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LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA

*Primary Government Financial Statements
For the Year Ended December 31, 2011*

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 JUN 20 2012

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
PRIMARY GOVERNMENT FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

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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, 2011, 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 do not include financial data for the Police Jury's legally separate component units. Accounting principles generally accepted in the United States of America require the financial data for those component units to be reported with the financial data of the Police Jury's primary government unless the Police Jury also issues financial statements for the financial reporting entity that include the financial data for its component units. The Police Jury has not issued such reporting entity financial statements. Because of this departure from accounting principles generally accepted in the United States of America, the assets, liabilities, net assets, revenues and expenses of the aggregate discretely presented component units would have been presented as indeterminable. In addition, the assets, liabilities, fund balances, revenues and expenditures of the aggregate remaining fund information would have increased by an amount that is also indeterminable.

In my opinion, because of the omission of the discretely presented component units, as discussed previously, the financial statements referred to previously do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the aggregate discretely presented component units of the Lincoln Parish Police Jury as of December 31, 2011, or the changes in financial position thereof for the year then ended.

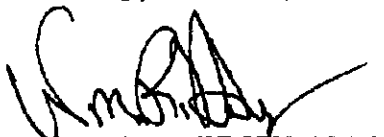
In addition, in my opinion, except for the effects of omitting blended component units as discussed previously, the financial statements referred to above present fairly, in all material respects, the financial position of the aggregate remaining fund information for the Lincoln Parish Police Jury as of December 31, 2011, and the changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Further, in my opinion, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Lincoln Parish Police Jury as of December 31, 2011, 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 25, 2012, 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.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 9 and 37 through 44 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge I obtained during our audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

My audit was conducted for the purpose of forming opinions on the primary government financial statements that collectively comprise the Lincoln Parish Police Jury's primary government financial statements as a whole. 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 financial statements. The accompanying 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 also not a required part of the financial statements. The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, I do not express an opinion or provide any assurance on them.



WILLIAM R. HULSEY, APAC
Certified Public Accountant

May 25, 2012

**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, 2011.

FINANCIAL HIGHLIGHTS

Our financial statements provide the following key financial highlights for the 2011 fiscal year

- General Government Activities report total costs of \$14,662,686 and total revenues of \$15,052,784.
- Public Works accounted for the most significant 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. 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 – Expenditures in this area include, but are not limited to, enhancements, renovations, and maintenance of the Lincoln Parish Park, the North Louisiana Exhibition Center, the Lincoln Parish Courthouse and the Bridge Replacement and Road Improvements Funds. Funding is provided through a variety of sources such as admission fees, usage fees, operating transfers from other funds and donations.

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

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, 2011 and 2010**

	Governmental Activities 2011	Governmental Activities 2010
Current and other assets	36,017,990	35,439,737
Capital assets	26,068,860	27,040,029
Total assets	62,086,850	62,479,766
Current and other liabilities	1,362,471	1,463,955
Long-term liabilities	6,544,658	6,842,330
Total liabilities	7,907,129	8,306,285
Net assets		
Invested in capital assets, net of debt	21,258,860	21,930,029
Unrestricted	15,803,210	17,783,242
Undesignated	17,117,651	14,460,210
Total net assets	54,179,721	54,173,481

**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, 2011 and 2010**

	Governmental Activities 2011	Governmental Activities 2010
Revenues		
Program Revenues		
Section 8 housing	575,588	528,615
Parish transportation funds	506,163	483,487
General revenues		
Property taxes	6,444,157	6,414,707
Sales tax	3,600,340	3,539,643
Other taxes	187,572	183,394
State revenue sharing	291,811	276,460
Local grants	48,741	50,892
Federal revenue	308,582	1,988,447
Severance tax	1,049,637	1,092,183
Fees, charges and commissions	1,048,980	1,014,787
Fines and forfeitures	324,209	422,926
Earnings on investments	636,158	609,749
Miscellaneous	30,846	10,338
Total Revenues	15,052,784	16,615,628
Functions/Program Expenses		
Governmental Activities		
General and administrative	2,527,222	2,783,613
Public safety	303,184	507,824
Public works	8,185,237	7,683,119
Health and welfare	596,217	2,150,275
Operating services		
Culture and recreation	2,840,632	2,986,500
Economic development	40,771	245,990
Debt service	169,423	245,820
Total Functions/Program Expenses	14,662,686	16,603,141
Transfer to Detention Center	(280,598)	-
Increase (decrease) in net assets	109,500	12,487
Net assets – beginning of year (*Restated)	*54,070,221	*54,160,994
Net assets – ending of year	54,179,721	54,173,481

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

Governmental Activities

The cost of all governmental activities this year was \$14,662,686. As indicated in the Statement of Activities, the amount that our taxpayers financed for these activities through property, sales taxes and other taxes was \$10,232,069 with an additional \$1,049,637 from severance taxes. The rest of these costs were 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, 2011 and 2010**

	Total Cost Of Services 2011	Total Cost Of Services 2010
Governmental Activities		
General government	2,527,222	2,783,613
Public safety	303,184	507,824
Public works	8,185,237	7,683,119
Health and welfare	596,217	2,150,275
Culture and recreation	2,840,632	2,986,500
Economic development	40,771	245,990
Interest on long-term debt	169,423	245,820
Total Functions/Program Expenses	14,662,686	16,603,141

The Police Jury's Funds

As the Police Jury completed the year, its governmental funds reported a combined net asset balance (as restated) of \$54,179,721 indicating an increase of \$109,500 when compared to the beginning net assets

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

GENERAL FUND BUDGETARY HIGHLIGHTS

The excess of revenue over expenditures in the General Fund was \$486,559. This enabled the Jury to transfer additional funds to a capital fund for renovations and maintenance of parish buildings. Severance taxes exceeded \$1 million dollars for the sixth year in a row.

In the general fund, actual revenues exceeded budgeted revenues by \$268,477 and actual expenditures were less than budgeted expenditures by \$218,082.

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 2011 and 2010:

	Governmental Activities 2011	Governmental Activities 2010
Land	\$1,708,686	\$1,713,686
Buildings	8,940,472	9,117,531
Building improvements	4,072,909	4,544,795
Machinery and equipment	2,041,550	2,265,262
Furniture and fixtures	453,261	545,005
Vehicles	585,347	495,020
Non-depreciable improvements	67,100	67,100
Construction in progress	-	-
Infrastructure	8,199,535	8,291,630
Totals	\$26,068,860	\$27,040,029

Debt Administration

The Lincoln Parish Police Jury had \$4,810,000 in long-term debt instruments at year-end compared to \$5,110,000 in the prior year.

	2011	2010
Library Bonds payable	\$ 3,545,000	\$ 3,725,000
Certificates of Indebtedness	\$1,265,000	\$1,385,000
Total	\$4,810,000	\$5,110,000

Certificates of indebtedness were issued in 2009 for the acquisition of the Old County Market building in the amount of \$1,500,000 at a rate of 4.35%. The building is adjacent

to the Lincoln Parish Courthouse on Arizona Street. The 2001 bonds were reissued in 2011 in the amount of \$3,577,000 and are to be repaid by March 2021 by Ad Valorem taxes with the first interest only payment due March 1, 2011

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

OTHER POST-EMPLOYMENT BENEFITS

In the year ended December 31, 2011, the Lincoln Parish Police Jury has complied with requirements of Government Accounting Standards Board Statement Number 45, *Accounting and Financial Reporting by Employers for Post Employment Benefits Other than Pensions*. This statement requires that employers disclose the *Annual Required Contribution* and *Net Post-employment Benefit Obligation* as determined by actuarial computations. The disclosure of these amounts is presented in more detail in the Notes to the Financial Statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

The primary funding source for the General Fund of the parish is taxation. Approximately 66.73% of revenue is provided by Ad Valorem and Sales Tax. The elected and appointed officials consider many factors when developing the parish's budget and authorizing millage rates. Input by the citizens of the parish is a vital part of this consideration. Severance taxes are difficult to project but there is pending legislation that could possibly increase the amount received without any cost to the citizens of the parish. Sales tax revenues showed a slight increase in 2011 despite the lingering effects of an economic downturn. The Lincoln Parish Police Jury will continue to strive for optimum use of parish resources.

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 Courtney Hall 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 8AM and 5PM Monday through Friday.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
STATEMENT OF NET ASSETS
DECEMBER 31, 2011

	<u>Governmental Activities</u>
ASSETS	
Cash	\$ 7,964,124
Investments	21,095,420
Accounts Receivable	6,416,727
Prepaid Expenses	18,338
Due From Other Entities	511,799
Inventory	11,582
Capital Assets:	
Non-Depreciable	1,775,786
Depreciable	<u>24,293,074</u>
TOTAL ASSETS	<u>\$ 62,086,850</u>
LIABILITIES	
Current Liabilities	
Accounts Payable	\$ 855,268
Due To Other Entities	507,203
Total Current Liabilities	<u>1,362,471</u>
Non-Current Liabilities	
Due Within One Year	
Bonds Payable	425,000
Due in More Than One Year	
Compensated Absences	110,091
Bonds Payable	4,385,000
Unfunded Postretirement	
Benefit Plan Obligations	<u>1,624,567</u>
Total Non-Current Liabilities	<u>6,544,658</u>
Total Liabilities	<u>7,907,129</u>
NET ASSETS	
Invested in Capital Assets:	
Net of Related Debt	21,258,860
Unrestricted For	
Capital Projects	14,992,226
Debt Service	810,984
Undesignated	<u>17,117,651</u>
Total Net Assets	<u>54,179,721</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 62,086,850</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, 2011

Function/Program Activities	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets Governmental Activities
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Government Activities:					
General Government	\$ 2,527,222	\$ 24,036	\$ -	\$ -	\$ (2,503,186)
Public Safety	303,184	335,603	37,236	-	69,655
Public Works	8,185,237	347,997	506,163	278,046	(7,053,031)
Health & Welfare	596,217	-	575,588	30,536	9,907
Culture & Recreation	2,840,632	309,133	-	11,505	(2,519,994)
Economic Development	40,771	-	-	-	(40,771)
Interest on Long-Term Debt	169,423	-	-	-	(169,423)
Total Governmental Activities	\$ 14,662,686	\$ 1,016,769	\$ 1,118,987	\$ 320,087	(12,206,843)

General Revenues

Taxes	
Property Taxes	6,444,157
Sales Taxes	3,600,340
Other Taxes	187,572
Severance Taxes	1,049,637
Intergovernmental Revenues	291,811
Fire Insurance Rebate	148,927
Rents and Royalties	207,493
Miscellaneous	30,846
Transfers to Other Funds	(280,598)
Interest Earned	636,158
Total General Revenues	12,316,343

Changes in Net Assets	109,500
Net Assets - Beginning (Restated)	54,070,221
Net Assets - Ending	\$ 54,179,721

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, 2011

	<u>General Fund</u>	<u>Road Construction Fund</u>	<u>Road Maintenance Fund</u>	<u>Library Fund</u>
Assets				
Cash and Cash Equivalents	\$ 2,062,160	\$ 199,198	\$ 701,500	\$ 697,104
Investments	835,180	520,415	14,972	1,554,558
Receivables	1,017,090	1,277,978	1,277,840	1,463,025
Prepaid Expenses	16,298	1,020	1,020	-
Due From Other Funds	231,967	616,900	616,907	14,768
Due From Other Entities	450,440	45	45	-
Inventory	-	11,582	-	-
TOTAL ASSETS	<u>\$ 4,613,135</u>	<u>\$ 2,627,138</u>	<u>\$ 2,612,284</u>	<u>\$ 3,729,455</u>
Liabilities and fund equity				
Liabilities.				
Accounts Payable	382,252	\$ 791	\$ 778	\$ 12,053
Due To Other Funds	1,099,387	1,139	-	-
Due To Other Entities	507,203	-	-	-
Total Liabilities	<u>1,988,842</u>	<u>1,930</u>	<u>778</u>	<u>12,053</u>
Fund Balances				
Nonspendable	16,298	12,602	1,020	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	284,967	2,612,606	2,610,486	3,717,402
Unassigned	2,323,028	-	-	-
Total Fund Equity	<u>2,624,293</u>	<u>2,625,208</u>	<u>2,611,506</u>	<u>3,717,402</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 4,613,135</u>	<u>\$ 2,627,138</u>	<u>\$ 2,612,284</u>	<u>\$ 3,729,455</u>

Solid Waste Disposal Fund	Solid Waste Disposal Equipment Reserve Fund	Hospital Proceeds Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ 32,445	\$ 665,585	\$ 3,634,817	\$ 7,992,809
-	4,945,881	9,940,965	3,283,449	21,095,420
410,207	13,900	-	956,687	6,416,727
-	-	-	-	18,338
37,508	-	-	1,158,602	2,676,652
-	-	-	61,269	511,799
-	-	-	-	11,582
<u>\$ 447,715</u>	<u>\$ 4,992,226</u>	<u>\$ 10,606,550</u>	<u>\$ 9,094,824</u>	<u>\$ 38,723,327</u>
\$ 194,907	\$ -	\$ 4,485	\$ 288,687	\$ 883,953
202,053	-	602,065	772,008	2,676,652
-	-	-	-	507,203
<u>396,960</u>	<u>-</u>	<u>606,550</u>	<u>1,060,695</u>	<u>4,067,808</u>
-	-	-	-	29,920
-	-	-	488,662	488,662
-	-	-	-	-
50,755	4,992,226	10,000,000	7,545,467	31,813,909
-	-	-	-	2,323,028
<u>50,755</u>	<u>4,992,226</u>	<u>10,000,000</u>	<u>8,034,129</u>	<u>34,655,519</u>
<u>\$ 447,715</u>	<u>\$ 4,992,226</u>	<u>\$ 10,606,550</u>	<u>\$ 9,094,824</u>	<u>\$ 38,723,327</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, 2011

Total Governmental Fund Balances \$ 34,655,519

*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 26,068,860

Unfunded postretirement benefit plan obligations are
not financial resources and therefore are not reported
in the funds (1,624,567)

Long-term liabilities, including compensated
absences payable, are not due and payable in
the current period and therefore are not
reported in the funds (4,920,091)

Net Assets of Governmental Activities \$ 54,179,721

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, 2011

	<u>General Fund</u>	<u>Road Construction Fund</u>	<u>Road Maintenance Fund</u>	<u>Library Fund</u>
Revenues				
Taxes				
Ad Valorem	\$ 987,412	\$ 1,486,965	\$ 1,486,965	\$ 2,019,710
1/2 Cent Sales Tax	-	-	-	-
Other Taxes, Penalties and Interest, etc	107,729	-	-	-
Intergovernmental Revenues				
Federal Funds				
Section 8 Housing	6,921	-	-	-
Other Federal Funds	278,046	-	-	-
State Funds				
Parish Transportation Funds	-	-	-	-
State Revenue Sharing (net)	62,513	93,804	93,804	41,690
Grants - Other Local Agencies	-	-	-	11,505
Severance Tax	1,049,637	-	-	-
Fees, Charges and Commission for Services	172,963	-	-	47,591
Fines and Forfeitures	-	-	-	-
Use of Money and Property				
Interest Earnings and Rents	70,727	10,346	4,660	39,155
Other Revenues	33,886	-	-	1,960
Total Revenues	<u>2,769,834</u>	<u>1,591,115</u>	<u>1,585,429</u>	<u>2,161,611</u>
Expenditures				
General Government	1,662,602	-	-	-
Public Safety	300,185	-	-	-
Public Works	-	1,505,060	1,388,168	-
Health and Welfare	21,264	-	-	-
Culture and Recreation	4,992	-	-	1,969,625
Economic Development and Assistance	40,771	-	-	-
Capital Outlay	253,461	-	-	-
Debt Service				
Principal Payments	-	-	-	-
Interest and Other	-	-	-	-
Total Expenditures	<u>2,283,275</u>	<u>1,505,060</u>	<u>1,388,168</u>	<u>1,969,625</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>486,559</u>	<u>86,055</u>	<u>197,261</u>	<u>191,986</u>
Other Financing Sources (Uses)				
Operating Transfers In	-	-	-	-
Operating Transfers Out	(468,591)	-	-	-
Total Other Financing Sources (Uses)	<u>(468,591)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	<u>17,968</u>	<u>86,055</u>	<u>197,261</u>	<u>191,986</u>
Fund Balances Beginning (Restated)	<u>2,606,325</u>	<u>2,539,153</u>	<u>2,414,245</u>	<u>3,525,416</u>
Fund Balances, Ending	<u>\$ 2,624,293</u>	<u>\$ 2,625,208</u>	<u>\$ 2,611,506</u>	<u>\$ 3,717,402</u>

Solid Waste Disposal Fund	Solid Waste Disposal Equipment Reserve Fund	Hospital Proceeds Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ -	\$ 463,105	\$ 6,444,157
3,600,340	-	-	-	3,600,340
-	-	-	79,843	187,572
-	-	-	568,667	575,588
-	-	-	314,319	592,365
-	-	-	506,163	506,163
-	-	-	-	291,811
-	-	-	37,236	48,741
-	-	-	-	1,049,637
117,924	-	-	665,670	1,004,148
-	-	-	324,209	324,209
46	95,486	386,365	74,205	680,990
-	-	-	-	35,846
<u>3,718,310</u>	<u>95,486</u>	<u>386,365</u>	<u>3,033,417</u>	<u>15,341,567</u>
-	-	-	363,938	2,026,540
-	-	-	-	300,185
3,044,777	66,324	-	1,155,469	7,159,798
-	-	46,446	528,507	596,217
-	-	-	399,780	2,374,397
-	-	-	-	40,771
-	-	-	950,180	1,203,641
-	-	-	407,000	407,000
-	-	-	169,423	169,423
<u>3,044,777</u>	<u>66,324</u>	<u>46,446</u>	<u>3,974,297</u>	<u>14,277,972</u>
<u>673,533</u>	<u>29,162</u>	<u>339,919</u>	<u>(940,880)</u>	<u>1,063,595</u>
-	-	-	1,238,381	1,238,381
<u>(673,533)</u>	<u>(36,936)</u>	<u>(339,919)</u>	<u>-</u>	<u>(1,518,979)</u>
<u>(673,533)</u>	<u>(36,936)</u>	<u>(339,919)</u>	<u>1,238,381</u>	<u>(280,598)</u>
-	(7,774)	-	297,501	782,997
<u>50,755</u>	<u>5,000,000</u>	<u>10,000,000</u>	<u>7,736,628</u>	<u>33,872,522</u>
<u>\$ 50,755</u>	<u>\$ 4,992,226</u>	<u>\$ 10,000,000</u>	<u>\$ 8,034,129</u>	<u>\$ 34,655,519</u>

The accompanying notes are an integral part of this financial statement 14

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, 2011

Net Change in Fund Balances - Total Governmental Funds \$ 782,997

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	418,221
Depreciation Expense	(1,389,390)
	(971,169)

Postretirement benefit plan expenditures 9,498

The issuance of long-term debt (e.g. capital leases, bonds) provides current financial resources to governmental funds, but the repayment reduces long-term liabilities in the statement of net assets

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	300,000
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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

(11,826)

Change in Net Assets in Governmental Activities	\$ 109,500
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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, 2011

ASSETS

Investments, at Fair Value	<u>\$ 1,131,849</u>
TOTAL ASSETS	<u>\$ 1,131,849</u>

LIABILITIES

Liabilities	\$ -
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NET ASSETS

Held in Trust for Deferred Compensation Benefits	<u>1,131,849</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,131,849</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, 2011

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 2016.

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

The accompanying financial statements of the Lincoln Parish Police Jury have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

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.

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reporting Entity (Continued)

The GASB has set forth criteria to 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
Lincoln Parish Geographic Information System	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, 2011

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.

Principal 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, 2011 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, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Governmental Funds

Governmental funds account for the Police Jury's general governmental activities including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of capital assets, and the servicing of general long-term debt. Governmental funds are divided into major and nonmajor funds. Major funds are funds that meet certain dollar tests of their assets, liabilities, revenues and expenditures/expenses. Major funds are larger, more significant funds. Nonmajor funds are the Governmental funds that do not meet the dollar tests for major funds. Governmental funds include:

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.

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

Investments

Under state law, the Police Jury may invest in United States treasury notes or certificates. These funds are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. In accordance with the provisions of GASB Statement 31, investments are carried at fair market value or amortized cost, as further discussed in Notes 2 and 3.

Fund Equity

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

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

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

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

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Equity (Continued)

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

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

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

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. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets’ lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Depreciable lives are from 5 years for equipment and vehicles, 40 years for buildings and 25 years for infrastructure assets.

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

NOTE 2 – CASH AND CASH EQUIVALENTS

Custodial Credit Risk – Deposits The custodial credit risk is the risk that in the event of a bank failure, the Police Jury's deposits may not be returned to it. The Police Jury's policy to ensure there is no exposure to this risk is to require each financial institution to pledge its' own securities to cover any amount in excess of Federal Depository Insurance Coverage. Louisiana Revised Statute 39.1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Police Jury that the fiscal agent bank has failed to pay deposited funds upon demand. Accordingly, the Police Jury had no custodial credit risk related to its deposits at December 31, 2011. The Police Jury had cash and cash equivalents in demand deposits, totaling \$7,992,809 at December 31, 2011.

These deposits are stated at cost, which approximates market. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Cash and cash equivalents (bank balances other than these backed by the U.S. government) at December 31, 2011, are secured, as follows.

Bank Balances	<u>\$ 2,083,862</u>
FDIC Insurance	1,000,000
Pledged Securities (uncollateralized)	<u>12,361,287</u>
Total	<u>\$ 13,361,287</u>

NOTE 3 - INVESTMENTS

Custodial Credit Risk – Investments. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Police Jury's investments in United States government securities are held by the Police Jury's agent in the Police Jury's name. Therefore, the Police Jury had no custodial credit risk related to its investments at December 31, 2011.

Under state law, the Police Jury may invest funds in obligations of the United States, in federally-insured investments, or in time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. At December 31, 2011, the Center had the following investments stated at cost, which approximates market.

Government Agency Bonds	\$ 20,783,858
Equities	10,563
Cash or Money Market Accounts	<u>300,999</u>
Total	<u>\$ 21,095,420</u>

Interest Rate Risk In accordance with its investments policy, the Police Jury manages its exposure to declines in fair market values by limiting investment portfolios to "money market investments, which are defined as creditworthy, highly liquid investments with maturities of one year or less. Although there may be certain circumstances in which longer-term securities are utilized, the general use of long-term securities shall be avoided.

Credit Risk The Police Jury's investment policy limits investments to fully insured and/or fully-collateralized certificates of deposits and direct and indirect obligations of U S government agencies.

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

NOTE 3 – INVESTMENTS (Continued)

Concentration of Credit Risk. The Police Jury's investment policy limits the Police Jury's investment instruments to: 1) certificates of deposit; 2) certain direct obligations of the U S Government, 3) bonds, debentures, notes, or other evidence of indebtedness issued or guaranteed by federal agencies and provided such obligations are backed by the full faith and credit of the United States of America; and 4) the Louisiana Asset Management Pool.

NOTE 4 – RECEIVABLES

The receivables of \$6,415,254 on December 31, 2011, are detailed as follows.

	<u>Class of Receivables</u>	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Capital Project Funds</u>	<u>Debt Service Fund</u>	<u>Total</u>
Taxes.						
Ad valorem		\$ 786,661	\$ 3,817,901	\$ -	\$ 466,500	\$ 5,071,062
Other		63,662	400,685	-	-	464,347
State revenue sharing		59,083	217,377	-	-	276,460
State reimbursements		-	72,485	216,221	-	288,706
Other		<u>107,684</u>	<u>84,219</u>	<u>122,349</u>	<u>1,900</u>	<u>316,152</u>
Totals		<u>\$ 1,017,090</u>	<u>\$ 4,592,667</u>	<u>\$ 338,570</u>	<u>\$ 468,400</u>	<u>\$ 6,416,727</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 5 – PROPERTY AND EQUIPMENT

Capital asset activity for the year ended December 31, 2011, is as follows:

	<u>2010 Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>2011 Balance</u>
Non-Depreciable Assets:				
Land	\$ 1,780,786	\$ -	\$(5,000)	\$ 1,775,786
Infrastructure -CIP Improvements	743,608	184,381	(927,989)	-
Total	<u>2,524,394</u>	<u>184,381</u>	<u>(932,989)</u>	<u>1,775,786</u>
Depreciable Assets				
Buildings	13,459,488	-	-	13,459,488
Infrastructure	25,094,029	927,989	-	26,022,018
Improvements	6,845,204	-	-	6,845,204
Vehicles	1,596,325	153,747	-	1,750,072
Furniture & Fixtures	1,394,667	-	-	1,394,667
Machinery & Equipment	<u>4,028,050</u>	<u>85,093</u>	-	<u>4,113,143</u>
Total	<u>52,417,763</u>	<u>1,166,829</u>	-	<u>53,584,592</u>

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

NOTE 5 – PROPERTY AND EQUIPMENT (Continued)

Less. Accumulated Depreciation:

Buildings	(4,341,957)	(177,059)	-	(4,519,016)
Infrastructure	(17,546,007)	(276,476)	-	(17,822,483)
Improvements	(2,300,409)	(471,886)	-	(2,772,295)
Vehicles	(1,101,305)	(63,420)	-	(1,164,725)
Furniture & Fixtures	(849,662)	(91,744)	-	(941,406)
Machinery & Equipment	<u>(1,762,788)</u>	<u>(308,805)</u>	-	<u>(2,071,593)</u>
Total	<u>(27,902,128)</u>	<u>(1,389,390)</u>	-	<u>(29,291,518)</u>
Capital Assets, Net	<u>\$ 27,040,029</u>	<u>\$(38,180)</u>	<u>\$(932,989)</u>	<u>\$ 26,068,860</u>

Depreciation expense charged for \$1,260,913 is as follows

General Government	\$ 391,354
Public Safety	2,999
Public Works	528,802
Health & Welfare	-
Economic Development	-
Culture and Recreation	<u>466,235</u>
Total	<u>\$ 1,389,390</u>

NOTE 6 – 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 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.

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

NOTE 6 - PENSION PLAN (Continued)

Plan Description (Continued)

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.

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 15.75% 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, 2011, 2010, and 2009 were \$498,628, \$501,863, and \$378,424, respectively, equal to the required contributions for each year.

NOTE 7 - LEASES

Operating Leases (Lessee) The Lincoln Parish Police Jury leases space under noncancelable operating leases in the building the Police Jury purchased in September 2009. Total income for such leases were \$162,661 for the year ended December 31, 2011. Future minimum lease payments for these leases are as follows:

<u>Year Ended</u> <u>December 31,</u>	<u>LPPJ Complex</u> <u>Lease</u>
2012	\$ 137,608
2013	137,608
2014	137,608
2015	137,608
2016	<u>137,608</u>
Total	<u>\$ 688,040</u>

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

NOTE 8 – DUE TO/FROM OTHER FUNDS

Individual fund balances due to/from other funds at December 31, 2011, are as follows

<u>Fund</u>	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
Major Funds		
General Fund	\$ 231,967	\$ 1,099,387
Special Revenue Funds:		
Road Construction Fund	616,900	1,139
Road Maintenance Fund	616,907	-
Library Fund	14,768	-
Solid Waste Disposal Fund	37,508	202,053
Hospital Proceeds Fund	-	602,065
Non-Major Funds:		
Special Revenue Funds	47,977	714,373
Capital Projects Funds	<u>1,110,625</u>	<u>57,635</u>
Totals	<u>\$ 2,676,652</u>	<u>\$ 2,676,652</u>

These balances resulted from the time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system and payments between funds are made.

NOTE 9 – 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, 2011.

Balance at January 1, 2011	\$(7,943)
Court costs collected	8,640
Interest	1
Witness fees paid	<u>(4,750)</u>
Balance at December 31, 2011	<u>\$(4,052)</u>

NOTE 10 – 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.

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

NOTE 10 – DESIGNATED FUND BALANCE – EQUIPMENT REPLACEMENT (Continued)

The following schedule provides detail on changes for the year ended December 31, 2011.

	<u>Collection Equipment</u>	<u>Disposal Equipment</u>	<u>Total</u>
Balance at January 1, 2011	\$ 2,406,429	\$ 5,103,260	\$ 7,509,689
Transfers in (out)	-	(36,936)	(36,936)
Sale of assets	-	-	-
Other revenues	21,067	93,443	114,395
Equipment replacement costs	-	-	-
Expenditures	-	(66,324)	(66,324)
Balance at December 31, 2011	<u>\$ 2,427,496</u>	<u>\$ 5,093,443</u>	<u>\$ 7,520,824</u>

The total Solid Waste Equipment Reserve as of December 31, 2011, is as follows

Solid Waste Equipment Reserve	\$ 7,520,824
Sewer Fund Equipment Replacement	<u>199,369</u>
Total Fund Equity Designated for Equipment Replacement	<u>\$ 7,720,193</u>

NOTE 11 – 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, 2011, \$45,543 was to be transferred.

NOTE 12 – 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 13 – TAXES

Property taxes are due as of December 31. 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.

	<u>Property Tax Calendar</u>
Assessment Date	January 1, 2011
Levy Date	September 15, 2011
Tax Bills Mailed	November 17, 2011
Total Taxes Are Due	December 31, 2011
Penalties and Interest are Added	January 1, 2012
Tax Sales – 2010 Delinquent Property	May 19-31, 2012

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

NOTE 13 – TAXES (Continued)

	<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 Operation	5.99	5.99
Library Bond Fund	1.38	1.38

NOTE 14 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budget/Actual Unfavorable Variances

When comparing budget to actual revenue and expenditure amounts for the year ended December 31, 2011, the following governmental funds had variances greater than 5%.

	<u>Budget</u>	<u>Actual</u>	<u>Variances (Unfavorable)</u>
General Fund			
Judicial	\$ 310,090	\$ 328,943	\$(18,853)
Capital Outlay	\$ -	\$ 253,461	\$(253,461)
Operating Transfers Out	\$ -	\$ 468,591	\$(468,591)
Road Maintenance Fund			
Interest Earnings & Rent	\$ 9,000	\$ 4,660	\$(4,340)
Library Fund			
Grants – Other Local Agencies	\$ 14,000	\$ 11,505	\$(2,495)
Interest Earnings & Rent	\$ 35,800	\$ 29,284	\$(6,516)
Hospital Proceeds Fund			
Operating Transfers Out	\$ 176,470	\$ 339,919	\$(163,449)

NOTE 15 – 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 16 – POST EMPLOYMENT HEALTH CARE BENEFITS

Plan Description The Lincoln Parish Police Jury's medical benefits are provided through a self-insured plan and are made available to employees upon actual retirement.

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

NOTE 16 – POST EMPLOYMENT HEALTH CARE BENEFITS (Continued)

The employees are covered by the Parochial Employees' Retirement System of Louisiana, whose retirement eligibility (D R O P entry) provisions are as follows: 30 years of service at any age, age 55 and 25 years of service; age 60 and 10 years of service, or, age 65 and 7 years of service

For employees hired on and after January 1, 2007. Retirement eligibility (D R O P entry) provisions are as follows: age 55 and 30 years of service; age 62 and 10 years of service; or, age 67 and 7 years of service. Complete plan provisions are included in the official plan documents

Dental insurance coverage is provided to retirees. The employer pays 90 to 95% of the cost of the dental insurance (depending on the plan) for the retiree and 50% for dependents. The actuaries have used the unblended rates provided and include the actuarial costs and liability in the valuation of the medical benefits. All of the assumptions used for the valuation of the medical benefits have been used for dental insurance except for the trend assumption, zero trend was used for dental insurance

Life insurance coverage is available to retirees and the blended rate (active and retired) is \$0.65 per \$1,000 of insurance. The employer pays 100% of the cost of the retiree life insurance. Since GASB 45 requires the use of "unblended" rates, the actuaries have used the 94GAR mortality table described above to "unblend" the rates so as to reproduce the composite blended rate overall as the rate structure to calculate the actuarial valuation results for life insurance. All of the assumptions used for the valuation of the medical benefits have been used except for the trend assumption, zero trend was used for life insurance. Retiree insurance coverage amounts are reduced to 50% of the original level before retirement

Contribution Rates. Employees do not contribute to their post employment benefits costs until they become retirees and begin receiving those benefits. The plan provisions and contribution rates are contained in the official plan documents.

Fund Policy. Until 2008, the Lincoln Parish Police Jury recognized the cost of providing post-employment medical and life benefits (Lincoln Parish Police Jury's portion of the retiree medical, dental, and life benefit premiums) as an expense when the benefit premiums were due and thus financed the cost of the post-employment benefits on a pay-as-you-go basis. In 2011 and 2010, Lincoln Parish Police Jury's portion of health care funding cost for retired employees totaled \$296,960 and \$179,704, respectively

Effective January 1, 2008, Lincoln Parish Police Jury implemented Government Accounting Standards Board Statement Number 45, *Accounting and Financial Reporting by Employers for Post employment Benefits Other than Pensions* (GASB 45). This amount was applied toward the Net OPEB Benefit Obligation as shown in the following table

Annual Required Contribution. Lincoln Parish Police Jury's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB 45. The ARC is the sum of the Normal Cost plus the contribution to amortize the Unfunded Actuarial Accrued Liability (UAAL). A level dollar, open amortization period of 30 years (the maximum amortization period allowed by GASB 43/45) has been used for the post-employment benefits. The actuarially computed ARC is as follows

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

NOTE 16 – POST EMPLOYMENT HEALTH CARE BENEFITS (continued)

	2011	2010
Normal Cost	\$ 54,511	\$ 317,534
30-year UAL amortization amount	262,087	410,031
	<hr/>	<hr/>
Annual required contribution (ARC)	\$ 316,598	\$ 727,565

Net Post-employment Benefit Obligation (Asset). The table below shows Lincoln Parish Police Jury's Net Other Post-employment Benefit (OPEB) Obligation for fiscal years ending December 31:

	2011	2010
Beginning Net OPEB Obligation	\$ 1,634,065	\$ 1,086,204
Annual required contribution	316,598	727,565
Interest on Net OPEB Obligation	65,363	0
ARC Adjustment	(94,498)	0
OPEB Cost	<hr/> 287,462	<hr/> 727,565
Contribution	0	0
Current year retiree premium	<hr/> (296,960)	<hr/> (179,704)
Change in Net OPEB Obligation	(9,498)	547,861
Ending Net OPEB Obligation	\$ 1,624,567	\$ 1,634,065

The following table shows Lincoln Parish Police Jury's annual post employment benefits (PEB) cost, percentage of the cost contributed, and the net unfunded post employment benefits (PEB) liability (asset)

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual Cost Contributed</u>	<u>Net OPEB Liability (Asset)</u>
December 31, 2011	\$287,462	103 30%	\$1,624,567
December 31, 2010	\$727,565	24 70%	\$1,634,065

Funded Status and Funding Progress In the fiscal years ending December 31, 2011 and 2010, Lincoln Parish Police Jury made no contributions to its post employment benefits plan. The plan was not funded, has no assets, and hence has a funded ratio of zero. Based on the January 1, 2011 actuarial valuation, the most recent actuarial valuation, the Actuarial Accrued Liability (AAL) at the end of the year ended December 31, 2011 was \$4,532,147, which is defined as that portion, as determined by a particular actuarial cost method (Lincoln Parish Police Jury uses the Projected Unit Credit Cost Method), of the actuarial present value of post employment plan benefits and expenses which is not provided by normal cost.

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

NOTE 16 – POST EMPLOYMENT HEALTH CARE BENEFITS (continued)

	2011	2010
Actuarial Accrued Liability (AAL)	\$ 4,532,147	\$ 7,090,201
Actuarial Value of Plan Assets	0	0
Unfunded Act. Accrued Liability (UAAL)	\$ <u>4,532,147</u>	\$ <u>7,090,201</u>
Funded Ratio (Act Val. Assets/AAL)	0%	0%
Covered Payroll (active plan members)	\$ 3,423,896	\$ 3,279,996
UAAL as a percentage of covered payroll	132.37%	216.16%

Actuarial Methods and Assumptions Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. The actuarial valuation for post employment benefits includes estimates and assumptions regarding (1) turnover rate, (2) retirement rate, (3) health care cost trend rate; (4) mortality rate; (5) discount rate (investment return assumption); and (6) the period to which the costs apply (past, current, or future years of service by employees). Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

The actuarial calculations are based on the types of benefits provided under the terms of the substantive plan (the plan as understood by Lincoln Parish Police Jury and its employee plan members) at the time of the valuation and on the pattern of sharing costs between Lincoln Parish Police Jury and its plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between Lincoln Parish Police Jury and plan members in the future. Consistent with the long-term perspective of actuarial calculations, the actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial liabilities and the actuarial value of assets.

Actuarial Cost Method The ARC is determined using the Projected Unit Credit Cost Method. The employer portion of the cost for retiree medical care in each future year is determined by projecting the current cost levels using the healthcare cost trend rate and discounting this projected amount to the valuation date using the other described pertinent actuarial assumptions, including the investment return assumption (discount rate), mortality, and turnover.

Actuarial Value of Plan Assets There are not any plan assets. It is anticipated that in future valuations, should funding take place, a smoothed market value consistent with Actuarial Standards Board ASOP 6, as provided in paragraph number 125 of GASB Statement 45.

Turnover Rate An age-related turnover scale based on actual experience has been used. The rates, when applied to the active employee census, produce a composite average annual turnover of approximately 5%.

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

NOTE 16 – POST EMPLOYMENT HEALTH CARE BENEFITS (continued)

Post employment Benefit Plan Eligibility Requirements. Based on past experience, it has been assumed that entitlement to benefits will commence three years after eligibility to enter D R O P Medical benefits are provided to employees upon actual retirement Employees are covered by Parochial Employees' Retirement System of Louisiana, whose retirement eligibility (D R O.P entry) provisions are as follows. 30 years of service at any age; age 55 and 25 years of service; age 60 and 10 years of service; or, age 65 and 7 years of service. For employees hired on and after January 1, 2007 retirement eligibility (D R.O.P entry) provisions are as follows age 55 and 30 years of service, age 62 and 10 years of service, or, age 67 and 7 years of service

Investment Return Assumption (Discount Rate). GASB Statement 45 states that the investment return assumption should be the estimated long-term investment yield on the investments that are expected to be used to finance the payment of benefits (that is, for a plan which is funded). Based on the assumption that the ARC will not be funded, a 4% annual investment return has been used in this valuation

Health Care Cost Trend Rate. The expected rate of increase in medical cost is based on projections performed by the Office of the Actuary at the Centers for Medicare & Medicaid Services as published in National Health Care Expenditures Projections, 2003 to 2013, Table 3 National Health Expenditures, Aggregate and per Capita Amounts, Percent Distribution and Average Annual Percent Change by Source of Funds. Selected Calendar Years 1990-2013, released in January, 2004 by the Health Care Financing Administration (www.cms.hhs.gov) "State and Local" rates for 2008 through 2013 from this report were used, with rates beyond 2013 graduated down to an ultimate annual rate of 5 0% for 2016 and later

Mortality Rate The 1994 Group Annuity Reserving (94GAR) table, projected to 2002, based on a fixed blend of 50% of the unloaded male mortality rate and 50% of the unloaded female mortality rates, was used. This is a published mortality table which was designed to be used in determining the value of accrued benefits in defined benefit pension plans

Method of Determining Value of Benefits. The "value of benefits" has been assumed to be the portion of the premium after retirement date expected to be paid by the employer for each retiree and has been used as the basis for calculating the actuarial present value of OPEB benefits to be paid The employer pays 90 to 95% of the cost of the medical insurance (depending on the plan) for the retiree and 50% for dependents. Medical and dental coverage ceases at age 65 (Medicare eligibility) for all retirees who retired on and after January 1, 2008. The rates provided are "unblended" rates as required by GASB 45

Inflation Rate Included in both the Investment Return Assumption and the Healthcare Cost Trend rates above is an implicit inflation assumption of 2 50% annually

Projected Salary Increases. This assumption is not applicable since neither the benefit structure nor the valuation methodology involves salary.

Post-retirement Benefit Increases. The plan benefit provisions in effect for retirees as of the valuation date have been used and it has been assumed for valuation purposes that there will not be any changes in the future

Below is a summary of OPEB cost and contributions for the last three fiscal calendar years

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

NOTE 16 – POST EMPLOYMENT HEALTH CARE BENEFITS (continued)

	OPEB Costs and Contributions		
	FY 2011	FY 2010	FY 2009
OPEB Cost	\$ 287,462	\$ 727,565	\$ 727,565
Contribution	-	-	-
Retiree Premium	<u>296,960</u>	<u>179,704</u>	<u>179,704</u>
Change in Net OPEB Obligation	<u>\$(9,498)</u>	<u>\$ 547,861</u>	<u>\$ 547,861</u>
% of Contribution to Cost	0.00%	0.00%	0.00%
% of Contribution Plus Premium to Cost	103.30%	24.70%	24.70%

NOTE 17 – BONDS PAYABLE

Certificates of indebtedness were issued in the amount of \$1,500,000 on September 16, 2009 for the purpose of acquiring the Old County Market Building and paying the costs incurred in connection with the issuance of the Certificates. The bonds carry a net interest rate of 4.35%. On March 1, 2001, General obligation bonds were issued in the amount of \$5,300,000 for the purpose of library renovations. These bonds were reissued in 2011 in the amount of \$3,577,000 and are to be repaid by March 2021 by Ad Valorem taxes with the first interest only payment due March 1, 2011. Principal payments commenced on March 1, 2011. The bonds carry a net interest rate of 3.02%. 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 2011	\$ 3,725,000	\$ 107,000	\$ 287,000	\$ 3,545,000	\$ 295,000
Certificates of Indebtedness, Series 2009	1,385,000	-	120,000	1,265,000	130,000
Accrued Vacation and Sick Time	<u>98,265</u>	<u>11,826</u>	-	<u>110,091</u>	<u>110,091</u>
Total Governmental Activities Long-Term Debt	<u>\$ 5,208,265</u>	<u>\$ 118,826</u>	<u>\$ 407,000</u>	<u>\$ 4,920,091</u>	<u>\$ 535,091</u>

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

Year Ended	Certificates of Indebtedness Series 2011		Certificates of Indebtedness Series 2009	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
December 31,				
2012	\$ 295,000	\$ 102,604	\$ 130,000	\$ 55,027
2013	308,000	93,499	135,000	49,372
2014	321,000	84,001	145,000	43,500
2015	332,000	74,141	155,000	37,192
2016	348,000	63,873	160,000	30,450
2017-2021	<u>1,941,000</u>	<u>151,317</u>	<u>540,000</u>	<u>47,850</u>
Total	<u>\$3,545,000</u>	<u>\$ 539,435</u>	<u>\$ 1,265,000</u>	<u>\$ 263,391</u>

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

NOTE 17 – BONDS PAYABLE (Continued)

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.

NOTE 18 – INTERFUND OPERATING TRANSFERS IN AND OUT

<u>Fund</u>	<u>Operating Transfers</u>	
	<u>In</u>	<u>Out</u>
Major Funds		
General Fund	\$ -	\$ 468,591
Special Revenue Funds:		
Solid Waste Disposal Fund	-	673,533
Solid Waste Collection Fund	-	36,936
Hospital Proceeds Fund	-	339,919
Non-Major Funds:		
Special Revenue Funds	728,969	-
Capital Projects Funds	509,412	20,000
Debt Service Funds	20,000	-
Other Entities:		
Detention Center	<u>280,598</u>	<u>-</u>
Totals	<u>\$ 1,538,979</u>	<u>\$ 1,538,979</u>

Transfers are used to (a) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and (b) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTE 19 – PRIOR PERIOD ADJUSTMENT FUND FINANCIAL STATEMENTS

The police jury transferred funds from its investment account in the Solid Waste Disposal Reserve Fund during the year ended December 31, 2010, but the resulting decrease in investments was not recognized. The adjustment resulted in a decrease of beginning net assets of \$103,260. Prior years are not presented on the statement of activities; therefore the adjustment for the cumulative effect of the prior period adjustment is presented as an adjustment to opening net assets on the statement of activities.

NOTE 20 – SUBSEQUENT EVENTS

Subsequent events have been evaluated through May 25, 2012, which is the day the financial statements were available to be issued, and it has been determined that no significant events have occurred for disclosure.

**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, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues (Inflows).</u>				
Taxes				
Ad Valorem	\$ 981,617	\$ 987,412	\$ 987,412	\$ -
Licenses & Permits	101,500	109,700	107,729	(1,971)
Intergovernmental Revenues.				
Federal Funds:				
Section 8 Housing	7,900	7,000	6,921	(79)
FEMA	-	-	278,046	278,046
State Funds:				
State Revenue Sharing	58,000	59,083	62,513	3,430
Severance Tax	1,120,000	1,074,000	1,049,637	(24,363)
Fees, Charges & Commission for Services	179,450	174,177	172,963	(1,214)
Use of Money and Property, Interest Earnings and Rent	60,000	63,100	70,727	7,627
Other Revenues	11,250	26,885	33,886	7,001
Total Revenues	<u>2,519,717</u>	<u>2,501,357</u>	<u>2,769,834</u>	<u>268,477</u>
<u>Expenditures (Outflows)</u>				
General Government				
Legislative	181,295	182,270	179,676	2,594
Judicial	301,955	310,090	328,943	(18,853)
Elections	34,350	33,573	34,883	(1,310)
Finance and Administration	570,270	542,794	551,399	(8,605)
Other General Government	1,020,811	1,022,108	567,701	454,407
Public Safety	299,836	301,338	300,185	1,153
Health and Welfare	22,000	20,000	21,264	(1,264)
Culture and Recreation	54,992	54,976	4,992	49,984
Economic Development	34,208	34,208	40,771	(6,563)
Capital Outlay	-	-	253,461	(253,461)
Total Expenditures	<u>2,519,717</u>	<u>2,501,357</u>	<u>2,283,275</u>	<u>218,082</u>
<u>Excess (Deficiency) of Revenues</u>				
<u>Over Expenditures</u>	-	-	486,559	486,559
<u>Other Financing Uses</u>				
Operating Transfers Out	-	-	(468,591)	(468,591)
<u>Excess (Deficiency) of Revenues Over</u>				
<u>Expenditures and Other Uses</u>	-	-	17,968	17,968
<u>Fund Balance at Beginning of Year</u>	<u>2,606,325</u>	<u>2,606,325</u>	<u>2,606,325</u>	-
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ 2,606,325</u>	<u>\$ 2,606,325</u>	<u>\$ 2,624,293</u>	<u>\$ 17,968</u>

The accompanying notes are an integral part of this financial statement

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
BUDGETARY COMPARISON SCHEDULE -
ROAD CONSTRUCTION FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues (Inflows):</u>				
Taxes				
Ad Valorem	\$ 1,479,921	\$ 1,486,965	\$ 1,486,965	\$ -
Intergovernmental Revenues.				
State Funds:				
State Revenue Sharing	81,000	88,929	93,804	4,875
Use of Money and Property.				
Interest Earnings and Rent	14,500	9,000	10,346	1,346
<u>Total Revenues</u>	<u>1,575,421</u>	<u>1,584,894</u>	<u>1,591,115</u>	<u>6,221</u>
<u>Expenditures (Outflows)</u>				
Public Works	1,442,700	1,482,810	1,505,060	(22,250)
<u>Total Expenditures</u>	<u>1,442,700</u>	<u>1,482,810</u>	<u>1,505,060</u>	<u>(22,250)</u>
<u>Excess of Revenues Over Expenditures</u>	132,721	102,084	86,055	(16,029)
<u>Fund Balance at Beginning of Year</u>	<u>2,539,153</u>	<u>2,539,153</u>	<u>2,539,153</u>	<u>-</u>
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ 2,671,874</u>	<u>\$ 2,641,237</u>	<u>\$ 2,625,208</u>	<u>\$ (16,029)</u>

The accompanying notes are an integral part of this financial statement

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
BUDGETARY COMPARISON SCHEDULE -
ROAD MAINTENANCE FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues (Inflows):</u>				
Taxes				
Ad Valorem	\$ 1,479,921	\$ 1,486,965	\$ 1,486,965	\$ -
<u>Intergovernmental Revenues:</u>				
State Funds				
State Revenue Sharing	81,000	88,929	93,804	4,875
Use of Money and Property, Interest Earnings and Rent	15,500	9,000	4,660	(4,340)
Total Revenues	<u>1,576,421</u>	<u>1,584,894</u>	<u>1,585,429</u>	<u>535</u>
<u>Expenditures (Outflows)</u>				
Public Works	<u>1,388,700</u>	<u>1,406,834</u>	<u>1,388,168</u>	<u>18,666</u>
Total Expenditures	<u>1,388,700</u>	<u>1,406,834</u>	<u>1,388,168</u>	<u>18,666</u>
<u>Excess of Revenues Over Expenditures</u>	187,721	178,060	197,261	19,201
<u>Fund Balance at Beginning of Year</u>	<u>2,414,245</u>	<u>2,414,245</u>	<u>2,414,245</u>	-
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ 2,601,966</u>	<u>\$ 2,592,305</u>	<u>\$ 2,611,506</u>	<u>\$ 19,201</u>

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, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues (Inflows)</u>				
Taxes				
Ad Valorem	\$ 2,010,143	\$ 2,019,710	\$ 2,019,710	\$ -
Intergovernmental Revenues				
State Funds				
State Revenue Sharing	41,000	39,519	41,690	2,171
Grants - Other Local Agencies	10,000	14,000	11,505	(2,495)
Fees, Charges & Commission for Services	32,000	21,000	47,591	26,591
Use of Money and Property, Interest Earnings and Rent	55,500	35,800	39,155	3,355
Other Revenues	3,000	2,000	1,960	(40)
Total Revenues	2,151,643	2,132,029	2,161,611	29,582
<u>Expenditures (Outflows)</u>				
Culture and Recreation	2,122,917	2,094,174	1,969,625	124,549
Capital Outlay				-
Total Expenditures	2,122,917	2,094,174	1,969,625	124,549
<u>Excess (Deficit) of Revenues Over Expenditures</u>	<u>28,726</u>	<u>37,855</u>	<u>191,986</u>	<u>154,131</u>
<u>Fund Balance at Beginning of Year</u>	<u>3,525,416</u>	<u>3,525,416</u>	<u>3,525,416</u>	<u>-</u>
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ 3,554,142</u>	<u>\$ 3,563,271</u>	<u>\$ 3,717,402</u>	<u>\$ 154,131</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, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues (Inflows)</u>				
Taxes				
1/2 Cent Sales Tax	\$ 3,600,000	\$ 3,700,000	\$ 3,600,340	\$ (99,660)
Fees, Charges & Commission for Services	115,000	120,000	117,924	(2,076)
Use of Money and Property, Interest Earnings and Rent	200	100	46	(54)
Total Revenues	<u>3,715,200</u>	<u>3,820,100</u>	<u>3,718,310</u>	<u>(101,790)</u>
<u>Expenditures (Outflows)</u>				
Public Works	<u>3,131,844</u>	<u>3,111,366</u>	<u>3,044,777</u>	<u>66,589</u>
Total Expenditures	<u>3,131,844</u>	<u>3,111,366</u>	<u>3,044,777</u>	<u>66,589</u>
<u>Excess of Revenues Over Expenditures</u>	583,356	708,734	673,533	(35,201)
<u>Other Financing Uses</u>				
Transfers Out	(583,356)	(708,734)	(673,533)	35,201
<u>Fund Balance at Beginning of Year</u>	<u>50,755</u>	<u>50,755</u>	<u>50,755</u>	<u>-</u>
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ 50,755</u>	<u>\$ 50,755</u>	<u>\$ 50,755</u>	<u>\$ -</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, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues (Inflows)</u>				
Use of Money and Property				
Interest Earnings and Rent	\$ 122,000	\$ 81,500	\$ 95,486	\$ 13,986
Total Revenues	122,000	81,500	95,486	13,986
<u>Expenditures (Outflows):</u>				
Public Works	-	66,324	66,324	-
Capital Outlay	-	-	-	-
Total Expenditures	-	66,324	66,324	-
<u>Excess (Deficiency) of Revenues Over Expenditures</u>	122,000	15,176	29,162	13,986
<u>Other Financing Uses</u>				
Transfers In	-	-	-	-
Transfers Out	-	(36,936)	(36,936)	-
Total Other Financing Sources	-	(36,936)	(36,936)	-
<u>Fund Balance at Beginning of Year (Restated)</u>	5,000,000	5,000,000	5,000,000	-
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ 5,122,000</u>	<u>\$ 4,978,240</u>	<u>\$ 4,992,226</u>	<u>\$ 13,986</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, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues (Inflows)</u>				
Use of Money and Property,				
Interest Earnings and Rent	\$ 370,000	\$ 225,000	\$ 386,365	\$ 161,365
Total Revenues	370,000	225,000	386,365	161,365
<u>Expenditures (Outflows)</u>				
Health and Welfare	73,530	48,530	46,446	2,084
<u>Excess of Revenues Over Expenditures</u>	296,470	176,470	339,919	163,449
<u>Other Financing Uses</u>				
Operating Transfers Out	(297,470)	(176,470)	(339,919)	(163,449)
<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>\$ 9,999,000</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, 2011

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, 2011, the following governmental funds had variances greater than 5%.

	<u>Budget</u>	<u>Actual</u>	<u>Variances</u> <u>(Unfavorable)</u>
General Fund			
Judicial	\$ 310,090	\$ 328,943	\$(18,853)
Capital Outlay	\$ -	\$ 253,461	\$(253,461)
Operating Transfers Out	\$ -	\$ 468,591	\$(468,591)
Road Maintenance Fund			
Interest Earnings & Rent	\$ 9,000	\$ 4,660	\$(4,340)
Library Fund			
Grants - Other Local Agencies	\$ 14,000	\$ 11,505	\$(2,495)
Interest Earnings & Rent	\$ 35,800	\$ 29,284	\$(6,516)
Hospital Proceeds Fund			
Operating Transfers Out	\$ 176,470	\$ 339,919	\$(163,449)

OTHER SUPPLEMENTAL INFORMATION

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
SUPPLEMENTAL INFORMATION SCHEDULES
DECEMBER 31, 2011

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.

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.

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.

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.

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
SUPPLEMENTAL INFORMATION SCHEDULES (CONTINUED)
DECEMBER 31, 2011

NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)

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.

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.

Mosquito Control Fund

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

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2011

	Special Road Fund	Solid Waste Collection Fund	Solid Waste Recycling Fund	Solid Waste Collection Equipment Reserve Fund	Criminal Court Fund
Assets:					
Cash and Cash Equivalents	\$ -	\$ 738,767	\$ 35,603	\$ 764,006	\$ 14,138
Investments	782,360	820,583	-	1,662,378	-
Receivables	68,305	50,985	1,803	900	20,164
Due From Other Governments	532	47,231	-	214	-
Due From Other Funds	2,518	1,123	149	-	13,979
TOTAL ASSETS	\$ 853,715	\$ 1,658,689	\$ 37,555	\$ 2,427,498	\$ 48,281
Liabilities and Fund Equity					
Liabilities.					
Accounts Payable	\$ 717	\$ 1,328	\$ -	\$ -	\$ 48,281
Due to Other Funds	565,320	34,201	-	-	-
Total Liabilities	566,037	35,529	-	-	48,281
Fund Equity					
Fund Balances					
Restricted	-	-	-	-	-
Assigned	287,678	1,623,160	37,555	2,427,498	-
Unassigned	-	-	-	-	-
Total Fund Equity	287,678	1,623,160	37,555	2,427,498	-
TOTAL LIABILITIES AND FUND EQUITY	\$ 853,715	\$ 1,658,689	\$ 37,555	\$ 2,427,498	\$ 48,281

Law Enforcement Witness Fee Fund	Sewer Fund	Juvenile Assistance Fund	Health Unit Fund	Section 8 Housing Fund	Sewer Fund Equipment Replacement
\$ 241	\$ 79,960	\$ 2,800	\$ 107,313	\$ 494,646	\$ 199,369
-	-	-	-	-	-
567	6,993	-	-	-	-
-	-	-	-	-	-
-	-	-	18,500	-	-
<u>\$ 808</u>	<u>\$ 86,953</u>	<u>\$ 2,800</u>	<u>\$ 125,813</u>	<u>\$ 494,646</u>	<u>\$ 199,369</u>
\$ 100	\$ 238	\$ -	\$ -	\$ 5,984	\$ -
4,760	-	-	85,092	-	-
4,860	238	-	85,092	5,984	-
-	-	-	-	488,662	-
(4,052)	86,715	2,800	40,721	-	199,369
-	-	-	-	-	-
<u>(4,052)</u>	<u>86,715</u>	<u>2,800</u>	<u>40,721</u>	<u>488,662</u>	<u>199,369</u>
<u>\$ 808</u>	<u>\$ 86,953</u>	<u>\$ 2,800</u>	<u>\$ 125,813</u>	<u>\$ 494,646</u>	<u>\$ 199,369</u>

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LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2011

	Mosquito Control Fund	Totals
Assets.		
Cash and Cash Equivalents	\$ -	\$ 2,436,843
Investments	-	3,265,321
Receivables	-	149,717
Due From Other Governments	-	47,977
Due From Other Funds	25,000	61,269
	25,000	61,269
TOTAL ASSETS	\$ 25,000	\$ 5,961,127
Liabilities and Fund Equity		
Liabilities:		
Accounts Payable	\$ -	\$ 56,648
Due to Other Funds	25,000	714,373
	25,000	771,021
Total Liabilities	25,000	771,021
Fund Equity:		
Fund Balances		
Restricted	-	488,662
Assigned	-	4,701,444
Unassigned	-	-
	-	-
Total Fund Equity	-	5,190,106
TOTAL LIABILITIES AND FUND EQUITY	\$ 25,000	\$ 5,961,127

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, 2011

	Special Road Fund	Solid Waste Collection Fund	Solid Waste Recycling Fund	Solid Waste Collection Equipment Reserve Fund	Criminal Court Fund
Revenues					
Intergovernmental Revenues					
Federal Funds					
Federal Grants	\$ -	\$ -	\$ -	\$ -	\$ -
State Funds					
Parish Transportation Funds	506,163	-	-	-	-
Grants - Other Local Agencies	-	-	-	-	-
Fees, Charges and Commission for Services	-	81,693	61,325	-	2,754
Fines and Forfeitures	-	-	-	-	324,209
Use of Money and Property					
Interest Earnings and Rents	20,541	8,930	84	21,067	89
Other Revenues	-	-	-	-	-
Total Revenues	526,704	90,623	61,409	21,067	327,052
Expenditures					
General Government					
Judicial	-	-	-	-	327,052
Public Works	366,234	649,328	57,264	-	-
Health and welfare	-	-	-	-	-
Capital Outlay	244,954	21,925	-	-	-
Total Expenditures	611,188	671,253	57,264	-	327,052
Excess (Deficiency) of Revenues Over Expenditures	(84,484)	(580,630)	4,145	21,067	-
Other Financing Sources (Uses)					
Operating Transfers In	-	710,469	-	-	-
Operating Transfers Out	-	-	-	-	-
Total Other Financing Sources (Uses)	-	710,469	-	-	-
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	(84,484)	129,839	4,145	21,067	-
Fund Balances Beginning	372,162	1,493,321	33,410	2,406,431	-
Fund Balances, Ending	\$ 287,678	\$ 1,623,160	\$ 37,555	\$ 2,427,498	\$ -

Law Enforcement Witness Fee Fund	Sewer Fund	Juvenile Assistance Fund	Health Unit Fund	Section 8 Housing Fund	Sewer Fund Equipment Replacement	
\$ -	\$ -	\$ -	\$ -	\$ 568,667	\$ -	
-	-	-	-	-	-	
-	-	32,236	5,000	-	-	
8,640	87,055	-	-	-	-	
-	-	-	-	-	-	
1	185	14	-	70	449	C
-	-	-	-	-	-	
8,641	87,240	32,250	5,000	568,737	449	O
						N
4,750	-	32,136	-	-	-	T
-	82,643	-	-	-	-	I
-	-	-	15,198	513,309	-	N
-	-	-	9,888	-	-	
4,750	82,643	32,136	25,086	513,309	-	U
						E
3,891	4,597	114	(20,086)	55,428	449	D
-	-	-	18,500	-	-	
-	-	-	-	-	-	
-	-	-	18,500	-	-	
3,891	4,597	114	(1,586)	55,428	449	
(7,943)	82,118	2,686	42,307	433,234	198,920	
\$ (4,052)	\$ 86,715	\$ 2,800	\$ 40,721	\$ 488,662	\$ 199,369	

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, 2011

	<u>Mosquito Control Fund</u>	<u>Totals</u>
Revenues		
Intergovernmental Revenues		
Federal Funds		
Federal Grants	\$ -	\$ 568,667
State Funds		
Parish Transportation Funds	-	506,163
Grants - Other Local Agencies	-	37,236
Fees, Charges and Commission for Services	-	241,467
Fines and Forfeitures	-	324,209
Use of Money and Property		
Interest Earnings and Rents	-	51,430
Other Revenues	-	-
Total Revenues	<u>-</u>	<u>1,729,172</u>
Expenditures		
General Government		
Judicial	-	363,938
Public Works	-	1,155,469
Health and welfare	-	528,507
Capital Outlay	-	276,767
Total Expenditures	<u>-</u>	<u>2,324,681</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>(595,509)</u>
Other Financing Sources (Uses)		
Operating Transfers In	-	728,969
Operating Transfers Out	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>728,969</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	<u>-</u>	<u>133,460</u>
Fund Balances, Beginning (Restated)	<u>-</u>	<u>5,056,646</u>
Fund Balances, Ending	<u>\$ -</u>	<u>\$ 5,190,106</u>

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
SUPPLEMENTAL INFORMATION SCHEDULES
DECEMBER 31, 2011

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.

Mt. Olive Water Well CDBG Fund

The Mt. Olive Water Well CDBG Fund is used to account for Community Development Block Grant funds from the Louisiana Office of Community Development to construct a water well for the Mt. Olive community.

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, 2011

	Park and Recreation Fund	Courthouse Capital Project Fund	North Louisiana Exhibition Center Fund	Bridge Replacement Fund
Assets				
Cash and Cash Equivalents	\$ 163,614	\$ 675,005	\$ 16,771	\$ -
Investments	18,128	-	-	-
Receivables	9,395	100,000	6,838	6,116
Due From Other Funds	1,422	550,590	48	558,565
TOTAL ASSETS	<u>\$ 192,559</u>	<u>\$ 1,325,595</u>	<u>\$ 23,657</u>	<u>\$ 564,681</u>
Liabilities and Fund Equity				
Liabilities				
Accounts Payable	\$ 9,614	\$ 5,250	\$ 954	\$ -
Due to Other Funds	31,009	-	19,056	7,570
Total Liabilities	<u>40,623</u>	<u>5,250</u>	<u>20,010</u>	<u>7,570</u>
Fund Equity				
Fund Balances				
Assigned	151,936	1,320,345	3,647	557,111
Total Fund Equity	<u>151,936</u>	<u>1,320,345</u>	<u>3,647</u>	<u>557,111</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 192,559</u>	<u>\$ 1,325,595</u>	<u>\$ 23,657</u>	<u>\$ 564,681</u>

<u>Mt Olive Water Well CDBG Fund</u>	<u>Library Construction Fund</u>	<u>Totals</u>
\$ -	\$ -	\$ 855,390
-	-	18,128
216,221	-	338,570
-	-	1,110,625
<u>216,221</u>	<u>-</u>	<u>\$ 2,322,713</u>
\$ 216,221	\$ -	\$ 232,039
-	-	57,635
<u>216,221</u>	<u>-</u>	<u>289,674</u>
-	-	2,033,039
-	-	2,033,039
<u>\$ 216,221</u>	<u>\$ -</u>	<u>\$ 2,322,713</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, 2011

	Park and Recreation Fund	Courthouse Capital Project Fund	North Louisiana Exhibition Center Fund	Bridge Replacement Fund
Revenues.				
Grants	\$ -	\$ -	\$ -	\$ 30,536
Other Taxes, Penalties and Interest, etc	79,843	-	-	-
Use of Money and Property - Interest and Rent	-	2,617	19,371	-
Fees and Charges	201,713	-	59,829	-
Total Revenues	281,556	2,617	79,200	30,536
Expenditures:				
Operating Services:				
Culture and Recreation	315,584	-	76,837	-
Capital Outlay	68,834	143,959	-	176,837
Total Expenditures	384,418	143,959	76,837	176,837
Excess (Deficiency) of Revenues Over Expenditures	(102,862)	(141,342)	2,363	(146,301)
Other Financing Sources (Uses)				
Operating Transfers In	50,000	137,993	-	321,419
Operating Transfers (Out)	-	(20,000)	-	-
Total Other Financing Sources (Uses)	50,000	117,993	-	321,419
Excess (Deficiency) of Revenues and Other and Other Sources Over Expenditures and Other Uses	(52,862)	(23,349)	2,363	175,118
Fund Balance, Beginning	204,798	1,343,694	1,284	381,993
Fund Balance, Ending	\$ 151,936	\$ 1,320,345	\$ 3,647	\$ 557,111

<u>Mt Olive Water Well CDBG Fund</u>	<u>Library Construction Fund</u>	<u>Totals</u>
\$ 283,783	\$ -	\$ 314,319
-	-	79,843
-	-	21,988
-	-	261,542
<u>283,783</u>	<u>-</u>	<u>677,692</u>
-	7,359	399,780
<u>283,783</u>	<u>-</u>	<u>673,413</u>
<u>283,783</u>	<u>7,359</u>	<u>1,073,193</u>
<u>-</u>	<u>(7,359)</u>	<u>(395,501)</u>
-	-	509,412
-	-	(20,000)
<u>-</u>	<u>-</u>	<u>489,412</u>
-	(7,359)	93,911
-	7,359	1,939,128
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,033,039</u>

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
DEBT SERVICE FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2011

	<u>Library Bond Sinking Fund</u>	<u>LPPJ Complex II Bond Sinking Fund</u>	<u>Total</u>
ASSETS			
Cash	\$ 268,003	\$ 74,581	\$ 342,584
Accounts Receivable	466,500	1,900	468,400
TOTAL ASSETS	<u>\$ 734,503</u>	<u>\$ 76,481</u>	<u>\$ 810,984</u>
LIABILITIES			
Liabilities	\$ -	\$ -	\$ -
FUND BALANCE			
Assigned	<u>734,503</u>	<u>76,481</u>	<u>810,984</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 734,503</u>	<u>\$ 76,481</u>	<u>\$ 810,984</u>

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
DEBT SERVICE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>Library Bond Sinking Fund</u>	<u>LPPJ Complex II Bond Sinking Fund</u>	<u>Total</u>
Revenues:			
Taxes:			
Ad Valorem	\$ 463,105	\$ -	\$ 463,105
Rent Income	-	162,661	162,661
Use of Money and Property			
Interest Earnings	628	159	787
Total Revenues	<u>463,733</u>	<u>162,820</u>	<u>626,553</u>
Expenditures			
Principal Payments	287,000	120,000	407,000
Interest Payments	108,795	60,628	169,423
Total Expenditures	<u>395,795</u>	<u>180,628</u>	<u>576,423</u>
Excess (Deficiency) of Revenues Over Expenditures	67,938	(17,808)	50,130
Other Financing Sources			
Transfer In	-	20,000	20,000
Excess of Revenues and Other Sources over Expenditures	67,938	2,192	70,130
Fund Balance, Beginning (Restated)	<u>666,565</u>	<u>74,289</u>	<u>740,854</u>
Fund Balance, Ending	<u>\$ 734,503</u>	<u>\$ 76,481</u>	<u>\$ 810,984</u>

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
SCHEDULE OF COMPENSATION PAID POLICE JURORS
FOR THE YEAR ENDED DECEMBER 31, 2011

POLICE JURORS

Backus, Joe C	10,500
Bennett, Bobby	10,500
Brown, Annie	10,500
Franklin, Albert	10,500
Glover, Roy	10,500
Hammons, Charles	10,500
Henderson, Joseph	10,500
Hunter, Hazel	10,500
Mayfield, Sharyon	10,500
Mays, Robert	10,500
Russell, R G. "Skip"	10,500
Wyatt, Theresa	11,700
Total	<u>\$ 127,200</u>

OTHER SUPPLEMENTAL INFORMATION -
GRANT INFORMATION

MEMBER
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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**

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, 2011, which collectively comprise the basic financial statements of the Police Jury's primary government as listed in the table of contents and have issued my report thereon dated May 25, 2012. 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 as a basis for designing my auditing procedures for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Police Jury's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the Police Jury's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

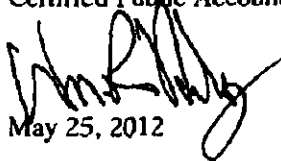
My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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 one instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* which is described in the accompanying schedule of findings and questioned costs as item 11-1.

This report is intended solely for the information and use of management, 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 25, 2012

MEMBER
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
WITH REQUIREMENTS THAT COULD
HAVE A DIRECT AND MATERIAL EFFECT ON EACH
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH OMB CIRCULAR A-133**

Lincoln Parish Police Jury
Ruston, Louisiana

Compliance

I have audited the Lincoln Parish Police Jury's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2011. Lincoln Parish Police Jury's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. 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 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 considered 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 Lincoln Parish Police Jury's compliance with those requirements.

In my opinion, the Lincoln Parish Police Jury complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2011.

Internal Control Over Compliance

Management of Lincoln Parish Police Jury is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs.

Lincoln Parish Police Jury
Ruston, Louisiana
Page 2


In planning and performing my audit, I considered Lincoln Parish Police Jury's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the 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*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of the Lincoln Parish Police Jury's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

My consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over compliance that I consider to be material weaknesses, as defined above.

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 25, 2012

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2011

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, 2011.
2. The audit disclosed no significant deficiencies in internal control.
3. The audit disclosed one instance of noncompliance that is required to be reported under *Government Auditing Standards*.
4. The audit did not disclose a significant deficiency 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 considered major for the year ended December 31, 2011:
 - Low Income Housing Assistance Program (CFDA #14 871)
 - Community Development Block Grant (CFDA #14 228)
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*.

FINDINGS – FINANCIAL STATEMENT AUDIT

11-1 Incomplete Budgets

Condition.

During the 2010 Louisiana Legislative regular session, requirements were added to the state budget law effective January 1, 2011, that required a budget message and a side-by-side detailed comparison of information for the current year, year-to-date actual receipts and revenues received and estimates of all receipts and revenues to be received the remainder of the year, estimated and actual revenues itemized by source; year-to-date actual expenditures and estimates of all expenditures to be made the remainder of the year itemized by agency, department, function, and character, and the percentage change for each item of information. These items were not in the 2011-2012 proposed budget as required.

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2011 (CONTINUED)

11-1 Incomplete Budgets (Continued)

Effect.

By not having these items in the proposed budget, the Jury is in violation of LA R.S 39 1305 of the state budget law

Recommendation:

We recommend that when the Jury adopts its next year's budget that these items also be included with the budget report.

Response

The Jury will include these items in the 2011-2012 amended budgets and in next year's adopted budgets

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2011

Source of Federal Assistance/ Agency Name(s)	Federal CFDA Number	Agency or Pass- Through Number	Expenditures
United States Department of Housing and Urban Development			
Public Indian Housing HAP - Vouchers	14 871	LA212	\$ 519,083 *
Office of Community Planning and Development			
Community Development Block Grant	14.228	698950	283,783 *
United States Department of Transportation			
National Highway Traffic Safety Administration			
Braswell Lane Safety Project	20.607 & 20 608	737-31-0005	30,536
Liner St./Rough Edge Road Project	20.607 & 20.608	737-31-0003	39,638
Total			<u>70,174</u>
United States Department of Homeland Security			
Hazard Mitigation Grant	97 039	FEMA-1603N-061-0004	38,996
Emergency Management Performance Grant 2010	97.042	2010-EP-E0-0058	9,929
Emergency Management Performance Grant 2011	97 042	2011-EP-E0-0058	21,973
Total			<u>31,902</u>
State Homeland Security Program 2008	97.067	2008-GE-T8-0013	31,873
State Homeland Security Program 2009	97 067	2009-SS-T9-0059	111,125
Citizens Corps Program 2010	97 067	2010-SS-T0-0043	5,799
State Homeland Security Program 2010	97 067	2010-SS-T0-0043	47,039
Total			<u>195,836</u>
Interoperable Emergency Communications	97 055	2010-EP-TO-0039	11,312
Total United States Department of Homeland Security			<u>278,046</u>
Total Expenditures of Federal Awards			<u><u>\$ 1,151,086</u></u>

*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, 2011

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 is defined in Note 1 to the Lincoln Parish Police Jury's 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 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 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, 2011

Internal Control and Compliance Material to Federal Awards

There were no findings for this category

Internal Control and Compliance Material to the Financial Statements

There were no findings for this category.

Management Letter

There were no findings for this category