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LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA

Primary Government Financial Statements
For the Year Ended December 31, 2005

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 8-16-06

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
PRIMARY GOVERNMENT FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005

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RUSTON, LOUISIANA
PRIMARY GOVERNMENT FINANCIAL STATEMENTS
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INDEPENDENT AUDITOR'S REPORT

Lincoln Parish Police Jury
Ruston, Louisiana

I have audited the accompanying primary government financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Lincoln Parish Police Jury (which is the "Police Jury" as well as "the primary government"), as of and for the year ended December 31, 2005, which collectively comprise the basic financial statements of the Police Jury's primary government as listed in the table of contents. These financial statements are the responsibility of the Police Jury's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinions.

The financial statements referred to above include only the primary government of the Police Jury, which consists of all funds, organizations, institutions, agencies, departments and offices that comprise the Police Jury's legal entity. The financial statements do not include financial data for the Police Jury's legally separate component units, which accounting principles generally accepted in the United States of America require to be reported with the financial data of the Police Jury's primary government. As a result, the primary government financial statements do not purport to, and do not, present fairly the financial position of the reporting entity of the Police Jury as of December 31, 2005, and the changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information for the primary government as of December 31, 2005, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued my report dated May 19, 2006, on my consideration of the Lincoln Parish Police Jury's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of my audit.

Management's discussion and analysis and budgetary comparison information on pages 3 through 9 and 31 through 39, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, I did not audit the information and express no opinion on it.

My audit was conducted for the purpose of forming an opinion on the primary government financial statements of the Lincoln Parish Police Jury taken as a whole. The accompanying financial information listed as "Schedules" and "Supplementary Information" in the table of contents, including the Schedule of Expenditures of Federal Awards, is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements of the Lincoln Parish Police Jury. Such information has been subjected to the auditing procedures applied in the audit of the Lincoln Parish Police Jury, and, in my opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Police Jury's primary government financial statements. The introductory section, combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements have been subjected to the auditing procedures applied in the audit of the primary government financial statements and, in my opinion, are fairly stated in all material respects in relation to the primary government financial statements taken as a whole. The introductory section has not been subjected to the auditing procedures applied in the audit of the primary government financial statements and, accordingly, I express no opinion on it.

WILLIAM R. HULSEY, APAC
Certified Public Accountant



May 19, 2006

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

**LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
Management's Discussion and Analysis (MD&A)**

We offer the readers of the Lincoln Parish Police Jury's financial statements this narrative overview and analysis of the financial activities of the Lincoln Parish Police Jury for the fiscal year ended on December 31, 2005.

FINANCIAL HIGHLIGHTS

Our financial statements provide the following key financial highlights for the 2005 fiscal year:

- General Government Activities report total costs of \$12,413,941 and total revenues of \$13,278,913.
- Capital Projects included the continuation of the North Chatham Sewer project as well as the Highway Department Equipment Building and Riser Road Bridge Project. These capital expenditures account for the major portion of expenditures in General Government Activities.

The Management's Discussion and Analysis (MD&A) is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments* issued June 1999. Certain comparative information between the current year and the prior year is required to be presented here. The MD&A is intended to serve as an introduction to the Police Jury's basic financial statements. Those basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains supplemental information.

Government-wide Financial Statements: The government-wide financial statements are designed to provide readers with a broad overview of the Police Jury's finances in a format similar to that of a private sector entity.

The Statement of Net Assets presents information on all of the Police Jury's assets and liabilities, with the difference between the two reported as net assets. Increases or decreases presented on a comparative basis each year may prove useful as an indicator of whether the financial position of the Police Jury is improving or not.

The Statement of Activities presents information showing how the Police Jury's net assets changed during the reporting period. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

The Statement of Net Assets and the Statement of Activities distinguish functions of the Police Jury that are principally supported by taxes, intergovernmental revenues, and charges for services (governmental activities) from other functions that are intended to

recover all or a significant portion of their costs through user fees and charges (business-type activities). The relationship between revenues and expenses represent the Police Jury's operating results. However, the Police Jury's goal is to provide services to our citizens, not to generate profits as is the case with commercial entities. As a result, one must consider other non-financial factors, such as the condition of the Police Jury's roads and bridges, services provided such as solid waste disposal, rural garbage collection, recreation, library services and housing assistance in order to assess the overall health of the Police Jury.

In the Statement of Net Assets and the Statement of Activities, we divide the Police Jury into three kinds of activities:

General Fund Activities – Most of the Police Jury's basic services are reported here, including mandated cost for district courts and coroner's office, assistance to other governmental entities, courthouse and other parish building maintenance and general administration as well as road construction, solid waste disposal, library funds and the hospital proceeds fund. Property taxes, sales tax, severance taxes, franchise fees, licenses and fees, and state and federal grants finance most of these activities.

Special Revenue Activities – These activities include most public works including roads and bridges, solid waste collection and disposal as well as library services, criminal court activities, and public health and housing assistance. Funding for these activities are received from property taxes, state and federal grants, and fees charged for services.

Capital Project Activities – The majority of expenses in the capital projects activities for 2005 were incurred on the Riser Road Bridge, Highway Department Equipment Building and North Chatham sewer projects.

Fund Financial Statements: A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Police Jury, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Police Jury's fund financial statements provide detailed information about the most significant funds—not the Police Jury as a whole.

Governmental Funds – Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on the near-term inflows and outflows of spendable resources, as well as on balances of spendable resources at the end of the fiscal year. Such information may be useful in evaluating the Police Jury's near-term financing requirements. Because the focus of governmental funds is

narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements so that the reader may better understand the long-term impact of the Police Jury's short-term financing decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

THE JURY AS A WHOLE

Our analysis shown below focuses on the net assets (Table 1) and changes in net assets (Table 2) of the Police Jury's governmental and business-type activities on a comparative basis.

Table 1
Net Assets
December 31, 2005 and 2004

	Governmental Activities 2005	Governmental Activities 2004
Current and other assets	\$ 30,357,388	\$ 30,903,287
Capital assets	15,441,010	15,045,124
Total assets	45,798,398	45,948,411
Current and other liabilities	884,962	1,732,233
Long-term liabilities	4,914,128	5,081,842
Total liabilities	5,799,090	6,814,075
Net assets		
Invested in capital assets, net of debt	10,626,010	10,055,124
Restricted	16,611,802	17,026,901
Unrestricted	12,761,496	12,052,311
Total net assets	\$ 39,999,308	\$ 39,134,336

**LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
Management's Discussion and Analysis (MD&A)**

**Table 2
Changes in Net Assets
For the Years Ended December 31, 2005 and 2004**

	Governmental Activities 2005	Governmental Activities 2004
Revenues		
Program Revenues		
Section 8 housing	\$ 451,637	\$ 662,015
Parish transportation funds	442,882	419,010
General revenues		
Property taxes	4,271,683	4,374,958
Sales tax	3,095,867	3,589,627
Other taxes	97,346	84,524
State revenue sharing	276,713	230,071
Local grants	412,246	429,172
Federal revenue	1,211,062	1,238,673
Severance tax	1,012,161	928,470
Fees, charges and commissions	300,430	309,883
Fines and forfeitures	305,698	331,548
Earnings on investments	809,867	723,544
Miscellaneous	591,321	459,470
Total Revenues	13,278,913	13,780,965
Functions/Program Expenses		
Governmental Activities		
General and administrative	2,977,693	1,631,247
Public safety	398,627	524,465
Public works	6,090,841	6,134,329
Health and welfare	608,574	664,779
Operating services	170,212	170,632
Culture and recreation	1,900,603	1,875,867
Economic development	35,631	33,048
Debt service	231,760	240,112
Total Functions/Program Expenses	12,413,941	11,274,479
Increase (decrease) in net assets	864,972	2,506,486
Net assets - beginning of year	39,134,336	36,627,850
Net assets - ending of year	\$ 39,999,308	\$ 39,134,336

**LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
Management's Discussion and Analysis (MD&A)**

Governmental Activities

The cost of all governmental activities this year was \$12,413,941. However, as indicated in the Statement of Activities, the amount that our taxpayers financed for these activities through Police Jury taxes was only \$8,477,057 due to the fact that some of the cost was paid by those who directly benefited from the programs or by other governments and organizations that subsidized certain programs with grants and contributions.

Table 3 presents the Police Jury's governmental activities as well as each program's cost for the last two years.

**Table 3
Governmental Activities
For the Years Ended December 31, 2005 and 2004**

	Total Cost of Services 2005	Total Cost of Services 2004
Governmental Activities		
General and administrative	\$ 2,977,693	\$ 1,631,247
Public safety	398,627	524,465
Public works	6,090,841	6,134,329
Health and welfare	608,574	664,779
Operating services	170,212	170,632
Culture and recreation	1,900,603	1,875,867
Economic development	35,631	33,048
Debt service	231,760	240,112
Total Functions/Program Expenses	\$ 12,413,941	\$ 11,274,479

The Police Jury's Funds

As the Police Jury completed the year, its governmental funds reported a combined net asset balance of \$39,999,308 indicating an increase of \$864,972 when compared to 2004. This represents an increase of 2.21% in the net assets for the year.

**LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
Management's Discussion and Analysis (MD&A)**

GENERAL FUND BUDGETARY HIGHLIGHTS

Total actual revenues in the major Governmental Activities Funds exceeded budgeted revenues by \$436,917. The most significant positive variances were in the severance tax (\$152,161) in the General Fund and sales tax (\$195,867) in the Solid Waste Disposal Fund.

Budgeted expenditures were exceeded by actual expenditures in the major Governmental Activities Funds by a total of \$125,420. The net effect of the variances in budgeted revenues and expenditures resulted in a net positive variance of \$205,025.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The Police Jury had invested in the following capital assets (net of depreciation) at the end of fiscal years 2005 and 2004:

	Governmental Activities 2005	Governmental Activities 2004
Land	\$ 1,702,915	\$ 1,571,531
Buildings	4,972,827	4,978,043
Building improvements	4,631,912	4,660,526
Machinery and equipment	673,615	647,979
Furniture and fixtures	682,578	774,363
Vehicles	646,679	786,382
Non-depreciable improvements	58,500	58,500
Infrastructure	2,071,984	1,567,800
Totals	\$ 15,441,010	\$ 15,045,124

Debt Administration

The Lincoln Parish Police Jury had \$ 4,815,000 in general obligation bonds at year-end compared to \$4,990,000 in the prior year, a decrease of 3.51% as shown below:

	2005	2004
Bonds payable	\$ 4,815,000	\$ 4,990,000

More detailed information on regarding the Police Jury's debt is presented in the notes to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

Our elected and appointed officials and citizens consider many factors when developing the Police Jury's budget and tax rates. Since approximately 80% of the total revenues in the General Fund are generated by severance taxes and ad valorem tax collections, careful monitoring of these amounts is of great importance in budget preparation. Severance taxes, in particular, are difficult to predict. Additionally, the effects of such unforeseen natural disasters as hurricanes Katrina and Rita keep the Police Jury ever vigilant of their economic impact, however unlikely these events may be.

CONTACTING THE POLICE JURY'S FINANCIAL MANAGEMENT

Our financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the Police Jury's finances and to show the Police Jury's accountability for the funds received by it. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Richard I. Durrett at the Lincoln Parish Police Jury office located on the third floor of the Lincoln Parish Courthouse, 100 West Texas Avenue, Ruston, LA, or call (318) 513-6200 between the hours of 8:00 a.m. and 5:00 p.m. Monday through Friday.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
STATEMENT OF NET ASSETS
DECEMBER 31, 2005

ASSETS	<u>Governmental Activities</u>
Cash	\$ 4,073,081
Investments	20,126,705
Accounts Receivable	6,025,555
Prepaid Expenses	120,465
Inventory	11,582
Capital Assets:	
Non-Depreciable	1,761,415
Depreciable	<u>13,679,595</u>
TOTAL ASSETS	<u>\$ 45,798,398</u>
LIABILITIES	
Current Liabilities	
Accounts Payable	\$ 857,569
Due To Other Entities	<u>27,393</u>
Total Current Liabilities	884,962
Non-Current Liabilities	
Due Within One Year	
Bonds Payable	190,000
Due in More Than One Year	
Compensated Absences	99,128
Bonds Payable	<u>4,625,000</u>
Total Non-Current Liabilities	4,914,128
Total Liabilities	5,799,090
NET ASSETS	
Invested in Capital Assets, Net of Related Debt	10,626,010
Restricted For:	
Capital Projects	16,046,200
Debt Service	565,602
Unrestricted	<u>12,761,496</u>
Total Net Assets	<u>39,999,308</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 45,798,398</u>

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

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2005

Function/Program Activities	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Assets
Government Activities:					
General Government	\$ 2,977,693	\$ 89,153	\$ 356,839	\$ -	\$ (2,531,701)
Public Safety	398,627	314,833	32,774	-	(51,020)
Public Works	6,090,841	165,238	442,882	843,723	(4,638,998)
Health & Welfare	608,574	-	451,637	-	(156,937)
Operating Services	170,212	-	-	-	(170,212)
Culture & Recreation	1,900,603	36,904	-	10,500	(1,853,199)
Economic Development	35,631	-	-	-	(35,631)
Interest on Long-Term Debt	231,760	-	-	-	(231,760)
Total Governmental Activities	\$ 12,413,941	\$ 606,128	\$ 1,284,132	\$ 854,223	(9,669,458)

General Revenues:

Taxes:	
Property Taxes	4,271,683
Sales Taxes	3,095,867
Other Taxes	97,346
Severance Taxes	1,012,161
Intergovernmental Revenues	656,185
Miscellaneous	591,321
Interest Earned	809,867
Total General Revenues	10,534,430
Changes in Net Assets	864,972
Net Assets - Beginning	39,134,336
Net Assets - Ending	\$ 39,999,308

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

FUND FINANCIAL STATEMENTS

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2005

	General Fund	Library Fund	Solid Waste Disposal Fund	Solid Waste Disposal Equipment Reserve Fund
Assets:				
Cash and cash equivalents	\$ 114,352	\$ 372,424	\$ -	\$ 491,132
Investments	782,010	1,373,370	-	4,411,114
Receivables	902,371	1,812,938	347,168	7,380
Prepaid expenses	120,465	-	-	-
Due from other funds	491,580	440,627	15,110	102,244
Inventory	-	-	-	-
TOTAL ASSETS	\$ 2,410,778	\$ 3,999,359	\$ 362,278	\$ 5,011,870
Liabilities and fund equity:				
Liabilities:				
Accounts payable	\$ 126,678	\$ 65,957	\$ 142,804	\$ 1,217
Due to other funds	5,586	-	169,516	15,007
Due to other entities	27,393	-	-	-
Total liabilities	159,657	65,957	312,320	16,224
Fund Balances:				
Reserved For:				
Witness Fees	-	-	-	-
Inventories	-	-	-	-
Debt Service	-	-	-	-
Unreserved, Reported In:				
General Fund	2,251,121	-	-	-
Special Revenue Funds	-	3,933,402	49,958	-
Capital Project Funds	-	-	-	4,995,646
Total fund equity	2,251,121	3,933,402	49,958	4,995,646
TOTAL LIABILITIES AND FUND EQUITY	\$ 2,410,778	\$ 3,999,359	\$ 362,278	\$ 5,011,870

Hospital Proceeds Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ 676,002	\$ 2,419,171	\$ 4,073,081
9,907,590	3,652,621	20,126,705
-	2,955,698	6,025,555
-	-	120,465
-	782,244	1,831,805
-	11,582	11,582
<u>\$ 10,583,592</u>	<u>\$ 9,821,316</u>	<u>\$ 32,189,193</u>
\$ 225,941	\$ 294,972	\$ 857,569
357,651	1,284,045	1,831,805
-	-	27,393
<u>583,592</u>	<u>1,579,017</u>	<u>2,716,767</u>
-	52,768	52,768
-	11,582	11,582
-	565,602	565,602
-	-	2,251,121
-	6,561,793	10,545,153
<u>10,000,000</u>	<u>1,050,554</u>	<u>16,046,200</u>
<u>10,000,000</u>	<u>8,242,299</u>	<u>29,472,426</u>
<u>\$ 10,583,592</u>	<u>\$ 9,821,316</u>	<u>\$ 32,189,193</u>

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

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
RECONCILIATION OF TOTAL GOVERNMENTAL
FUND BALANCES TO NET ASSETS OF
GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2005

Total Governmental Fund Balances \$ 29,472,426

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

Capital assets used in governmental activities
are not financial resources and therefore
are not reported in the funds. 15,441,010

Long-term liabilities, including compensated
absences payable, are not due and payable in
the current period and therefore are not
reported in the funds. (4,914,128)

Net Assets of Governmental Activities \$ 39,999,308

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

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005

	General Fund	Library Fund	Solid Waste Disposal Fund	Solid Waste Disposal Equipment Reserve Fund
Revenues:				
Taxes:				
Ad valorem	\$ 546,250	\$ 1,620,643	\$ -	\$ -
1/2 cent sales tax	-	-	3,095,867	-
Other taxes, penalties and interest, etc.	8,606	-	-	-
Intergovernmental revenues:				
Federal funds:				
Section 8 Housing	5,670	-	-	-
Other federal funds	-	-	-	-
State funds:				
Parish transportation funds	-	-	-	-
State revenue sharing (net)	55,509	52,140	-	-
Grants - other local agencies	-	17,633	-	-
Severance tax	1,012,161	-	-	-
Fees, charges and commission for services	89,153	36,904	81,341	-
Fines and forfeitures	-	-	-	-
Use of money and property interest earnings and rents	110,727	73,809	4,696	131,743
Other revenues	128,599	1,556	-	-
Total revenues	1,956,675	1,802,685	3,181,904	131,743
Expenditures:				
General government	1,350,117	-	-	-
Public safety	271,499	-	-	-
Public works	-	-	2,626,775	183,515
Health and welfare	19,417	-	-	-
Operating services	-	-	-	-
Culture and recreation	25,668	1,470,478	-	-
Economic development and assistance	35,631	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Principal Payments	-	-	-	-
Interest and other	-	-	-	-
Total expenditures	1,702,332	1,470,478	2,626,775	183,515
Excess (deficiency) of revenues over expenditures	254,343	332,207	555,129	(51,772)
Other financing sources (uses):				
Operating transfers in	-	-	-	-
Operating transfers out	(50,000)	-	(555,370)	-
Total other financing sources (uses)	(50,000)	-	(555,370)	-
Excess (deficiency) of revenues and other sources over expenditures and other uses	204,343	332,207	(241)	(51,772)
Fund balances, beginning	2,046,778	3,601,195	50,199	5,047,418
Fund balances, ending	\$ 2,251,121	\$ 3,933,402	\$ 49,958	\$ 4,995,646

Hospital Proceeds Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ 2,104,790	\$ 4,271,683
-	-	3,095,867
-	88,740	97,346
-	445,967	451,637
-	1,211,062	1,211,062
-	442,882	442,882
-	169,064	276,713
-	394,613	412,246
-	-	1,012,161
-	93,032	300,430
-	305,698	305,698
287,862	201,030	809,867
-	461,166	591,321
287,862	5,918,044	13,278,913
-	366,336	1,716,453
-	-	271,499
-	2,988,015	5,798,305
-	589,157	608,574
-	170,212	170,212
43,049	361,408	1,900,603
-	-	35,631
-	2,069,504	2,069,504
-	175,000	175,000
-	231,760	231,760
43,049	6,951,392	12,977,541
244,813	(1,033,348)	301,372
-	851,163	851,163
(244,813)	(980)	(851,163)
(244,813)	850,183	-
-	(183,165)	301,372
10,000,000	8,425,464	29,171,054
\$ 10,000,000	\$ 8,242,299	\$ 29,472,426

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

LINCOLN PARISH POLICE JURY
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, 2005

Net Change in Fund Balances - Total Governmental Funds \$ 301,372

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

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

Capital assets purchases capitalized	1,103,002
Depreciation Expense	(707,116)
	395,886

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term debt liabilities in the statement of net assets.

175,000

The increase in compensated absences liability does not require the use of current financial resources but is recorded as an expense in the statement of activities.

(7,286)

Change in Net Assets in Governmental Activities

\$ 864,972

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

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
DECEMBER 31, 2005

ASSETS	
Investments, at Fair Value	<u>\$ 963,217</u>
TOTAL ASSETS	<u><u>\$ 963,217</u></u>
LIABILITIES	
Liabilities	\$ -
NET ASSETS	
Held in Trust for Deferred Compensation Benefits	<u>963,217</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 963,217</u></u>

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

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005

INTRODUCTION

The Lincoln Parish Police Jury (the Jury) is the governing authority for Lincoln Parish and is a political subdivision of the State of Louisiana. The Police Jury is governed by 12 jurors representing the various districts within the parish. The jurors serve four-year terms that expire in January of 2008.

Louisiana Revised Statute 33:1236 gives the police jury various powers in regulating and directing the affairs of the parish and its inhabitants. The more notable of those are the power to make regulations for its own government; to regulate the construction and maintenance of roads, bridges, and drainage systems; to regulate the sale of alcoholic beverages; and to provide for the health and welfare of the poor, disadvantaged, and unemployed in the parish. Funding to accomplish these tasks is provided by ad valorem taxes, beer and alcoholic beverage permits, state revenue sharing, and various other state and federal grants.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Jury 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 a Management Discussion and Analysis (MD&A) section providing an analysis of the Jury'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, for reporting purposes, the Lincoln Parish Police Jury is considered a separate financial reporting entity. The financial reporting entity consists of (a) the primary government, the Lincoln Parish Police Jury, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the Jury are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

GASB Statement 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 accountability. The GASB has set forth criteria to

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reporting Entity (Continued)

be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the Jury to impose its will on that organization or (2) the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the Jury. Organizations for which the Jury does not appoint a voting majority but are fiscally dependent on the Jury. 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.

Based on the previous criteria, the police jury has determined that the following component units are part of the reporting entity:

<u>Component Units</u>	<u>Criteria Used</u>
Lincoln Parish Tax Assessor	2
Lincoln Parish District Attorney	2
Lincoln Parish Sheriff	2
Lincoln Parish Detention Center	2
Humanitarian Enterprises of Lincoln Parish	2

The following have been determined to be related organizations:

Lincoln Health Systems	1&2
Lincoln General Hospital	1&2
Fire Protection District No. 1 of Lincoln Parish	1&2
Lincoln Parish Industrial Development Board	1&2
Mount Olive Waterworks District	1&2
Waterworks District No. 1 of Lincoln Parish	1&2
Waterworks District No. 2 of Lincoln Parish	1&2
Waterworks District No. 3 of Lincoln Parish	1&2
Lincoln Parish Communications District	1&2

Since the Jury is legally separate and fiscally independent of other state and local governments and has a separately elected governing body, it meets the definition of a primary government as defined by GASB Statement 14.

The Police Jury has chosen to issue financial statements of the primary government (police jury) only; therefore, none of the previously listed component units are included in the accompanying financial statements.

GASB Statement 14 provides for the issuance of primary government financial statements that are separate from those of the reporting entity. However, the primary government's (police jury) financial statements are not a substitute for the reporting entity's financial statements. The accompanying primary government financial statements have been prepared in conformity with generally accepted accounting principles as applied to government units. These financial statements are not intended to and do not report on the reporting entity but rather are intended to reflect only the financial statements of the primary government (police jury).

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reporting Entity (Continued)

Considered in the determination of component units of the reporting entity were the School Board and the various municipalities in the parish. It was determined that these governmental entities are not component units of the Lincoln Parish Police Jury reporting entity because they have separately elected governing bodies, are legally separate, and are fiscally independent of the Lincoln Parish Police Jury.

Measurement Focus, Basis of Accounting and Financial Statement Position

Government-Wide Financial Statements – The governmental-wide financial statements are reported using the economic resource 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 Lincoln Parish Police Jury considers revenues to be available if they are collected within 60 days of the end of the current fiscal year end.

Principle revenue sources considered susceptible to accrual include federal grants, interest on investments, sales and income taxes, and lease payments receivable. 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 Jury'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 Jury. 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, 2005 has been reported only in the governmental-wide financial statements.
- Interest on general long-term obligations is recognized when paid.
- Debt service expenditures are recorded only when payment is due.

Fund Accounting

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

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Governmental Funds

General Fund – This fund accounts for all activities of the Jury 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.

Special Revenue Funds – Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

Debt Service – Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

Capital Projects Funds – Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

Fiduciary Fund Types – These funds account for assets held by the Police Jury as a trustee or agent for other units of government. This fund includes the following:

Nonexpendable Trust Fund – Nonexpendable Trust Funds are used to account for assets held by the government in a trustee capacity for others. The principal of the trust must be held intact and only the income earned may be used for the purpose specified in the hospital sale proposition, as approved by voters of Lincoln Parish.

Agency Fund – Agency Funds are used to account for assets held by the government as an agent for individuals, private organization, other governments, and/or other funds. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

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 periods. Actual results could differ from those estimates.

Budgetary Practices

Budgetary practices of the Police Jury include public notice of the proposed budget, public inspection of the proposed budget and public hearings on the budget. Budgets are prepared in conformity with GAAP using the modified accrual basis of accounting. The secretary-treasurer 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 Lincoln Parish Police Jury. Appropriations lapse at year-end. Budgeted amounts shown in the accompanying financial statements include original adopted budget amounts and all subsequent amendments. The level of budgetary responsibility is by total appropriations; however, for report purposes, this level has been expanded to a functional basis.

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents

Cash includes demand deposits and money market accounts. Under state law, the Police Jury 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 Police Jury may invest in the time deposits or certificates of deposit of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

Valuation of Carrying Amounts of Deposits

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

Fund Equity

Equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- b. Restricted net assets – Consists of net assets with constraints placed on their use either by (1) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets – All other net assets that do not meet the definitions of “restricted” or “invested in capital assets, net of related debt.”

Receivables

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

Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as “due from other funds” or “due to other funds” on the balance sheet. In the process of aggregating data for the statements of net assets and the statement of activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified.

Fixed Assets

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

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fixed Assets

Prior to January 1, 2003, governmental funds infrastructure assets were not capitalized. The Police Jury has elected to delay the retroactive recognition of these costs until a later date because of the complexity of estimating historical costs. Since this date, these assets have been capitalized and depreciated as required by GASB Statement 34. Depreciable lives are from 5 years for equipment and vehicles, 40 years for buildings and 25 years for infrastructure assets.

Annual and Sick Leave

The following annual and sick leave policies are in effect:

Police Jury

Employees accrue from five to twenty days of annual and five to fifteen days sick leave each year depending on years of service with the Police Jury for a total of not more than 120 days. Similarly, employees are not paid for accrued sick leave upon resigning or retiring, but accrued sick leave may be applied against total employment years at retirement.

Library

Employees of the library earn from twelve to twenty days vacation leave each year depending on length of service and professional status. Vacation leave is not cumulative. Employees of the library earn twelve days sick leave each year, which can be accumulated up to twenty-four days for major medical purposes only. Sick leave lapses at termination of employment.

Third Judicial Criminal District Court

The employees of the district attorney's office, paid from the criminal court fund, accrue twelve days of annual leave and twelve days of sick leave each year. The leave must be used in the year earned. The employees of the district judge's office, paid from the criminal court fund, do not have a formal leave policy.

The Jury accrues costs incurred for annual leave. Accrued sick leave benefits are not accrued due to the policy of not paying benefits upon termination.

Sales and Use Tax

Lincoln Parish has a one-half percent parish-wide sales and use tax approved by the voters of the parish. The net proceeds of the tax (after costs of collections) are used for the purpose of acquiring, operating and maintaining parish-wide solid waste disposal facilities and equipment. After operational costs for the parish-wide solid waste disposal facilities and equipment are determined, the remainder of the proceeds is allocated and divided between the Police Jury and incorporated municipalities within the parish according to a prescribed formula.

Sales tax and use taxes are collected by the Lincoln-Ruston Sales Tax Division, an entity separate from the Police Jury, and the tax proceeds applicable to the Police Jury are transferred monthly.

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Inventories

Inventories for all governmental funds are valued at cost. Reported inventories in these funds are equally offset by a fund balance reserve, which indicates they are unavailable for appropriation even though they are a component of reported assets. Inventories are accounted for as assets when purchased and recorded as expenditures as consumed.

NOTE 2 – CASH AND INVESTMENTS

At year end, the carrying amount of the Police Jury's deposits, net of overdrafts, was \$4,073,081, and the bank balance was \$3,726,127. The bank balance is categorized as follows:

Amount insured by FDIC and FSLIC	\$ 400,000
Amount collateralized with securities held by the pledging financial institution's agent in the Police Jury's name	5,089,667
Uncollateralized	-
Total bank balance	<u>\$ 5,489,667</u>

Investing is performed in accordance with investment policies complying with state statutes and the Jury's charter. The investments of the Jury are categorized to give an indication of the level of risk assumed by the Jury at December 31, 2005. The categories are described as follows:

Category 1 - Insured or registered, with securities held by the entity or its agents in the entity's name.

Category 2 - Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the entity's name.

Category 3 - Uninsured and unregistered, with securities held by the counterparty, in its trust department in the entity's name.

Investments categorized by level of risk, are:

	<u>Category</u>			<u>Carrying Amount</u>	<u>Fair Value</u>
	<u>1</u>	<u>2</u>	<u>3</u>		
U.S. Treasury Notes	\$ 4,249,240	\$ -	\$ -	\$ 4,249,240	\$ 4,249,240
Government agency Bonds	14,600,448	-	-	14,600,448	14,312,173
Equity Investments	-	-	-	-	-
Certificates of deposit and money funds	<u>1,287,017</u>	<u>-</u>	<u>-</u>	<u>1,277,017</u>	<u>1,280,112</u>
Total investments	<u>\$ 20,126,705</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,126,705</u>	<u>\$ 19,841,525</u>

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005

NOTE 3 – RECEIVABLES

The receivables of \$6,025,555 on December 31, 2005, are detailed as follows:

Class of Receivables	General Fund	Special Revenue Funds	Capital Project Funds	Debt Service Fund	Total
Taxes:					
Ad valorem	\$ 626,120	\$ 3,659,440	\$ -	\$ 442,642	\$ 4,728,202
Other	201,426	336,497	16,534	-	554,457
State revenue sharing	37,006	147,468	-	-	184,474
State reimbursements	-	40,288	-	-	40,288
Other	<u>37,819</u>	<u>252,140</u>	<u>228,175</u>	<u>-</u>	<u>518,134</u>
Totals	<u>\$ 902,371</u>	<u>\$ 4,435,833</u>	<u>\$ 244,709</u>	<u>\$ 442,642</u>	<u>\$ 6,025,555</u>

Based on prior experience, the uncollectible ad valorem taxes net of proceeds from the sheriff's sale of property is immaterial, thus no provision has been made for such loss.

NOTE 4 – PROPERTY AND EQUIPMENT

Capital asset activity for the year ended December 31, 2005, is as follows:

	2004 Balance	Additions	Disposals	2005 Balance
Non-Depreciable Assets:				
Land	\$ 1,571,531	\$ 131,384	\$ -	\$ 1,702,915
CIP	1,567,800	-	(1,567,800)	-
Improvements	<u>58,500</u>	<u>-</u>	<u>-</u>	<u>58,500</u>
Total	3,197,831	131,384	(1,567,800)	1,761,415
Depreciable Assets:				
Buildings	8,481,370	122,024	-	8,603,394
Infrastructure	-	2,113,485	-	2,113,485
Improvements	5,551,942	197,306	-	5,749,248
Vehicles	1,610,859	-	-	1,610,859
Furniture & fixtures	1,137,678	-	-	1,137,678
Machinery & equipment	<u>1,667,624</u>	<u>106,603</u>	<u>-</u>	<u>1,774,227</u>
Total	18,449,473	2,539,418	-	20,988,891
Less: Accumulated Depreciation:				
Buildings	(3,503,327)	(127,240)	-	(3,630,567)
Infrastructure	-	(41,501)	-	(41,501)
Improvements	(891,416)	(225,920)	-	(1,117,336)
Vehicles	(824,477)	(139,703)	-	(964,180)
Furniture & fixtures	(363,315)	(91,785)	-	(455,100)
Machinery & equipment	<u>(1,019,645)</u>	<u>(80,967)</u>	<u>-</u>	<u>(1,100,612)</u>
Total	<u>(6,602,180)</u>	<u>(707,116)</u>	<u>-</u>	<u>(7,309,296)</u>
Capital Assets, Net	<u>\$ 15,045,124</u>	<u>\$ 1,963,686</u>	<u>\$(1,567,800)</u>	<u>\$15,441,010</u>

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005

NOTE 4 – PROPERTY AND EQUIPMENT (Continued)

Depreciation expense charged for \$707,116, as follows:

General government	\$ 287,452
Public works	127,128
Culture and recreation	<u>292,536</u>
Total	<u>\$ 707,116</u>

NOTE 5 – PENSION PLAN

Plan Description

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

All permanent employees working at least 28 hours per week who are paid wholly or in part from parish funds and all elected parish officials are eligible to participate in the System. Under Plan A, employees who retire at or after age 60 with at least 10 years of creditable service, at or after age 55 with at least 25 years of creditable service, or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3% of their final average salary for each year of creditable service. However, for those employees who were members of the supplemental plan only before January 1, 1980, the benefit is equal to 1% of final average salary plus \$24 for each year of supplemental-plan-only service earned before January 1, 1980, plus 3% of final-average salary for each year of service credited after the revision date. Under Plan B, employees who retire at or after age 62 with at least 10 years of creditable service or at or after age 55 with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 2% of their final average monthly salary in excess of \$100 for each year of creditable service. Furthermore, employees with at least 10 years of creditable service, but less than 30 years, may take early retirement benefits commencing at or after age 60, with the basic benefit reduced 3% for each year retirement precedes age 62, unless he has at least 30 years of creditable service. In any case, monthly retirement benefits paid under Plan B cannot exceed 100% of final average salary. Final average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. 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. That report may be obtained by writing to the Parochial Employees' Retirement System, Post Office Box 14619, Baton Rouge, Louisiana 70898-4619, or by calling (225) 928-1361.

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005

NOTE 5 – PENSION PLAN (Continued)

Funding Policy

Under Plan A, members are required by state statute to contribute 9.5% of their annual covered salary and the Lincoln Parish Police Jury is required to contribute at an actuarially determined rate. The current rate is 12.75% of annual covered payroll. Under Plan B, members are required by state to contribute 2.0% of their annual covered salary in excess on \$1,200 and the Lincoln Parish Police Jury is required to contribute at an actuarially determined rate. The current rate is 2.50% of annual covered payroll. Contributions to the System also include one-fourth of 1% (except Orleans and East Baton Rouge Parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the Lincoln Parish Police Jury are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Lincoln Parish Police Jury's contributions to the System under Plan A for the years ending December 31, 2005, 2004, and 2003 were \$321,339, \$304,223, and \$193,433, respectively, equal to the required contributions for each year.

NOTE 6 – LEASES

The Police Jury had no capital or operating leases in effect at December 31, 2005.

NOTE 7 – DUE TO/FROM OTHER FUNDS

Individual fund balances due to/from other funds at December 31, 2005, are as follows:

<u>Fund</u>	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
Major Funds:		
General Fund	\$ 491,580	\$ 5,586
Special Revenue Funds:		
Solid Waste Disposal Fund	15,110	169,516
Solid Waste Equipment Reserve Fund	102,244	15,007
Hospital Proceeds Fund	-	357,651
Library Fund	440,627	-
Non-Major Funds:		
Special Revenue Funds	381,856	826,415
Capital Projects Funds	<u>400,388</u>	<u>457,630</u>
Totals	<u>\$ 1,831,805</u>	<u>\$ 1,831,805</u>

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005

NOTE 8 – RESERVED FUND BALANCE – WITNESS FEES

Louisiana Revised Statute 15:255 provides for the payment of witness fees to off-duty law enforcement officers who, in their official capacity, are required to be present as a witness in criminal cases. Witness fees are paid from special court costs levied in criminal cases. Court costs and witness fees are accounted for in the Criminal Court Special Revenue Fund. The following schedule provides a detail of changes in the fund balance of the Law Enforcement Witness Fee Fund for the year ended December 31, 2005:

Balance at January 1, 2005	\$ 71,315
Court costs collected	8,216
Interest	552
Witness fees paid	<u>(27,315)</u>
Balance at December 31, 2005	<u>\$ 52,768</u>

NOTE 9 – DESIGNATED FUND BALANCE – EQUIPMENT REPLACEMENT

The Lincoln Parish Police Jury, by ordinance, established the Solid Waste Equipment Reserve Special Revenue Fund to account for monies designated for replacement of solid waste collection and disposal equipment. Transfers are made from the Solid Waste Collection and Solid Waste Disposal Special Revenue Funds based on the amortization of equipment costs in those funds. The amounts transferred are recognized as operating transfers in the accompanying financial statements. The following schedule provides detail on changes for the year ended December 31, 2005.

	<u>Collection Equipment</u>	<u>Disposal Equipment</u>	<u>Total</u>
Balance at January 1, 2005	\$ 2,196,977	\$ 5,047,418	\$ 7,244,395
Transfers in	-	-	-
Sale of assets	-	-	-
Other revenues	51,650	131,743	183,393
Equipment replacement costs	-	(183,515)	(183,515)
Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Balance at December 31, 2005	<u>\$ 2,248,627</u>	<u>\$ 4,995,646</u>	<u>\$ 7,244,273</u>

The total Solid Waste Equipment Reserve as of December 31, 2005, is as follows:

Solid Waste Equipment Reserve	\$ 7,244,273
Sewer Fund Equipment Replacement	<u>114,427</u>
Total Fund Equity Designated for Equipment Replacement	<u>\$ 7,358,700</u>

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005

NOTE 10 – CRIMINAL COURT FUND SURPLUS

Louisiana Revised Statute 15:571.11 requires that one-half of any surplus remaining in the Criminal Court Special Revenue Fund at year end be transferred to the parish General Fund. During the year ended December 31, 2005, \$2,110 was transferred.

NOTE 11 – LITIGATION AND CLAIMS

The Police Jury, at the present time, has pending litigation according to the district attorney in Lincoln Parish. In the opinion of the district attorney, the amount of the Police Jury's liability, if any, with respect to those matters will not materially affect the financial statement.

NOTE 12 – TAXES

Property taxes are due as of December 1. The taxes are generally collected in December of the current year and January and February of the ensuing year. An enforceable lien attaches to the property with unpaid taxes and is sold at a tax sale.

Property Tax Calendar

Assessment Date	January 1, 2005
Levy Date	September 23, 2005
Tax Bills Mailed	November 15, 2005
Total Taxes Are Due	December 1, 2005
Penalties and Interest are Added	January 1, 2006
Tax Sales – 2005 Delinquent Property	May 17, 2006

	<u>Authorized Millage</u>	<u>Levied Millage</u>
Parish Taxes:		
General Fund inside Ruston	1.82	1.82
General Fund outside Ruston	3.64	3.64
Road Maintenance	4.41	4.41
Construction Improvement	4.41	4.41
Library Fund	8.29	8.29
Library Operation	2.00	2.00

NOTE 13 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budget/Actual Unfavorable Variances

When comparing budget to actual revenue and expenditure amounts for the year ended December 31, 2005, the following governmental funds had variances greater than 5%:

	<u>Budget</u>	<u>Actual</u>	<u>Variances Favorable (Unfavorable)</u>
General Fund			
Revenues	\$ 1,786,933	\$ 1,956,675	\$ 169,742
Solid Waste Disposal Fund			
Revenues	\$ 2,979,000	\$ 3,181,904	\$ 202,904

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005

NOTE 13 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (Continued)

Funds Without Budgets

All funds adopted a budget for the year ended December 31, 2005.

NOTE 14 – DEFERRED COMPENSATION PLAN

Employees of the Lincoln Parish Police Jury 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 Police Jury. 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 Statements No. 32 and No. 34, plan balances and activities are not reflected in the financial statements of the Lincoln Parish Police Jury or its political subdivisions.

NOTE 15 – POST EMPLOYMENT HEALTH CARE BENEFITS

In addition to the pension benefits described in Note 5, the Lincoln Parish Police Jury provides post-retirement health care benefits, in accordance with state statutes, to all employees who retire from the Police Jury meeting the following:

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

Currently, 32 employees meet one of the above eligibility requirements. During the year, expenditures of \$230,792 were recognized for post-retirement care.

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005

NOTE 16 – BONDS PAYABLE

General obligation bonds were issued in the amount of \$5,300,000 on March 1, 2001, for the purpose of library renovations. The bonds are to be repaid by March 2021 by Ad Valorem taxes with the first interest only payment due March 1, 2002. Principal payments commenced on March 1, 2003. The bonds carry a net interest cost of 4.763868%. The following is the future principal and interest requirements:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Government Activities:					
Bonds Payable:					
General Obligation Refunding Bond, Series 2001	\$ 4,990,000	\$ -	\$ 175,000	\$ 4,815,000	\$ 190,000
Accrued Vacation and Sick Time	<u>91,842</u>	<u>7,286</u>	<u>-</u>	<u>99,128</u>	<u>99,128</u>
Total Governmental Activities					
Long-Term Debt	<u>\$ 5,081,842</u>	<u>\$ 7,286</u>	<u>\$ 175,000</u>	<u>\$ 4,914,128</u>	<u>\$ 289,128</u>

Payments on the bonds payable that pertain to the Police Jury's governmental activities are made by the debt service fund. The accrued vacation and sick time will be liquidated primarily by the General Fund. Payment of compensated absences is dependent upon many factors; therefore, the timing of future payments is not readily determinable.

Principal and interest requirements to retire the Police Jury's bonds payable obligation are as follows:

<u>Year Ended December 31,</u>	<u>Certificates of Indebtedness Series 2001</u>	
	<u>Principal</u>	<u>Interest</u>
2006	\$ 190,000	\$ 222,880
2007	205,000	217,980
2008	220,000	205,380
2009	230,000	194,205
2010	245,000	182,608
2011-2015	1,425,000	727,317
2016-2020	1,860,000	347,050
2021	<u>440,000</u>	<u>11,000</u>
Total	<u>\$ 4,815,000</u>	<u>\$ 2,108,420</u>

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

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues (Inflows):</u>				
Taxes				
Ad Valorem	\$ 575,000	\$ 546,250	\$ 546,250	\$ -
Other Taxes, Penalties & Interest	-	-	8,606	8,606
Intergovernmental Revenues:				
Federal Funds:				
Section 8 Housing	7,500	5,670	5,670	-
State Funds:				
State Revenue Sharing	50,000	50,000	55,509	5,509
Severance Tax	860,000	860,000	1,012,161	152,161
Fees, Charges & Commission for Services	94,000	101,000	89,153	(11,847)
Use of Money and Property, Interest Earnings and Rent	85,000	96,000	110,727	14,727
Other Revenues	116,030	128,013	128,599	586
Total Revenues	1,787,530	1,786,933	1,956,675	169,742
<u>Expenditures (Outflows):</u>				
General Government				
Legislative	272,950	268,050	266,985	1,065
Judicial	287,362	259,040	258,655	385
Elections	22,735	18,975	18,953	22
Finance and Administration	438,925	425,380	419,260	6,120
Other General Government	409,225	405,490	386,264	19,226
Public Safety	256,611	270,624	271,499	(875)
Health and Welfare	10,530	19,530	19,417	113
Culture and Recreation	1,700	1,700	25,668	(23,968)
Economic Development	27,820	37,225	35,631	1,594
Capital Outlay	-	-	-	-
Total Expenditures	1,727,858	1,706,014	1,702,332	3,682
<u>Excess (Deficiency) of Revenues Over Expenditures</u>	<u>59,672</u>	<u>80,919</u>	<u>254,343</u>	<u>173,424</u>
<u>Other Financing Uses:</u>				
Operating Transfers Out	(50,000)	(50,000)	(50,000)	-
<u>Excess (Deficiency) of Revenues Over Expenditures and Other Uses</u>	<u>9,672</u>	<u>30,919</u>	<u>204,343</u>	<u>173,424</u>
<u>Fund Balance at Beginning of Year</u>	<u>2,046,778</u>	<u>2,046,778</u>	<u>2,046,778</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	\$ 2,056,450	\$ 2,077,697	\$ 2,251,121	\$ 173,424

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

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
BUDGETARY COMPARISON SCHEDULE -
LIBRARY FUND
FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues (Inflows):</u>				
Taxes				
Ad Valorem	\$ 1,655,549	\$ 1,620,643	\$ 1,620,643	\$ -
Intergovernmental Revenues:				
State Funds:				
State Revenue Sharing	55,000	52,084	52,140	56
Grants - Other Local Agencies	17,000	17,633	17,633	-
Fees, Charges & Commission for Services	20,000	27,612	36,904	9,292
Use of Money and Property, Interest Earnings and Rent	41,886	45,375	73,809	28,434
Other Revenues	7,000	6,672	1,556	(5,116)
<u>Total Revenues</u>	<u>1,796,435</u>	<u>1,770,019</u>	<u>1,802,685</u>	<u>32,666</u>
<u>Expenditures (Outflows):</u>				
Culture and Recreation	<u>1,561,824</u>	<u>1,447,848</u>	<u>1,470,478</u>	<u>(22,630)</u>
<u>Total Expenditures</u>	<u>1,561,824</u>	<u>1,447,848</u>	<u>1,470,478</u>	<u>(22,630)</u>
<u>Excess of Revenues Over Expenditures</u>	<u>234,611</u>	<u>322,171</u>	<u>332,207</u>	<u>10,036</u>
<u>Fund Balance at Beginning of Year</u>	<u>3,601,195</u>	<u>3,601,195</u>	<u>3,601,195</u>	<u>-</u>
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ 3,835,806</u>	<u>\$ 3,923,366</u>	<u>\$ 3,933,402</u>	<u>\$ 10,036</u>

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

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
BUDGETARY COMPARISON SCHEDULE -
SOLID WASTE DISPOSAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues (Inflows):</u>				
Taxes				
1/2 Cent Sales Tax	\$ 2,625,000	\$ 2,900,000	\$ 3,095,867	\$ 195,867
Fees, Charges & Commission for Services	<u>90,300</u>	<u>79,000</u>	<u>86,037</u>	<u>7,037</u>
Total Revenues	2,715,300	2,979,000	3,181,904	202,904
<u>Expenditures (Outflows):</u>				
Public Works	<u>2,367,240</u>	<u>2,517,867</u>	<u>2,626,775</u>	<u>(108,908)</u>
<u>Excess of Revenues Over Expenditures</u>	348,060	461,133	555,129	93,996
<u>Other Financing Uses:</u>				
Transfers Out	(348,060)	(461,133)	(555,370)	(94,237)
<u>Fund Balance at Beginning of Year</u>	<u>50,199</u>	<u>50,199</u>	<u>50,199</u>	<u>-</u>
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ 50,199</u>	<u>\$ 50,199</u>	<u>\$ 49,958</u>	<u>\$ (241)</u>

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

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
BUDGETARY COMPARISON SCHEDULE -
SOLID WASTE DISPOSAL EQUIPMENT RESERVE FUND
FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues (Inflows):</u>				
Use of Money and Property, Interest Earnings and Rent	\$ 120,000	\$ 120,000	\$ 131,743	\$ 11,743
Total Revenues	120,000	120,000	131,743	11,743
<u>Expenditures (Outflows):</u>				
Public Works	150,800	185,000	183,515	1,485
Total Expenditures	150,800	185,000	183,515	1,485
<u>Excess (Deficiency) of Revenues Over Expenditures</u>	(30,800)	(65,000)	(51,772)	13,228
<u>Fund Balance at Beginning of Year</u>	5,047,418	5,047,418	5,047,418	-
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ 5,016,618</u>	<u>\$ 4,982,418</u>	<u>\$ 4,995,646</u>	<u>\$ 13,228</u>

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

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
BUDGETARY COMPARISON SCHEDULE -
HOSPITAL PROCEEDS FUND
FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues (Inflows):</u>				
Use of Money and Property, Interest Earnings and Rent	\$ 328,000	\$ 268,000	\$ 287,862	\$ 19,862
Total Revenues	328,000	268,000	287,862	19,862
<u>Expenditures (Outflows):</u>				
Operating Services	44,000	44,000	43,049	951
<u>Excess of Revenues Over Expenditures</u>	284,000	224,000	244,813	20,813
<u>Other Financing Uses</u>				
Operating Transfers Out	(284,000)	(224,000)	(244,813)	(20,813)
<u>Fund Balance at Beginning of Year</u>	10,000,000	10,000,000	10,000,000	-
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ 10,000,000</u>	<u>\$ 10,000,000</u>	<u>\$ 10,000,000</u>	<u>\$ -</u>

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

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
NOTES TO BUDGETARY COMPARISON SCHEDULES
FOR THE YEAR ENDED DECEMBER 31, 2005

Budgetary practices of the Police Jury include public notice of the proposed budget, public inspection of the proposed budget and public hearings on the budget. Budgets are prepared in conformity with GAAP using the modified accrual basis of accounting. The secretary-treasurer 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 Lincoln Parish Police Jury. Appropriations lapse at year-end. Budgeted amounts shown in the accompanying financial statements include original adopted budget amounts and all subsequent amendments. The level of budgetary responsibility is by total appropriations; however, for report purposes, this level has been expanded to a functional basis.

State law requires the Police Jury 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.

Budget/Actual Unfavorable Variances

When comparing budget to actual revenue and expenditure amounts for the year ended December 31, 2005, the following governmental funds had variances greater than 5%:

	<u>Budget</u>	<u>Actual</u>	<u>Variances Favorable (Unfavorable)</u>
General Fund			
Revenues	\$ 1,786,933	\$ 1,956,675	\$ 169,742
Solid Waste Disposal Fund			
Revenues	\$ 2,979,000	\$ 3,181,904	\$ 202,904

OTHER SUPPLEMENTAL INFORMATION

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
SUPPLEMENTAL INFORMATION SCHEDULES
DECEMBER 31, 2005

NONMAJOR SPECIAL REVENUE FUNDS

Special Road Fund

The Special Road Fund accounts for the operation of the Lincoln Parish Highway Department, other than materials and personal services. Financing is provided by state appropriations, parish royalty road funds and interest earned on time deposits and operating transfers from other road funds.

Road Construction Fund

The Road Construction Fund accounts for major improvements, including hard-surfacing of parish highways and streets. Financing is provided primarily by a parish-wide ad valorem tax, state revenue sharing funds, interest earned and on time deposits and operating transfers from the General Fund and other road funds.

Road Maintenance Fund

The Road Maintenance Fund accounts for maintenance of parish highways, streets and bridges. Financing is provided by a parish-wide ad valorem tax, state revenue sharing funds, interest earned on time deposits and operating transfers from the General Fund and other road funds.

Library Construction Fund

The Library Construction Fund is used to account for the renovations of the library. Funding is provided primarily from ad valorem tax revenues.

Solid Waste Funds

The Solid Waste Disposal fund accounts for the proceeds of the parish-wide one-half cent sales and use tax for the operation of a parish sanitary landfill. The Solid Waste Collection Fund accounts for the proceeds of the parish-wide one-half cent sales and use tax for the operation of refuse collection sites within the parish.

Solid Waste Equipment Reserve Funds

The Solid Waste Equipment Reserve Fund accumulates funds for capital outlay expenditures for the replacement and purchase of new equipment and other capital outlay expenditures for both the solid waste collection system and the sanitary landfill facility. Financing is provided by transfers from the Solid Waste Collection Fund and the Solid Waste Disposal Fund, based on amortization of equipment used in the two operations and from interest earned on time deposits.

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
SUPPLEMENTAL INFORMATION SCHEDULES (CONTINUED)
DECEMBER 31, 2005

NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)

Criminal Court Fund

The Criminal Court Fund is used to account for the operations of the Third Judicial District Criminal Court in Lincoln Parish. Financing is provided from fines, forfeitures and court costs as provided by applicable Louisiana Revised Statutes. Expenditures are made from the fund on motion of the district attorney and approval of the district judges.

Law Enforcement Witness Fee Fund

The Law Enforcement Witness Fee Fund is used for the payment of witness fees to off-duty law enforcement officers who in their official capacity are required to be present as a witness in criminal cases. Witness fees are paid from special court costs levied in criminal cases.

GIS Mapping Fund

The GIS Mapping Fund is used to account for revenues and expenses of the GIS Mapping.

GIS Project Reserve

The GIS Project Reserve Fund accumulates funds for capital outlay expenditures for the replacement and purchase of new equipment and other capital outlay expenditures for the GIS Mapping Fund.

Juvenile Assistance Fund

The Juvenile Assistance Fund accounts for the operations of a counseling program for juvenile offenders. Financing is provided through grants from the Lincoln Parish Police Jury, Union Parish Police Jury and the City of Ruston.

Health Unit Fund

The Health Unit Fund accounts for a portion of the maintenance and operations of the parish health unit. Financing is provided by grants from the Lincoln Parish School Board, the City of Ruston, operating transfers from the General Fund and interest earned on bank deposits.

Section 8 Housing Fund

The Section 8 Housing Fund is used to account for rental assistance funds for low-income families. Financing is provided by grants from the United States Department of Housing and Urban Development.

Sewer Fund

The Sewer Fund is used to account for the operations of the Blueberry Hill sewer system. Financing is provided by user fees.

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
SUPPLEMENTAL INFORMATION SCHEDULES (CONTINUED)
DECEMBER 31, 2005

NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)

Sewer Equipment Replacement Fund

The Sewer Equipment Replacement Fund accumulates funds for capital outlay expenditures for the replacement and purchase of new equipment and other capital outlay expenditures for the sewer fund.

IT Director Fund

The IT Director Fund is used to account for the operations of the Information Technology system. Funding is primarily provided by contracts and fees for services.

Mosquito Control Fund

The Mosquito Control Fund is used to account for the operations of the mosquito control program throughout the Parish.

Homeland Security Fund

The Homeland Security Fund is used to account for the grant funds that are received to purchased needed equipment for first responders in emergency situations.

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2005

	Special Road Fund	Road Construction Fund	Road Maintenance Fund	Solid Waste Recycling Fund	Solid Waste Collection Fund
Assets:					
Cash and cash equivalents	\$ -	\$ -	\$ 58,638	\$ 12,776	\$ 394,878
Investments	758,262	468,660	13,253	-	787,609
Receivables	46,632	1,003,445	1,001,788	2,866	98,191
Inventory	-	11,582	-	-	-
Due from other funds	12,600	652	652	4	73
TOTAL ASSETS	<u>\$ 817,494</u>	<u>\$ 1,484,339</u>	<u>\$ 1,074,331</u>	<u>\$ 15,646</u>	<u>\$ 1,280,751</u>
Liabilities and fund equity:					
Liabilities:					
Accounts payable	\$ 639	\$ 36,643	\$ 41,642	\$ 28	\$ 4,270
Bank Overdraft	-	-	-	-	-
Due to other funds	37,153	378,967	-	-	363,514
Total liabilities	37,792	415,610	41,642	28	367,784
Fund equity:					
Fund balances:					
Reserve for witness fees	-	-	-	-	-
Reserve for inventory	-	11,582	-	-	-
Unreserved:					
Designated for equipment replacement	-	-	-	-	-
Undesignated	779,702	1,057,147	1,032,689	15,618	912,967
Total fund equity	<u>779,702</u>	<u>1,068,729</u>	<u>1,032,689</u>	<u>15,618</u>	<u>912,967</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 817,494</u>	<u>\$ 1,484,339</u>	<u>\$ 1,074,331</u>	<u>\$ 15,646</u>	<u>\$ 1,280,751</u>

Solid Waste Collection Equipment Reserve Fund	Criminal Court Fund	Law Enforcement Witness Fee Fund	GIS Project Reserve Fund	Juvenile Assistance Fund	Health Unit Fund
\$ 281,932	\$ 8,829	\$ 49,997	\$ 11,008	\$ 1,890	\$ 13,394
1,608,192	-	-	-	-	-
120	15,418	593	-	539	417
-	-	-	-	-	-
360,627	-	2,178	-	-	-
<u>\$ 2,250,871</u>	<u>\$ 24,247</u>	<u>\$ 52,768</u>	<u>\$ 11,008</u>	<u>\$ 2,429</u>	<u>\$ 13,811</u>
\$ -	\$ 21,005	\$ -	\$ -	\$ -	\$ 1,155
-	-	-	-	-	-
2,244	3,242	-	5,016	-	-
2,244	24,247	-	5,016	-	1,155
-	-	52,768	-	-	-
-	-	-	-	-	-
2,248,627	-	-	-	-	-
-	-	-	5,992	2,429	12,656
2,248,627	-	52,768	5,992	2,429	12,656
<u>\$ 2,250,871</u>	<u>\$ 24,247</u>	<u>\$ 52,768</u>	<u>\$ 11,008</u>	<u>\$ 2,429</u>	<u>\$ 13,811</u>

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LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2005

	Section 8 Housing Fund	Sewer Fund	Sewer Fund Equipment Replacement	IT Director Fund	GIS Mapping Fund
Assets:					
Cash and cash equivalents	\$ 274,918	\$ 49,053	\$ 114,427	\$ 6,630	\$ -
Investments	-	-	-	-	-
Receivables	-	7,554	-	28,299	33,524
Inventory	-	-	-	-	-
Due from other funds	-	-	-	-	5,070
TOTAL ASSETS	\$ 274,918	\$ 56,607	\$ 114,427	\$ 34,929	\$ 38,594
Liabilities and fund equity:					
Liabilities:					
Accounts payable	\$ -	\$ 515	\$ -	\$ 1,689	\$ 26
Bank Overdraft	-	-	-	-	-
Due to other funds	547	-	-	-	22,732
Total liabilities	547	515	-	1,689	22,758
Fund equity:					
Fund balances:					
Reserve for witness fees	-	-	-	-	-
Reserve for inventory	-	-	-	-	-
Unreserved:					
Designated for equipment replacement	-	-	114,427	-	-
Undesignated	274,371	56,092	-	33,240	15,836
Total fund equity	274,371	56,092	114,427	33,240	15,836
TOTAL LIABILITIES AND FUND EQUITY	\$ 274,918	\$ 56,607	\$ 114,427	\$ 34,929	\$ 38,594

Mosquito Control Fund	Homeland Security Fund	Totals
\$ -	\$ 106,909	\$ 1,385,279
-	-	3,635,976
13,000	15,961	2,268,347
-	-	11,582
-	-	381,856
<u>\$ 13,000</u>	<u>\$ 122,870</u>	<u>\$ 7,683,040</u>
\$ -	\$ 122,870	\$ 230,482
-	-	-
13,000	-	826,415
13,000	122,870	1,056,897
-	-	52,768
-	-	11,582
-	-	2,363,054
-	-	4,198,739
-	-	6,626,143
<u>\$ 13,000</u>	<u>\$ 122,870</u>	<u>\$ 7,683,040</u>

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2005

	Special Road Fund	Road Construction Fund	Road Maintenance Fund	Solid Waste Recycling Fund	Solid Waste Collection Fund
Revenues:					
Taxes:					
Ad valorem	\$ -	\$ 856,900	\$ 856,900	\$ -	\$ -
Intergovernmental revenues:					
Federal funds:					
Federal Grants	-	-	-	-	-
State funds:					
Parish transportation funds	442,882	-	-	-	-
State revenue sharing (net)	-	84,532	84,532	-	-
Grants - other local agencies	-	-	-	-	-
Fees, charges and commission for services	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Use of money and property interest earnings and rents	44,300	12,881	6,756	311	27,641
Other revenues	1,075	3,657	3,657	46,436	63,953
Total revenues	488,257	957,970	951,845	46,747	91,594
Expenditures:					
General government:					
Judicial	-	-	-	-	-
Public works	426,831	925,689	902,869	46,356	493,498
Health and welfare	-	-	-	-	-
Other	-	-	-	-	-
Capital outlay	211,299	-	-	-	17,496
Total expenditures	638,130	925,689	902,869	46,356	510,994
Excess (deficiency) of revenues over expenditures	(149,873)	32,281	48,976	391	(419,400)
Other financing sources (uses):					
Operating transfers in	-	-	-	-	555,370
Operating transfers out	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	555,370
Excess (deficiency) of revenues and other sources over expenditures and other uses	(149,873)	32,281	48,976	391	135,970
Fund balances, beginning	929,575	1,036,448	983,713	15,227	776,997
Fund balances, ending	<u>\$ 779,702</u>	<u>\$ 1,068,729</u>	<u>\$ 1,032,689</u>	<u>\$ 15,618</u>	<u>\$ 912,967</u>

Solid Waste Collection Equipment Reserve Fund	Criminal Court Fund	Law Enforcement Witness Fee Fund	GIS Project Reserve Fund	Juvenile Assistance Fund	Health Unit Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	32,774	5,000
-	919	8,216	-	-	-
-	305,698	-	-	-	-
51,650	268	552	-	58	5
-	-	-	2,838	-	-
<u>51,650</u>	<u>306,885</u>	<u>8,768</u>	<u>2,838</u>	<u>32,832</u>	<u>5,005</u>
-	306,885	27,315	-	32,136	-
-	-	-	-	-	-
-	-	-	-	-	14,874
-	-	-	-	-	-
-	-	-	-	-	-
-	<u>306,885</u>	<u>27,315</u>	-	<u>32,136</u>	<u>14,874</u>
<u>51,650</u>	-	<u>(18,547)</u>	<u>2,838</u>	<u>696</u>	<u>(9,869)</u>
-	-	-	-	-	10,300
-	-	-	-	-	-
-	-	-	-	-	<u>10,300</u>
51,650	-	(18,547)	2,838	696	431
<u>2,196,977</u>	-	<u>71,315</u>	<u>3,154</u>	<u>1,733</u>	<u>12,225</u>
<u>\$ 2,248,627</u>	<u>\$ -</u>	<u>\$ 52,768</u>	<u>\$ 5,992</u>	<u>\$ 2,429</u>	<u>\$ 12,656</u>

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LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2005

	Section 8 Housing Fund	Sewer Fund	Sewer Fund Equipment Replacement	I T Director Fund	GIS Mapping Fund
Revenues:					
Taxes:					
Ad valorem	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues:					
Federal funds:					
Federal Grants	445,967	-	-	-	-
State funds:					
Parish transportation funds	-	-	-	-	-
State revenue sharing (net)	-	-	-	-	-
Grants - other local agencies	-	-	-	198,006	158,833
Fees, charges and commission for services	-	83,897	-	-	-
Fines and forfeitures	-	-	-	-	-
Use of money and property interest earnings and rents	7,428	755	2,515	-	-
Other revenues	90,215	-	-	-	-
Total revenues	<u>543,610</u>	<u>84,652</u>	<u>2,515</u>	<u>198,006</u>	<u>158,833</u>
Expenditures:					
General government:					
Judicial	-	-	-	-	-
Public works	-	49,050	-	-	143,722
Health and welfare	549,283	-	-	-	-
Other	-	-	-	170,212	-
Capital outlay	-	-	-	-	-
Total expenditures	<u>549,283</u>	<u>49,050</u>	<u>-</u>	<u>170,212</u>	<u>143,722</u>
Excess (deficiency) of revenues over expenditures	<u>(5,673)</u>	<u>35,602</u>	<u>2,515</u>	<u>27,794</u>	<u>15,111</u>
Other financing sources (uses):					
Operating transfers in	980	-	-	-	-
Operating transfers out	(980)	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>(5,673)</u>	<u>35,602</u>	<u>2,515</u>	<u>27,794</u>	<u>15,111</u>
Fund balances, beginning	<u>280,044</u>	<u>20,490</u>	<u>111,912</u>	<u>5,446</u>	<u>725</u>
Fund balances, ending	<u>\$ 274,371</u>	<u>\$ 56,092</u>	<u>\$ 114,427</u>	<u>\$ 33,240</u>	<u>\$ 15,836</u>

<u>Mosquito Control Fund</u>	<u>Homeland Security Fund</u>	<u>Totals</u>
\$ -	\$ -	\$ 1,713,800
-	334,487	780,454
-	-	442,882
-	-	169,064
-	-	394,613
-	-	93,032
-	-	305,698
-	-	155,120
-	-	211,831
-	<u>334,487</u>	<u>4,266,494</u>
-	-	366,336
-	-	2,988,015
25,000	-	589,157
-	-	170,212
-	<u>334,487</u>	<u>563,282</u>
<u>25,000</u>	<u>334,487</u>	<u>4,677,002</u>
<u>(25,000)</u>	<u>-</u>	<u>(410,508)</u>
25,000	-	591,650
-	-	(980)
<u>25,000</u>	<u>-</u>	<u>590,670</u>
-	-	180,162
-	-	6,445,981
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,626,143</u>

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
SUPPLEMENTAL INFORMATION SCHEDULES (CONTINUED)
DECEMBER 31, 2005

NONMAJOR CAPITAL PROJECTS FUNDS

Park and Recreation Fund

The Park and Recreation Fund is used to account for the development and operation of a parish-wide park system. Financing is provided primarily by operating transfers from the General Fund and self-generated revenues from entrance fees and shelter rentals.

Courthouse Capital Projects Fund

The Courthouse Capital Projects Fund is used to account for renovations of the Courthouse. Financing is provided primarily by operating transfers from the General Fund.

North Louisiana Exhibition Center Fund

The North Louisiana Exhibition Center Fund is used to account for the development and operation of an exhibition center for livestock shows. Financing is provided primarily by donations and self-generated revenues from entry fees.

Bridge Replacement and Road Improvement Fund

The Bridge Replacement and Road Improvement Fund was created to account for the replacement of bridges and improvements to roads throughout the parish as set forth in the Capital Improvement Program. It is funded from one-half of the interest proceeds from the Hospital Proceeds Investment Fund.

Chatham Sewer Project

The Chatham Sewer Project is used to account for the development and operation of the Chatham Sewer Project. Funding is primarily from state grants.

Rural Development Fund

The Rural Development Fund is used to account for the funds that supplement the Barker and Chatham Sewer Projects. Funding is primarily from state grants.

Stormwater Conservation Fund

The Stormwater Conservation Fund is used to account for the Lincoln Parish Stormwater Conservation Management Program. Funding is primarily from federal grants.

Library Construction Fund

The Library Construction Fund is used to account for the renovations of the library. Funding is provided primarily from ad valorem tax revenues.

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
NONMAJOR CAPITAL PROJECTS FUND
COMBINING BALANCE SHEET
DECEMBER 31, 2005

	Park and Recreation Fund	Courthouse Capital Project Fund	North Louisiana Exhibition Center Fund	Bridge Replacement Fund
Assets:				
Cash and cash equivalents	\$ 96,738	\$ 529,388	\$ 32,480	\$ -
Investments	16,645	-	-	-
Receivables	16,534	-	160	209,513
Due from other funds	48	97,912	-	292,557
TOTAL ASSETS	<u>\$ 129,965</u>	<u>\$ 627,300</u>	<u>\$ 32,640</u>	<u>\$ 502,070</u>
Liabilities and fund equity:				
Liabilities:				
Accounts payable	\$ 3,873	\$ -	\$ 291	\$ 41,824
Due to other funds	7,003	-	1,441	412,681
Total liabilities	<u>10,876</u>	<u>-</u>	<u>1,732</u>	<u>454,505</u>
Fund equity:				
Fund balances:				
Unreserved:				
Designated for future expenditures	119,089	627,300	30,908	47,565
Total fund equity	<u>119,089</u>	<u>627,300</u>	<u>30,908</u>	<u>47,565</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 129,965</u>	<u>\$ 627,300</u>	<u>\$ 32,640</u>	<u>\$ 502,070</u>

<u>Barker Sewer Project</u>	<u>Chatham Sewer Project</u>	<u>Rural Development Fund</u>	<u>Stormwater Conservation Fund</u>	<u>Library Construction Fund</u>	<u>Totals</u>
\$ -	\$ -	\$ 25,659	\$ -	\$ 226,667	\$ 910,932
-	-	-	-	-	16,645
-	-	-	18,502	-	244,709
-	-	9,871	-	-	400,388
<u>\$ -</u>	<u>\$ -</u>	<u>35,530</u>	<u>18,502</u>	<u>226,667</u>	<u>\$ 1,572,674</u>
\$ -	-	-	18,502	-	\$ 64,490
975	-	35,530	-	-	457,630
<u>975</u>	<u>-</u>	<u>35,530</u>	<u>18,502</u>	<u>-</u>	<u>522,120</u>
(975)	-	-	-	226,667	1,050,554
(975)	-	-	-	226,667	1,050,554
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 35,530</u>	<u>\$ 18,502</u>	<u>\$ 226,667</u>	<u>\$ 1,572,674</u>

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
NONMAJOR CAPITAL PROJECT FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2005

	Park and Recreation Fund	Courthouse Capital Project Fund	North Louisiana Exhibition Center Fund	Bridge Replacement Fund
Revenues:				
Grants	\$ -	\$ -	\$ 10,500	\$ 32,818
Other taxes, penalties and interest, etc.	88,740	-	-	-
Use of money and property - interest and rent	27	8,135	27,499	-
Other revenues	157,822	780	81,456	-
Total revenues	<u>246,589</u>	<u>8,915</u>	<u>119,455</u>	<u>32,818</u>
Expenditures:				
Operating services:				
Culture and recreation	252,058	-	109,350	-
Capital outlay	-	40,331	-	617,490
Total expenditures	<u>252,058</u>	<u>40,331</u>	<u>109,350</u>	<u>617,490</u>
Excess (deficiency) of revenues over expenditures	<u>(5,469)</u>	<u>(31,416)</u>	<u>10,105</u>	<u>(584,672)</u>
Other financing sources (uses):				
Operating transfers in	50,000	-	-	209,513
Proceeds from sale of assets	-	-	-	-
Total other financing sources (uses)	<u>50,000</u>	<u>-</u>	<u>-</u>	<u>209,513</u>
Excess (deficiency) of revenues and other and other sources over expenditures and other uses	44,531	(31,416)	10,105	(375,159)
Fund balance, beginning	<u>74,558</u>	<u>658,716</u>	<u>20,803</u>	<u>422,724</u>
Fund balance, ending	<u>\$ 119,089</u>	<u>\$ 627,300</u>	<u>\$ 30,908</u>	<u>\$ 47,565</u>

<u>Barker Sewer Project</u>	<u>Chatham Sewer Project</u>	<u>Rural Development Fund</u>	<u>Stormwater Conservation Fund</u>	<u>Library Construction Fund</u>	<u>Totals</u>
\$ -	\$ 524,192	\$ 36,500	\$ 272,565	\$ -	\$ 876,575
-	-	-	-	-	88,740
-	-	-	-	8,501	44,162
-	-	-	-	9,277	249,335
-	524,192	36,500	272,565	17,778	1,258,812
-	-	-	-	-	361,408
-	524,192	36,500	272,565	15,144	1,506,222
-	524,192	36,500	272,565	15,144	1,867,630
-	-	-	-	2,634	(608,818)
-	-	-	-	-	259,513
-	-	-	-	-	-
-	-	-	-	-	259,513
-	-	-	-	2,634	(349,305)
(975)	-	-	-	224,033	1,399,859
<u>\$ (975)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 226,667</u>	<u>\$ 1,050,554</u>

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
LIBRARY BONDING SINKING FUND - DEBT SERVICE FUND
BALANCE SHEET
DECEMBER 31, 2005

ASSETS

Cash	\$ 122,960
Accounts Receivable	<u>442,642</u>
TOTAL ASSETS	<u><u>\$ 565,602</u></u>

LIABILITIES

Liabilities	\$ -
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FUND BALANCE

Unrestricted	<u>565,602</u>
TOTAL LIABILITIES AND FUND BALANCE	<u><u>\$ 565,602</u></u>

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
LIBRARY BONDING SINKING FUND - DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2005

Revenues:	
Taxes:	
Ad Valorem	\$ 390,990
Use of Money and Property	
Interest Earnings	<u>1,748</u>
Total Revenues	392,738
Expenditures:	
Principal Payments	175,000
Interest Payments	<u>231,760</u>
Total Expenditures	<u>406,760</u>
Excess of revenues over expenditures	(14,022)
Fund balance, beginning	<u>579,624</u>
Fund balance, ending	<u><u>\$ 565,602</u></u>

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
SUPPLEMENTAL INFORMATION SCHEDULES
DECEMBER 31, 2005

COMPENSATION PAID POLICE JURORS

The schedule of compensation paid to police jurors was prepared in compliance with House concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature.

The compensation of the police jurors is included in the legislative expenditures of the General Fund. As provided by Louisiana Revised Statute 33:1233, the Police Jury has elected the monthly payment method of compensation. Under this method, the jurors received \$875 per month in lieu of per diem payments, and the president received \$975 per month in lieu of per diem payments.

FEDERALLY ASSISTED PROGRAMS

In accordance with the Office of Management and Budget Circular A-133, a schedule of expenditures of federal awards is presented.

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
SCHEDULE OF COMPENSATION PAID POLICE JURORS
FOR THE YEAR ENDED DECEMBER 31, 2005

POLICE JURORS:

Albritton, Annette S.	\$ 10,500
Allen, Eddie	10,500
Backus, Joe C.	10,500
Brown, Annie M.	10,500
Dowling, Robert	10,500
Glover, Roy D.	10,500
Hammons, Charles D.	10,500
Henderson, Joseph	10,500
Huntington, Joyce	10,500
Knowles, James T.	10,500
Mays, Robert D.	11,700
Owens, Charles H.	10,500
Total	<u>\$ 127,200</u>

OTHER SUPPLEMENTAL INFORMATION –
GRANT INFORMATION

WILLIAM R. HULSEY

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

Board of Commissioners
Lincoln Parish Police Jury
Ruston, Louisiana

I have audited the primary government financial statements of the Lincoln Parish Police Jury as of and for the year ended December 31, 2005 and have issued my report thereon dated May 19, 2006. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

Compliance and Other Matters

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

Board of Commissioners
Lincoln Parish Police Jury
Ruston, Louisiana
Page 2

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

WILLIAM R. HULSEY
Certified Public Accountant



May 19, 2006

WILLIAM R. HULSEY

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REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Board of Commissioners
Lincoln Parish Police Jury
Ruston, Louisiana

Compliance

I have audited the compliance of Lincoln Parish Police Jury with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2005. Lincoln Parish Police Jury's major federal programs are identified in the accompanying Schedule of Expenditures of Federal Awards. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Lincoln Parish Police Jury's management. My responsibility is to express an opinion on the Lincoln Parish Police Jury's compliance based on my audit.

I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Lincoln Parish Police Jury's compliance with those requirements and performing such other procedures as I consider necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination in the Lincoln Parish Police Jury's compliance with those requirements.

In my opinion, the Lincoln Parish Police Jury complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2005.

Internal Control Over Compliance

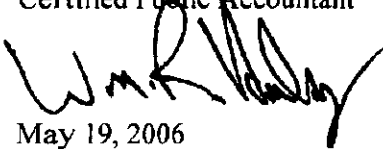
The management of Lincoln Parish Police Jury is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing my audit, I considered Lincoln Parish Police Jury's internal control over compliance with requirements that could have a material effect on a major federal program in order to determine my auditing procedures for the purpose of expressing my opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Board of Commissioners
Lincoln Parish Police Jury
Ruston, Louisiana
Page 2

My consideration of the internal control over compliance would not necessarily disclose all matters in the internal control 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 noncompliance with applicable requirements of laws, regulations, contracts and grants caused by error fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over compliance and its operation that I consider to be material weaknesses.

This report is intended solely for the information and use of management, the Lincoln Parish Police Jury, the Louisiana Legislative Auditor, 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. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

WILLIAM R. HULSEY
Certified Public Accountant



May 19, 2006

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2005

SUMMARY OF AUDIT RESULTS

The following summarize the audit results in accordance with OMB Circular A-133:

1. An unqualified opinion was issued on the primary government financial statements of the Lincoln Parish Police Jury as of and for the year ended December 31, 2005.
2. The audit disclosed no reportable conditions in internal control.
3. The audit disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.
4. The audit did not disclose reportable conditions in internal control over major programs.
5. An unqualified opinion was issued on compliance for major programs.
6. Audit findings that are required to be reported in accordance with Sections 510(a) of OMB Circular A-133 are reported in this schedule.
7. The following programs were major for the year ended December 31, 2005:
 - Low Income Housing Assistance Program (CFDA #14.871)
 - Community Development Block Grant (CFDA #14.228)
 - Homeland Security Grant Program (CFDA #97.067)
8. \$300,000 was the threshold used to distinguish Type A from Type B programs.
9. The Lincoln Parish Police Jury did not qualify as a low-risk auditee.

FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

There were no current year findings in accordance with *Government Auditing Standards*.
There were no prior year findings in accordance with *Government Auditing Standards*.

FINDINGS – FINANCIAL STATEMENT AUDIT

There were no current year findings in accordance with *Government Auditing Standards*.

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
WITH ACCOMPANYING NOTES TO SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2005

<u>Source of Federal Assistance/ Agency Name (s)</u>	<u>Federal CFDA Number</u>	<u>Agency or Pass- Through Number</u>	<u>Expenditures</u>
United States Department of Housing and Urban Development:			
Public Indian Housing			
HAP – Vouchers	14.871	2005	\$ 445,967
HAP – Vouchers	14.871	2004	<u>110,623</u>
			556,590*
Through LA Division of Admn. Office Of Community Development			
LCDBG – N. Chatham Rd. Sewer	14.228	589558	524,192*
Through LA Governor’s Office of Rural Development			
	14.246	0405-LNC-0001	36,500
	14.246	0203-LNC-0002	27,568
	14.246	0304-LNC-0001	5,250
	14.246	0405-LNC-0002RF	<u>10,500</u>
			79,818
United States Department of Agriculture National Resources Conservation Service			
Soil and Water Conservation			
Stormwater Conservation Management	10.902	68-7217-03-78	272,565
United States Department of Homeland Security			
State Domestic Preparedness Equipment Support Program	97.067	2004-GE-T4-0004	334,487*
Debris Removal	97.039	FEMA-LA-DR1607	47,435

*Major Federal Financial Assistance Program
See accompanying notes to Schedule of Expenditures of Federal Awards.

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
NOTES TO SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2005

1. General

The Schedule of Expenditures of Federal Awards presents the activity of all federal award programs of the Lincoln Parish Police Jury. The Lincoln Parish Police Jury reporting entity is defined in Note 1 to the Lincoln Parish Police Jury's primary government financial statements. All federal award programs received directly from federal agencies, as well as federal awards passed through other government agencies, is included on the schedule.

2. Basis of Accounting

The Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting, which is described in Note 1 to the Lincoln Parish Police Jury's primary government financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2005

Internal Control and Compliance Material to Federal Awards

There were not findings for this category.

Internal Control and Compliance Material to the Financial Statements

04-1 Parks & Recreation Cash Receipts and Deposits

Condition:

During the audit it was noted that the Ruston Police Department investigated and confirmed that an employee was lapping deposits from the Parks & Recreation cash and check collections.

Recommendation:

The Lincoln Parish Police Jury needs to ensure the internal control over cash and deposits. All deposits should be brought to the Police Jury office in locked deposit bags with the only key being held at the Police Jury office. The representative from the Parks & Recreation Department and the Treasurer of the Police Jury should count the money in the deposit bags together. They should come to an agreement on the total and agree the total to the collection recap sheet provided by the Parks & Recreation Department from the original counting.

Current Status:

The above recommendation was put in place during the year. Deposits are made daily.