the bank balance was \$3,725,316. The difference in the bank balance and the carrying amount is due to the outstanding checks at June 30, 2002. Of the bank balance, \$100,000 was covered by federal depository insurance (GASB Category 1) and \$3,625,316 was collateralized with securities held by the pledging financial institution's trust department or agent, but in the Center's name (GASB Category 2).

Note 4 – Receivables

Receivables in the General Fund at June 30, 2002 are as follows:

Sales tax	\$ 481,958
Intergovernmental revenues:	
State funds - housing state prisoners	268,745
Caddo Parish Commission - inmate subsistence	451,136
Supplemental pay	63,074
Refunds and reimbursements	149,796
Telephone revenue	26,168
Other	95,483
Total	\$ <u>1,536,360</u>

Note 5 - General Fixed Assets

A summary of changes in general fixed assets follows:

	<u>Balance</u> July 1, 2001	<u>Additions</u>	<u>Retirements</u> <u>and other</u> <u>adjustments</u>	<u>Balance</u> June 30, 2002
Automobiles, office furniture and equipment	\$ 938,052	\$ 98,838	(\$ 216,119)	\$ 820,771
Computer equipment	<u>110,543</u>	<u>5,187</u>	<u>-</u>	<u>115,730</u>
	<u>\$ 1,048,595</u>	<u>\$ 104,025</u>	<u>(\$ 216,119)</u>	<u>\$ 936,501</u>

Note 6 Long-Term Obligations

A summary of changes in accrued compensated absences and accrued claims follows:

	<u>Claims</u>	<u>Accrued</u> <u>Vacation</u>
Balance, July 1, 2001	\$ 42,404	\$ 775,844
Net change	(<u>18,171</u>)	<u>54,277</u>
Balance, June 30, 2002	<u>\$ 24,233</u>	<u>\$ 830,121</u>

Note 7- Defined Benefit Pension Plan

Description of Plan - The Center provides retirement, death, and disability benefits to substantially all of its employees through the Sheriff's Pension and Relief Fund of Louisiana ("System"), a cost-sharing multiple-employer public employee statewide retirement system ("PERS"), controlled and administered by a separate board of trustees. All sheriffs and all deputies who are found to be physically fit at the time of original employment are required to participate in the System.

Funding Status and Progress - Benefit provisions are established in accordance with Louisiana State Statute. The System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Board of Trustees of the Centers' Pension and Relief Fund of Louisiana, P.O. Box 3162, Monroe, LA 71210-3163.

Funding Policy - Contributions to the System include one-half of one percent (0.50%) of the taxes shown to be collectible by the tax rolls of each parish and a direct appropriation from the State of Louisiana. State statute requires covered employees to contribute a percentage of their salaries to the System. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by an actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. Covered employees were required to contribute 9.8%, 9.7%, and 9.7% of their salary for the years ended June 30, 2002, 2001 and 2000, respectively. The Sheriff is required to contribute 6% for the years ended June 30, 2002 and 2001 and 5% for the year ended June 30, 2000, of covered employees' salaries. The

Center's contributions for the years ended June 30, 2002, 2001 and 2000 were \$661,077, \$512,310 and \$470,148, respectively, equal to the required contribution for each year. In accordance with GASB Statement No.27, *Accounting for Pensions by State and Local Governmental Employers*, the net pension obligation was determined to be zero. Prior to adoption of GASB 27, the Center did not report a pension liability for the System.

Note 8 - Postretirement Benefits

In addition to the pension benefits described in Note 7, the Center provides certain continuing postretirement health care and life insurance benefits through the Louisiana Sheriff's Association Group Benefits Plan in accordance with state statutes to all retired employees who were participants of the plan prior to their retirement date. The premiums for retiree health insurance are paid by the Center with life or dependent care premiums being paid by the retiree. The Center recognizes the cost of providing these benefits as an expenditure on a pay-as-you-go basis when the monthly premiums are due. At June 30, 2002, there were twenty-five (25) retirees receiving benefits. The Center's cost of benefits provided to retirees was approximately \$131,041 for 2002.

Note 9 - Changes in Agency Fund Balances

A summary of changes in agency fund balances due to others follows:

	Balance July 1, 2001	Additions	Reductions	Balance June 30, 2002
Agency Funds:				
Inmate Personal Fund	\$ 21,357	\$ 959,822	\$ 950,963	\$ 30,216
Inmate Welfare Fund	20,032	58,834	78,781	85
Total	\$ 41,389	\$ 1,018,656	\$ 1,029,744	\$ 30,301

Note 10 - Contingencies, Litigation, and Claims

Litigation

At June 30, 2002, the Center is named as defendant in several lawsuits. In the opinion of the Center's legal counsel, no claims or suits exist for which there is insufficient insurance coverage and resolution of these matters will not have a material adverse effect on the financial condition of the Center.

Claims

Accrued claims payable of \$24,233 have been established for the long-term portion of a settlement that is to be paid at approximately \$18,000 for 2003 and at approximately \$12,000 per year for 2004 and 2005.

Risk Management

The Center is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; and errors and omission. These risks are handled by the Center through the purchase of various commercial insurance policies with varying coverage limits, deductibles, and premiums based on the type of policy. No significant reductions in insurance coverage from coverage in the prior year occurred and no claims exceeded the Center's insurance coverage for each of the past three years.

CADDO CORRECTIONAL CENTER
Shreveport, Louisiana

Fiduciary Funds - Agency Funds
Combining Balance Sheet

June 30, 2002

	Inmate Welfare Fund	Inmate Personal Fund	Total
Assets			
Cash and cash equivalents	\$ 85	\$ 30,216	\$ 30,301
Receivable	-	-	-
Total assets	\$ 85	\$ 30,216	\$ 30,301
 Liabilities			
Due to others	\$ 85	\$ 30,216	\$ 30,301
Total liabilities	\$ 85	\$ 30,216	\$ 30,301

See accompanying independent auditors' report.

CADDO CORRECTIONAL CENTER
Shreveport, Louisiana

Fiduciary Funds - Agency Funds
Schedule of Changes in Balances Due to Others

For the year ended June 30, 2002

	<u>Inmate Welfare Fund</u>	<u>Inmate Personal Fund</u>	<u>Total</u>
Balances, July 1, 2001	\$ 20,032	\$ 21,357	\$ 41,389
Additions:			
Deposits - inmates	-	943,567	943,567
Telephone commissions	58,295	-	58,295
Interest on investments	115	-	115
Other additions	424	16,255	16,679
Total additions	<u>58,834</u>	<u>959,822</u>	<u>1,018,656</u>
Reductions			
Purchases of personal items	-	950,963	950,963
Subscriptions	912	-	912
Teacher services	5,780	-	5,780
General supplies	7,331	-	7,331
Office equipment and fixtures	1,239	-	1,239
Inmate supplies	27,595	-	27,595
Educational programs	11,154	-	11,154
Refunds to inmates	-	-	-
Other reductions (medical/dental services)	24,770	-	24,770
Total reductions	<u>78,781</u>	<u>950,963</u>	<u>1,029,744</u>
Balances, June 30, 2002	<u>\$ 85</u>	<u>\$ 30,216</u>	<u>\$ 30,301</u>

See accompanying independent auditors' report.

ROBERTS, CHERRY & COMPANY

Certified Public Accountants, Consultants

Independent Auditor's Report

The Honorable Steve Prator
Caddo Correctional Center
Shreveport, Louisiana:

We have audited the accompanying financial statements of the Caddo Correctional Center, a component unit of the Caddo Parish Commission for financial reporting purposes, as of and for the year ended June 30, 2002, as listed in the foregoing table of contents. These financial statements are the responsibility of the Caddo Parish Sheriff's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our 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 we 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. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1, the accompanying financial statements of the Caddo Correctional Center present the financial position and results of operations of only that portion of the funds and account groups of the Caddo Parish Sheriff that is attributable to the operations of the Caddo Correctional Center covered in the intergovernmental agreement executed between the Caddo Parish Commission and the Caddo Parish Sheriff.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Caddo Correctional Center as of June 30, 2002, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated September 18, 2002, on our consideration of the Caddo Correctional Center's internal control over financial reporting and on our 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 *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit,

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplemental information schedules listed in the foregoing table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Caddo Correctional Center. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

ROBERTS, CHERRY AND COMPANY

ROBERTS, CHERRY and COMPANY

A Corporation of Certified
Public Accountants
Shreveport, Louisiana
September 18, 2002

ROBERTS, CHERRY & COMPANY

Certified Public Accountants, Consultants

**Report on Compliance and on Internal Control Over Financial Reporting
Based on an Audit of Financial Statements Performed
in Accordance With Government Auditing Standards**

The Honorable Steve Prator
Caddo Parish Sheriff
Shreveport, Louisiana:

We have audited the financial statements of the Caddo Correctional Center as of and for the year ended June 30, 2002, and have issued our report thereon dated September 18, 2002. We conducted our 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.

Compliance

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

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Caddo Correctional Center's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our 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. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting and other operational matters that we have reported to the Sheriff in a separate letter dated September 18, 2002.

This report is intended solely for the information and use of the Caddo Parish Sheriff, management, the State of Louisiana Legislative Auditor, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

ROBERTS, CHERRY AND COMPANY
ROBERTS, CHERRY and COMPANY

A Corporation of Certified
Public Accountants
Shreveport, Louisiana
September 18, 2002