

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH
RUSTON, LOUISIANA

Component Unit Financial Statements
For the Year Ended December 31, 2015

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH
RUSTON, LOUISIANA
COMPONENT UNIT FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

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INDEPENDENT AUDITOR'S REPORT

**To the Health and Welfare Committee Members
of Lincoln Parish Police Jury
Humanitarian Enterprises of Lincoln Parish
Ruston, Louisiana**

Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities of the Humanitarian Enterprises of Lincoln Parish (the Center), a component unit of the Lincoln Parish Police Jury, as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Humanitarian Enterprises of Lincoln Parish's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the Louisiana Governmental Audit Guide. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of the Humanitarian Enterprises of Lincoln Parish, as of December 31, 2015, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Health and Welfare Committee Members
of the Lincoln Parish Police Jury
Ruston, Louisiana**

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4-6 and 29-33 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

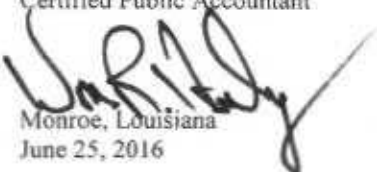
My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Center's basic financial statements. The schedule of compensation, benefits and other payments to agency head or chief executive officer is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The schedule of compensation, benefits and other payments to agency head or chief executive officer is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the schedule of compensation, benefits and other payments to agency head or chief executive officer is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated June 25, 2016, on my consideration of the Center's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Center's internal control over financial reporting and compliance.

WILLIAM R. HULSEY (APAC)
Certified Public Accountant


Monroe, Louisiana
June 25, 2016

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

**HUMANITARIAN ENTERPRISES OF LINCOLN PARISH
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)**

Our discussion and analysis of the Humanitarian Enterprises of Lincoln Parish (H.E.L.P.) Center's financial statements provides an overview of its activities for the year ended December 31, 2015. Please read it in conjunction with the H.E.L.P. Center's financial statements.

USING THIS ANNUAL REPORT

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

Reporting the H.E.L.P. Center as a Whole

The Statement of Net Position and the Statement of Activities

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

These two statements report the H.E.L.P. Center's net position and changes in them. The H.E.L.P. Center's net position (the difference between assets and liabilities) measure the H.E.L.P. Center's financial position. Increases or decreases in the H.E.L.P. Center's net position are an indicator of whether its financial position is improving or not.

The H.E.L.P. Center AS A WHOLE

For the years ended December 31, 2015 and 2014, net position changed as follows:

	2015	2014
Beginning net position (restated)	\$(118,125)	\$ (43,915)
Increase (decrease) in net position	20,105	(65,709)
Ending net position	\$(98,020)	\$(109,624)

**HUMANITARIAN ENTERPRISES OF LINCOLN PARISH
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)**

The H.E.L.P. Center's FUNDS

The following schedule presents a summary of revenues and expenditures for the years ended December 31, 2015 and 2014:

Revenues	2015	Percent of Total	2014	Percent of Total
Grant receipts	\$396,950	77.7%	\$392,988	91.18%
Transportation fares	27,103	6.5%	29,830	6.92%
Miscellaneous	(8,072)	0.2%	8,194	1.90%
Contributed Capital	-	15.6%	-	-
Total Revenues	\$415,981	100.00%	\$431,012	100.00%

Expenditures	2015	Percent of Total	2014	Percent of Total
Health and welfare	\$395,876	100.00%	\$ 496,721	100.00%

BUDGETARY HIGHLIGHTS

The H.E.L.P. Center's total revenues in 2015 were less than the final budgeted revenue by significant amounts due to budget cuts at the state level. At the same time actual expenditures in 2015 were in line with budgeted figures.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At December 31, 2015, the H.E.L.P. Center had \$422,280 invested in capital assets (\$106,710 net of accumulated depreciation) including machinery and equipment and vehicles.

Assets	December 31, 2014	Adjustments	Additions	Disposals	December 31, 2015
Vehicles	\$449,680	\$(183,164)			\$266,516
Machinery & equipment	52,169	\$183,164		(79,569)	155,764
Total at historical cost	501,849			(79,569)	422,280
Less: Accumulated Depreciation:					
Vehicles	(336,393)	191,251	(30,737)		(175,879)
Machinery & equipment	(51,101)	(159,160)	(293)	70,863	(139,691)
Total accumulated depreciation	(387,494)	32,091	(31,030)	70,863	(315,570)
Capital assets, net	\$114,355	\$32,091	\$(31,030)	\$(8,706)	\$106,710

**HUMANITARIAN ENTERPRISES OF LINCOLN PARISH
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)**

Debt

At year end, the H.E.L.P. Center had a total liability of \$9,694 for compensated absences.

OTHER POST-EMPLOYMENT BENEFITS

In the year ended December 31, 2015 and 2014, the H.E.L.P. Center 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.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The H.E.L.P. Center's revenues are derived mainly from a variety of grants and charges for fees. There were a number of cuts at the state level and also the loss of funding from the LIHEAP program that is a carryover from 2014. The H.E.L.P. Center is not aware of any other significant increases or decreases in revenue sources or associated expenditures but in light of the current economic volatility, the Center must continue to monitor its limited resources to fit the needs of the citizens of Lincoln Parish and be aware of other funding opportunities that may present themselves.

CONTACTING THE H.E.L.P. CENTER'S FINANCIAL MANAGEMENT

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

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Parish Administrator
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GOVERNMENT-WIDE FINANCIAL STATEMENTS

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH
RUSTON, LOUISIANA

GOVERNMENTAL ACTIVITIES
STATEMENT OF NET POSITION
AS OF DECEMBER 31, 2015

ASSETS

Cash and cash equivalents	\$ 129,166
Receivables	2,618
Due from other governments	13,368
Capital assets, net of accumulated depreciation	106,710
TOTAL ASSETS	<u>251,862</u>

LIABILITIES

Accounts payable	3,259
Due to other governments	74,565
Compensated absences due within one year	9,694
Net OPEB obligation	262,364
TOTAL LIABILITIES	<u>349,882</u>

NET POSITION

Net investment in capital assets	106,710
Unrestricted net position	(204,730)
TOTAL NET POSITION	<u>\$ (98,020)</u>

The accompanying notes are an integral part of these financial statements.

**HUMANITARIAN ENTERPRISES OF LINCOLN PARISH
RUSTON, LOUISIANA**

**GOVERNMENTAL ACTIVITIES
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2015**

FUNCTIONS	EXPENSES	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	
Health and welfare	\$ 395,876	\$ 27,103	\$ 396,950	\$ -	\$ 28,177
General revenues:					
Gain (loss) on disposal of capital assets					(8,706)
Other					634
Total general revenues					(8,072)
Change in net position					<u>20,105</u>
Net position at beginning of year, restated					<u>(118,125)</u>
Net position at end of year					<u><u>\$ (98,020)</u></u>

The accompanying notes are an integral part of these financial statements.

FUND FINANCIAL STATEMENTS

**HUMANITARIAN ENTERPRISES OF LINCOLN PARISH
RUSTON, LOUISIANA**

**GOVERNMENTAL FUNDS - BALANCE SHEET
AS OF DECEMBER 31, 2015**

	GENERAL FUND	TRANSPORTATION FUND	COMMUNITY SERVICES BLOCK GRANT FUND	LIHEAP FUND	FEMA FUND	TOTAL GOVERNMENTAL FUNDS
ASSETS						
Cash and cash equivalents	\$ 17,488	\$ 61,497	\$ 35,399	\$ 14,782	\$ -	\$ 129,166
Receivables	-	2,325	120	173	-	2,618
Due from other funds	65,603	33,195	41,473	43,206	300	183,777
Due from other governments - LPPJ	-	118	278	12,972	-	13,368
Total assets	\$ 83,091	\$ 97,135	\$ 77,270	\$ 71,133	\$ 300	\$ 328,929
LIABILITIES AND FUND EQUITY						
Liabilities:						
Accounts payable	\$ -	\$ 1,710	\$ 1,149	\$ 400	\$ -	\$ 3,259
Due to other governments	-	48,972	23,837	422	1,334	74,565
Due to other funds	64,802	29,046	79,807	9,672	450	183,777
Total liabilities	64,802	79,728	104,793	10,494	1,784	261,601
Fund equity - fund balances:						
Restricted	18,289	17,407	(27,523)	60,639	(1,484)	67,328
Total liabilities and fund equity	\$ 83,091	\$ 97,135	\$ 77,270	\$ 71,133	\$ 300	\$ 328,929

The accompanying notes are an integral part of these financial statements.

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH
RUSTON, LOUISIANA

RECONCILIATION OF THE GOVERNMENTAL FUNDS' BALANCE SHEET TO THE
STATEMENT OF NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2015

Total fund balances - governmental funds	\$ 67,328
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources	106,710
Long-term liabilities are not due and payable in the current period and therefore are not reported in the fund statements.	<u>(272,058)</u>
Net assets of governmental activities	<u>\$ (98,020)</u>

The accompanying notes are an integral part of these financial statements.

**HUMANITARIAN ENTERPRISES OF LINCOLN PARISH
RUSTON, LOUISIANA**

**GOVERNMENTAL FUNDS - STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2015**

	GENERAL FUND	TRANSPORTATION FUND	COMMUNITY SERVICES BLOCK GRANT FUND	LIBEAP FUND	FEMA FUND	TOTAL GOVERNMENTAL FUNDS
Revenues						
Intergovernmental funds:						
Federal funds	\$ -	\$ 102,003	\$ 191,665	\$ 38,282	\$ -	\$ 331,950
Local funds	-	63,000	-	-	-	63,000
Fees, charges and commissions for services	-	26,480	623	-	-	27,103
Other revenues	147	491	-	-	-	638
Total revenues	<u>147</u>	<u>193,974</u>	<u>192,288</u>	<u>38,282</u>	<u>-</u>	<u>424,687</u>
Expenditures						
Current:						
Health and welfare:						
Personal services and related benefits	-	107,790	150,810	20,195	-	278,795
Operating services	-	33,071	42,290	581	-	75,942
Materials and supplies	-	12,400	-	-	-	12,400
Travel and other	581	290	20,515	-	-	21,386
Total expenditures	<u>581</u>	<u>153,551</u>	<u>213,615</u>	<u>20,776</u>	<u>-</u>	<u>388,523</u>
Net change in fund balances	(438)	40,423	(21,327)	17,506	-	36,164
Fund balances (deficit) at beginning of year (restated)	18,727	(23,016)	(6,196)	43,133	(1,484)	31,164
Fund balances (deficit) at end of year	<u>\$ 18,289</u>	<u>\$ 17,407</u>	<u>\$ (27,523)</u>	<u>\$ 60,639</u>	<u>\$ (1,484)</u>	<u>\$ 67,328</u>

The accompanying notes are an integral part of these financial statements.

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH
RUSTON, LOUISIANA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2015

Net change in fund balances - total governmental funds	\$ 36,164
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Capital outlays	-
Depreciation	(31,030)
The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, and donations) is to decrease net assets.	23,385
Some items reported in the statement of activities, such as a net decrease or increase in compensated absences, do not require the use of current financial resources, nor do they provide any, and therefore are not reported as expenditures or revenues in the governmental funds.	(2,483)
Payments of long-term debt, including contributions to the OPEB obligation, are reported as expenditures in governmental funds. However, these amounts are a reduction of long-term liabilities in the Statement of Net Position and are not reflected in the Statement of Activities.	(5,931)
Change in net position of governmental activities	<u>\$ 20,105</u>

The accompanying notes are an integral part of these financial statements.

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Humanitarian Enterprises of Lincoln Parish (the Center), a component unit and integral part of the Lincoln Parish Police Jury, was organized to promote and develop economic opportunities for the people of Lincoln Parish. The Center is operated exclusively for charitable and educational purposes. The accompanying financial statements are intended to present the financial position and results of operations of only the transactions of the Humanitarian Enterprises of Lincoln Parish.

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

Basis of Presentation

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

Reporting Entity

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

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

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reporting Entity (Continued)

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the police jury to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.
2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

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

Principal revenue sources considered susceptible to accrual include 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 Center's present appropriation system. These revenues have been accrued in accordance with accounting principles generally accepted in the United States of America since they have been earned and are expected to be collected within sixty days of the end of the period. Other revenues are considered to be measurable and available only when cash is received by the Center. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. Modifications to the accrual basis of accounting include:

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

- Employees' vested annual leave is recorded as an expenditure when utilized. The amount of accumulated annual leave unpaid at December 31, 2015 has been reported only in the government-wide financial statements.
- Interest on general long-term obligations is recognized when paid.
- Debt service expenditures are recorded only when payment is due.

Fund Accounting

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

Governmental Funds

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

Transportation - This fund is derived from the following resources: Section 5311 of the Rural Public Transportation Act, Title XIX from the Louisiana State Medicaid Program for Transportation, Margaret Roan Industries, Office of Family Securities for Project Independence and Transportation Fares. Section 5311 funds, once reimbursed from the state, can be used for any expense of the Center. These funds represent a fifty percent reimbursement of the deficit cost of operation to provide Rural Public Transportation. Title XIX funds are used solely for transportation purposes.

Emergency Food and Shelter - A program to provide assistance on an emergency basis for persons being threatened by eviction or other hardship. Clients must present proof of income and proof of eviction or other difficulty i.e. late payment notice. They must also present proof of an emergency or crisis situation that prevents their paying the amount.

Low Income Home Energy Assistance Program - Energy Fund - These funds are dedicated for the use of Home Energy Assistance only. Ninety-five percent of all funds received are to be used to provide approximately 279 units of service (energy benefits) for eligible residents of Lincoln Parish. Funds may only be expended for line items approved by the funding resource. Assistance is limited to \$190 per family in a six month period.

Community Service Block Grant Fund - This fund is provided through the Louisiana Department of Labor for the administrative cost of the Center. Levels of funding fluctuate from year to year depending upon CSBG appropriations by the United States Congress. This fund will provide for administrative cost such as salaries, fringe benefits, audit cost, travel, etc. This fund requires prior approval of expenditures by the funding source.

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates

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

Budgeting Procedures

The Humanitarian Enterprises of Lincoln Parish prepares annual budgets for the general and special revenue funds. The budgets are prepared on a modified accrual basis of accounting. Budgeted amounts in the accompanying financial statements include original adopted budget amounts and all subsequent amendments. Appropriations which are not expended lapse at year end. The executive director of the H.E.L.P Center and the secretary-treasurer of the Police Jury are 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 executive director of the H.E.L.P Center or the Lincoln Parish Police Jury. The level of budgetary responsibility is by total appropriations; however, for report purposes, this level has been expanded to a functional basis.

Capital Assets

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

Compensated Absences

Employees accrue from 5 to 15 days of annual and sick leave each year depending on years of service with the H.E.L.P. Center. If the total amount of unused vacation time reaches a "ceiling" equal to two times the annual vacation balance, the excess will be credited to sick leave. Upon termination of employment, employees will be paid for unused vacation time that they are eligible for according to the policy. 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.

Due to the restrictions on use of accrued sick leave, a provision of \$9,694 has been made for the compensated absences and vacation in these financial statements.

Short-term Interfund Receivables/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.

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Funding Policies

The Center receives their monies through various methods of funding. Most of the funds are obtained on a grant basis. Under this method, funds are received on an allocation basis in advance of the actual expenditure. The Center also receives funds as a reimbursement of actual expenditures.

Cash

Cash includes demand deposits and money market accounts. Under state law, the Humanitarian Enterprises of Lincoln Parish 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 Humanitarian Enterprises of Lincoln Parish 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.

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.

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.

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Equity (Continued)

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.

NOTE 2 – CASH AND CASH EQUIVALENTS

Custodial Credit Risk – Deposits. The custodial credit risk is the risk that in the event of a bank failure, the Center's deposits may not be returned to it. The Center's policy to ensure there is no exposure to this risk is to require each financial institution to pledge its' own securities to cover any amount in excess of Federal Depository Insurance Coverage. Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Center that the fiscal agent bank has failed to pay deposited funds upon demand. Accordingly, the Center had no custodial credit risk related to its deposits at December 31, 2015. The Center had cash and cash equivalents in demand deposits, totaling \$129,166 at December 31, 2015.

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, 2015, are secured, as follows:

Bank Balances	\$ <u>121,541</u>
FDIC Insurance	121,541
Pledged Securities (uncollateralized)	<u>-</u>
Total	\$ <u>121,541</u>

NOTE 3 - DUE FROM OTHER GOVERNMENTAL UNITS

The uncollected balance of grants due to the individual agencies is shown as due from other governmental units.

NOTE 4 – PROPERTY AND EQUIPMENT

Capital asset activity for the year ended December 31, 2015 is as follows:

	December 31, 2014	Additions	Disposals	December 31, 2015
	<u>Balance</u>			<u>Balance</u>
Depreciable Assets:				
Vehicles	266,516	-	-	266,516
Furniture and Fixtures	50,620	-	-	50,620
Machinery & Equipment	<u>184,713</u>	-	<u>79,569</u>	<u>105,144</u>
Totals at Historical Cost	<u>501,849</u>	<u>-</u>	<u>79,569</u>	<u>422,280</u>

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 4 – PROPERTY AND EQUIPMENT (continued)

Less Accumulated Depreciation for:				
Vehicles	(177,233)	(30,737)	-	(207,970)
Furniture and Fixtures	(45,055)	(293)	-	(45,348)
Machinery & Equipment	(165,206)	-	102,954	(62,252)
Total Accumulated Depreciation	(387,494)	(31,030)	102,954	(315,570)
<u>CAPITAL ASSETS, NET</u>	<u>\$ 114,355</u>	<u>\$ (31,030)</u>	<u>\$ 23,385</u>	<u>\$ 106,710</u>

Depreciation was charged to the Health and Welfare function of the Center for \$31,030.

NOTE 5 - DUE FROM/TO OTHER FUNDS

The due from/to other funds at December 31, 2015, are as follows:

<u>Fund</u>	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
Major Funds:		
General Fund	\$ 65,603	\$ 64,802
Transportation Fund	33,195	29,046
Community Service Block Grant	41,473	79,807
LIHEAP Energy	43,206	9,672
Non-Major Funds:		
FEMA	300	450
Totals	<u>\$ 183,777</u>	<u>\$ 183,777</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 6 - PENSION PLAN

Plan Description

The Parochial Employees' Retirement System, a Public Employee Retirement System, is a cost sharing multiple-employer plan that is governed by the Louisiana Revised Statutes, Title II, Sections 1901 through 2015, specifically, and other general laws of the State of Louisiana.

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 6 - PENSION PLAN (continued)

Under the Parochial Retirement System, a member is eligible for normal retirement if he has at least 30 years of creditable service regardless of age, or 25 years of creditable service and is at least 55 years old, or 10 years of creditable service and is at least 60 years old.

The monthly retirement benefit is equal to three percent of the member's coverage monthly compensation for any 36 months of consecutive service in which compensation was highest, multiplied by years of creditable service, not to exceed 100% of member's final compensation. Retirement benefits are payable monthly for the life of the retiree, and upon the retiree's death under certain conditions are payable to the retiree's surviving spouse and minor children.

The District's payroll is included in the Lincoln Parish Police Jury, primary government financial statements. Therefore, net pension liability and related items resets with the police jury.

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 Louisiana Parochial Employees' Retirement System, P.O. Box 14619, Baton Rouge, Louisiana 70898.

NOTE 7 - POST RETIREMENT BENEFITS

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

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.

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. We have used the unblended rates provided and included the actuarial cost 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 based on blended rate (active and retired). The employer pays 100% of the cost of the retiree life insurance, but it is based on this blended rate. Since GASB Codification Section P50 requires the use of "unblended" rates, we have used the 94GAR mortality table described below 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.

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 7 – POST RETIREMENT BENEFITS (continued)

Fund Policy – Until 2008, the Center recognized the cost of providing post-employment medical and life insurance benefits (the Center’s portion of the retiree medical and life insurance 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 2015 and 2014, the Center’s portion of health care and life insurance funding cost for retired employees totaled \$10,428 and \$9,656, respectively.

Effective January 1, 2008, the Center implemented Government Accounting Standards Board Codification Section P50, *Accounting and Financial Reporting by Employers for Post-employment Benefits Other than Pensions* (GASB Codification Section). This amount was applied toward the Net OPEB Benefit Obligation as shown in the following table.

Annual Required Contribution – The Center’s Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB Codification Section P50. 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 Codification Section P50) has been used for the post-employment benefits. The actuarially computed ARC is as follows:

		2015		2014
Normal cost	\$	7,610	\$	7,317
30-year UAL amortization amount		13,322		12,810
Annual required contribution (ARC)	\$	20,932	\$	20,127

Net Post-employment Benefit Obligation (Asset) – The table below shows the Center’s Net Other Post-employment Benefit (OPEB) Obligation for fiscal years ending December 31:

		2015		2014
Beginning Net OPEB Obligation	\$	256,433	\$	250,427
Annual required contribution		20,932		20,127
Interest on Net OPEB Obligation		10,257		10,017
ARC Adjustment		(14,830)		(14,482)
OPEB Cost		16,360		15,662
Contribution to Irrevocable Trust		-		-
Current year retiree premium		(10,428)		(9,656)
Change in Net OPEB Obligation		5,931		6,006
Ending Net OPEB Obligation	\$	262,364	\$	256,433

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 7 – POST RETIREMENT BENEFITS (continued)

The following table shows the Center’s annual post-employment benefits (PEB) cost, percentage of the cost contributed, and the net unfunded post-employment benefits (PEB) liability for last year and this year:

<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, 2015	\$ 16,360	63.74%	\$ 262,364
December 31, 2014	\$ 15,662	61.65%	\$ 256,433

Funded Status and Funding Progress – In 2015 and 2014, the Center made no contributions to its post-employment benefits plan. The plan is not funded, has no assets, and hence has a funded ratio of zero. Based on the January 1, 2014 actuarial valuation, the most recent valuation, the Actuarial Accrued Liability (AAL) at the end of the year December 31, 2015 was \$239,571 which is defined as that portion, as determined by a particular actuarial cost method (the Center 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.

	<u>2015</u>	<u>2014</u>
Actuarial Accrued Liability (AAL)	\$ 239,571	\$ 230,357
Actuarial Value of Plan Assets (AVP)	-	-
Unfunded Act. Accrued Liability (UAAL)	\$ 239,571	\$ 230,357
Funded Ratio (AVP/AAL)	0.00%	0.00%
Covered Payroll (active plan members)	\$ 193,270	\$ 3,698,421
<u>UAAL as a percentage of covered payroll</u>	<u>123.96%</u>	<u>6.23%</u>

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 the Center and its employee plan members) at the time of the valuation and on the pattern of sharing costs between the Center 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 the Center 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.

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 7 – POST RETIREMENT BENEFITS (continued)

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 Codification Section P50.

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%.

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 the D.R.O.P., as described above under "Plan Description". Medical benefits are provided to employees upon actual retirement.

Investment Return Assumption (Discount Rate) – GASB Codification Section P50 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 a graded schedule beginning with 8% annually, down to an ultimate annual rate of 5.0% for ten years out 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 rates and 50% of the unloaded female mortality rates, is used. This is a recently published mortality table which has been used in determining the value of accrued benefits in defined benefit pension plans. Projected future mortality improvement has not been used since it is our opinion that this table contains sufficiently conservative margin for the population involved in this valuation.

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 Codification Section P50.

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.

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 7 – POST RETIREMENT BENEFITS (continued)

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.

	<u>OPEB Costs and Contributions</u>		
	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>
<u>OPEB Cost</u>	\$ 12,608	\$ 15,662	\$ 16,360
<u>Contribution</u>	0	0	0
<u>Retiree premium</u>	9,281	9,656	10,428
<u>Total contribution and premium</u>	<u>9,281</u>	<u>9,656</u>	<u>10,428</u>
<u>Change in net OPEB obligation</u>	\$ 3,327	\$ 6,006	\$ 5,931
<u>% of contribution to cost</u>	0.00%	0.00%	0.00%
<u>% of contribution plus premium to cost</u>	73.61%	61.65%	63.74%

NOTE 8 - DEFERRED COMPENSATION PLAN

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

NOTE 9 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budget/Actual Variances

When comparing budget to actual revenue and expenditure amounts for the year ended December 31, 2015, the following governmental funds had variances greater than 5%:

	<u>Budget</u>	<u>Actual</u>	<u>Variances Unfavorable</u>
Transportation Fund			
Operating services	\$ 29,539	\$ 33,071	\$ 3,532
CSBG Fund			
Intergovernmental Revenue	\$ 220,730	\$ 191,665	\$ 29,065
Travel and other	\$ 17,500	\$ 20,515	\$3,015

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 10 - DEFICIT FUND BALANCES

As of December 31, 2015, the Community Service Block Grant had a restated deficit fund balance of \$27,523. The deficit was caused mainly by cuts in funding at the state level.

NOTE 11 – PRIOR PERIOD ADJUSTMENTS

The beginning fund balances of the General Fund, CSBG Fund and FEMA Fund were restated to correct interfund balances. Therefore, the net position of the governmental activities is restated by a decrease of \$8,501.

NOTE 12 - LITIGATION AND CLAIMS

According to the Parish District Attorney, the Humanitarian Enterprises of Lincoln Parish had no pending or threatened litigation as of December 31, 2015.

NOTE 13 – SUBSEQUENT EVENTS

Subsequent events have been evaluated through June 25, 2016, 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**

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH
RUSTON, LOUISIANA

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		
Revenues:				
Intergovernmental funds:				
Other revenues	\$ -	\$ -	\$ 143	\$ 143
Expenditures:				
Current:				
Health and welfare:				
Travel and other	-	581	581	-
Net change in fund balances	-	(581)	(438)	143
Fund balances at beginning of year	27,041	27,041	18,727	(8,314)
Fund balances at end of year	<u>\$ 27,041</u>	<u>\$ 26,460</u>	<u>\$ 18,289</u>	<u>\$ (8,171)</u>

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH
RUSTON, LOUISIANA

BUDGETARY COMPARISON SCHEDULE - TRANSPORTATION
FOR THE YEAR ENDED DECEMBER 31, 2015

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		
Revenues:				
Intergovernmental funds:				
Federal funds	\$ 198,000	\$ 105,621	\$ 102,003	\$ (3,618)
Local	-	65,000	65,000	-
Fees, charges, and commissions for services	26,000	24,000	26,480	2,480
Other revenues	4,000	1,355	491	(864)
Total revenues	<u>228,000</u>	<u>195,976</u>	<u>193,974</u>	<u>(2,002)</u>
Expenditures:				
Current:				
Health and welfare:				
Personal services and related benefits	156,271	108,717	107,790	(927)
Operating services	41,729	29,539	33,071	3,532
Materials and supplies	28,000	14,455	12,400	(2,055)
Travel and other	2,000	368	290	(78)
Total expenditures	<u>228,000</u>	<u>153,079</u>	<u>153,551</u>	<u>472</u>
Net change in fund balances	-	42,897	40,423	(2,474)
Fund balances at beginning of year	<u>(23,016)</u>	<u>(23,016)</u>	<u>(23,016)</u>	<u>-</u>
Fund balances at end of year	<u>\$ (23,016)</u>	<u>\$ 19,881</u>	<u>\$ 17,407</u>	<u>\$ (2,474)</u>

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH
RUSTON, LOUISIANA

BUDGETARY COMPARISON SCHEDULE - CSBG FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		
Revenues:				
Intergovernmental funds:				
Federal funds	\$ 198,001	\$ 220,730	\$ 191,665	\$ (29,065)
Fees, charges, and commissions for services	-	-	623	623
Total revenues	<u>198,001</u>	<u>220,730</u>	<u>192,288</u>	<u>(28,442)</u>
Expenditures:				
Current:				
Health and welfare:				
Personal services and related benefits	124,437	150,057	150,810	753
Operating services	60,264	42,264	42,290	26
Travel and other	13,300	17,500	20,515	3,015
Total expenditures	<u>198,001</u>	<u>209,821</u>	<u>213,615</u>	<u>3,794</u>
Net change in fund balances	-	10,909	(21,327)	(32,236)
Fund balances at beginning of year	<u>27,041</u>	<u>27,041</u>	<u>(6,196)</u>	<u>(33,237)</u>
Fund balances at end of year	<u>\$ 27,041</u>	<u>\$ 37,950</u>	<u>\$ (27,523)</u>	<u>\$ (65,473)</u>

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH
RUSTON, LOUISIANA

BUDGETARY COMPARISON SCHEDULE - LIHEAP FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		
Revenues:				
Intergovernmental funds:				
Federal funds	\$ 489,000	\$ 39,360	\$ 38,282	\$ (1,078)
Expenditures:				
Current:				
Health and welfare:				
Personal services and related benefits	24,693	20,194	20,195	1
Operating services	457,807	4,887	581	(4,306)
Travel and other	1,500	-	-	-
Capital outlay	5,000	-	-	-
Total expenditures	<u>489,000</u>	<u>25,081</u>	<u>20,776</u>	<u>(4,305)</u>
Net change in fund balances	-	14,279	17,506	3,227
Fund balances at beginning of year	<u>43,133</u>	<u>43,133</u>	<u>43,133</u>	-
Fund balances at end of year	<u>\$ 43,133</u>	<u>\$ 57,412</u>	<u>\$ 60,639</u>	<u>\$ 3,227</u>

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH
RUSTON, LOUISIANA
NOTES TO BUDGETARY COMPARISON SCHEDULES
FOR THE YEAR ENDED DECEMBER 31, 2015

The Humanitarian Enterprises of Lincoln Parish prepares annual budgets for the general and special revenue funds. The budgets are prepared on a modified accrual basis of accounting. Budgeted amounts in the accompanying financial statements include original adopted budget amounts and all subsequent amendments. Appropriations which are not expended lapse at year-end. The executive director of the H.E.L.P. Center and the secretary-treasurer of the Police Jury are 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 executive director of the H.E.L.P. Center or the Lincoln Parish Police Jury. 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 Center to amend its budgets when revenues plus projected revenues within a fund are expected to fall short from budgeted revenues by five percent or more and when expenditures and other uses of a fund are expected to exceed budgeted amounts by five percent or more.

Budget/Actual Unfavorable Variances

When comparing budget to actual revenue and expenditure amounts for the year ended December 31, 2015, the following governmental funds had variances greater than 5%.

OTHER SUPPLEMENTAL INFORMATION

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH
RUSTON, LOUISIANA
SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS TO
AGENCY HEAD OR CHIEF EXECUTIVE OFFICER
FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>Rosalind Jones</u> <u>Executive Director</u>
<i>Purpose:</i>	
Salary	\$ 75,400
Benefits - Insurance	11,859
Benefits - Retirement	10,933
Benefits - Dental	615
Travel Reimbursements	223
Total	<u>\$ 99,030</u>

WILLIAM R. HULSEY

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

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

To the Health and Welfare Committee Members
of the Lincoln Parish Police Jury
Ruston, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities of the Humanitarian Enterprises of Lincoln Parish (the Center), as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Center's basic financial statements, and have issued our report thereon dated June 25, 2016.

Internal Control over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a 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. 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.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Center's financial statements are free from material misstatement, we 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 our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

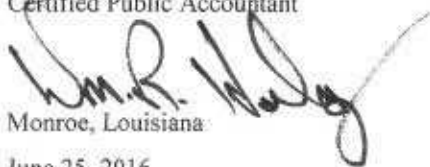
Purpose of this Report

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

WILLIAM R. HULSEY (APAC)
Certified Public Accountant

Monroe, Louisiana

June 25, 2016



HUMANITARIAN ENTERPRISES OF LINCOLN PARISH
RUSTON, LOUISIANA
SCHEDULE OF FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2015

Summary of Auditor's Results

1. The auditor's report expresses an unmodified opinion on whether the financial statements of the Center were prepared in accordance with GAAP.
2. No significant deficiencies were disclosed during the audit of the financial statements and reported in the Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of the District, which would be required to be reported in accordance with *Government Audit Standards*, were disclosed during the audit.

Findings – Financial Statement Audit

None

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH
RUSTON, LOUISIANA
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2015

Internal Control and Compliance Material to Federal Awards

There were no findings for this category.

Internal Control and Compliance Material to the Financial Statements

There were no findings for this category.

Management Letter Comments

There were no findings for this category.