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HUMANITARIAN ENTERPRISES OF LINCOLN PARISH
RUSTON, LOUISIANA

Component Unit Financial Statements
For the Year Ended December 31, 2004

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

Release Date 8/3/05

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH
RUSTON, LOUISIANA
COMPONENT UNIT FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004

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INDEPENDENT AUDITOR'S REPORT

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

I have audited the accompanying component unit financial statements of the governmental activities, each major fund and the aggregate remaining fund information 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, 2004, which collectively comprise the basic financial statements of the Center as listed in the table of contents. These component unit financial statements are the responsibility of the Humanitarian Enterprises of Lincoln Parish's management. My responsibility is to express an opinion on these component unit 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.

In my opinion, the component unit financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, each major fund and the aggregate remaining fund information for the Humanitarian Enterprises of Lincoln Parish, as of December 31, 2004, 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 20, 2005, on my consideration of the Humanitarian Enterprises of Lincoln Parish'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.

To the Health and Welfare Committee Members
of the Lincoln Parish Police Jury
Humanitarian Enterprises Of Lincoln Parish
Page 2

Management's discussion and analysis and budgetary comparison information on pages 2 through 3 and 19 through 22, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, I did not audit the information and express no opinion on it.

My audit was conducted for the purpose of forming an opinion on the component unit financial statements of the Humanitarian Enterprises of Lincoln Parish taken as a whole. 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 not a required part of the component unit financial statements. Such information has been subjected to the auditing procedures applied in the audit of the component unit financial statements and, in my opinion, is fairly stated, in all material respects, in relation to the component unit financial statements taken as a whole.

WILLIAM R. HULSEY
Certified Public Accountant



May 20, 2005

**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, 2004. 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 Assets 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 Assets 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 assets and changes in them. The H.E.L.P. Center's net assets (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 assets 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, 2004 and 2003, net assets changed as follows:

	2004	2003
Beginning net assets	\$ 264,160	\$ 273,206
Increase (decrease) in net assets	16,483	(9,046)
Ending net assets	\$280,643	\$ 264,160

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

The following schedule presents a summary of revenues and expenditures for the years ended December 31, 2004 and 2003:

Revenues	2004	Percent of Total	2003	Percent of Total
Grant receipts	\$ 419,300	92.48%	\$ 417,135	95.23%
Transportation fares	31,146	6.87%	18,788	4.29%
Miscellaneous	2,957	0.67%	2,099	0.48%
Total Revenues	\$ 453,403	100.00%	\$ 438,022	100.00%

Expenditures	2004	Percent of Total	2003	Percent of Total
Health and welfare	\$ 436,920	100.00%	\$ 447,068	100.00%

BUDGETARY HIGHLIGHTS

The H.E.L.P. Center's total revenues in 2004 were more than final budget by \$38,578 due in large part to a significant increase in transportation fares and other receipts. Actual expenditures in 2004 exceeded the budgeted amounts by \$14,914 mainly because of costs associated with the significant increase in transportation services, including vehicle maintenance and insurance and increases in personnel and fringe benefits.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At December 31, 2004, the H.E.L.P. Center had \$211,935 invested in capital assets (\$11,141 net of accumulated depreciation) including machinery and equipment and vehicles.

Assets	December 31, 2003	Additions	Disposals	December 31, 2004
Vehicles	165,264			165,264
Machinery & equipment	46,671			46,671
Total at historical cost	211,935			211,935
Less: Accumulated Depreciation:				
Vehicles	(146,389)	(8,173)		(154,562)
Machinery & equipment	(45,732)	(500)		(46,232)
Capital assets, net	\$19,814	\$(8,673)		\$11,141

Debt

At year end, the H.E.L.P. Center had a total liability of \$25,386 for compensated absences.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The H.E.L.P. Center's revenues are derived mainly from a special sales and use tax and charges for fees. The H.E.L.P. Center is not aware of any significant increases or decreases in those revenues sources or associated expenditures.

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:

Richard I. Durrett
Parish Administrator
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Post Office Box 979
Ruston, LA 71273

GOVERNMENT-WIDE FINANCIAL STATEMENTS

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH
RUSTON, LOUISIANA
STATEMENT OF NET ASSETS
DECEMBER 31, 2004

	Governmental Activities
ASSETS	
Cash	\$ 240,338
Accounts receivable	42,929
Due From Other Governments - LPPJ	7,477
Depreciable Assets	11,141
 TOTAL ASSETS	 \$ 301,885
LIABILITIES	
Accounts payable	\$ 11,546
Non-Current Liabilities	
Due Within One Year	
Compensated Absences	9,696
 TOTAL LIABILITIES	 21,242
NET ASSETS	
Invested in Capital Assets, Net of Related Debt	11,141
Unrestricted	269,502
Total Net Assets	280,643
 TOTAL LIABILITIES AND NET ASSETS	 \$ 301,885

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

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH
RUSTON, LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2004

		Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets Governmental Activities
Function/Program Activities					
Government Activities:					
Health and Welfare	\$ 436,920	\$ 34,034	\$ 419,300	\$ -	\$ 16,414
			General Revenues:		
			Interest Earned		69
			Changes in Net Assets		16,483
			Net Assets - Beginning		264,160
			Net Assets - Ending		\$ 280,643

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

FUND FINANCIAL STATEMENTS

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH
RUSTON, LOUISIANA
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2004

	<u>General Fund</u>	<u>Transportation</u>	<u>Emergency Food and Shelter</u>	<u>Community Service Block Grant 2004</u>
Assets:				
Cash	\$ 56,840	\$ 157,898	\$ 12,907	\$ -
Accounts receivable	-	42,468	-	-
Due from other governments - LPPJ	-	118	-	3,325
Due from other funds	1,166	18,673	-	19,148
TOTAL ASSETS	<u>\$ 58,006</u>	<u>\$ 219,157</u>	<u>\$ 12,907</u>	<u>\$ 22,473</u>
 Liabilities and fund equity:				
Liabilities:				
Accounts payable	\$ -	\$ 23	\$ 11,518	\$ 5
Due to other funds	9,432	-	263	24,240
Total liabilities	<u>9,432</u>	<u>23</u>	<u>11,781</u>	<u>24,245</u>
 Fund Balances:				
Unreserved, Reported in:				
General Fund	48,574	-	-	-
Special Revenue Funds	-	219,134	1,126	(1,772)
Total Fund Balances	<u>48,574</u>	<u>219,134</u>	<u>1,126</u>	<u>(1,772)</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 58,006</u>	<u>\$ 219,157</u>	<u>\$ 12,907</u>	<u>\$ 22,473</u>

HUMANITARIAN ENTERPRISES OF
LINCOLN PARISH
RUSTON, LOUISIANA
RECONCILIATION OF TOTAL GOVERNMENTAL
FUND BALANCES TO NET ASSETS OF
GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2004

<u>Community Service Block Grant 2003</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>		
			Total Governmental Fund Balances	\$ 279,198
\$ -	\$ 12,693	\$ 240,338	<i>Amounts reported for governmental activities in the statement of net assets are different because:</i>	
265	196	42,929		
3,989	45	7,477		
<u>5,567</u>	<u>341</u>	<u>44,895</u>		
<u>\$ 9,821</u>	<u>\$ 13,275</u>	<u>\$ 335,639</u>	Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	11,141
\$ -	\$ -	\$ 11,546	Compensated absences are not due and payable in the current period and therefore are not reported in the funds.	<u>(9,696)</u>
<u>10,057</u>	<u>903</u>	<u>44,895</u>		
<u>10,057</u>	<u>903</u>	<u>56,441</u>		
			Net Assets of Governmental Activities	<u>\$ 280,643</u>
-	-	48,574		
<u>(236)</u>	<u>12,372</u>	<u>230,624</u>		
<u>(236)</u>	<u>12,372</u>	<u>279,198</u>		
<u>\$ 9,821</u>	<u>\$ 13,275</u>	<u>\$ 335,639</u>		

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

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH
RUSTON, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>General Fund</u>	<u>Transportation</u>	<u>Emergency Food and Shelter</u>	<u>Community Service Block Grant 2004</u>
Revenues:				
Intergovernmental revenues:				
Grant receipts	\$ -	\$ 280,045	\$ 15,765	\$ 43,946
Transportation fares	-	31,146	-	-
Miscellaneous	687	1,092	-	32
Total revenues	<u>687</u>	<u>312,283</u>	<u>15,765</u>	<u>43,978</u>
Health and Welfare Expenditures				
Personnel and fringe benefits	-	203,479	-	41,142
Vehicle maintenance and insurance	-	61,157	-	-
Operating services and supplies	945	18,531	-	-
Travel	-	3,546	-	-
Energy and emergency assistance	-	-	472	-
Emergency crisis and rent assistance	-	-	3,375	-
Other support costs	109	-	11,557	4,608
Purchase of fixed assets	-	-	-	-
Total Health and Welfare Expenditures	<u>1,054</u>	<u>286,713</u>	<u>15,404</u>	<u>45,750</u>
Excess (deficiency) of revenues over expenditures	<u>(367)</u>	<u>25,570</u>	<u>361</u>	<u>(1,772)</u>
Net Change in Fund Balance	(367)	25,570	361	(1,772)
Fund balances, beginning	<u>48,941</u>	<u>193,564</u>	<u>765</u>	<u>-</u>
Fund balances, ending	<u>\$ 48,574</u>	<u>\$ 219,134</u>	<u>\$ 1,126</u>	<u>\$ (1,772)</u>

HUMANITARIAN ENTERPRISES OF
LINCOLN PARISH
RUSTON, LOUISIANA
RECONCILIATION OF TOTAL GOVERNMENTAL
FUND BALANCES TO NET ASSETS OF
GOVERNMENTAL ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2004

<u>Community Service Block Grant 2003</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>		
			Net Change in Fund Balances - Total Governmental Funds	\$ 28,718
\$ 69,826	\$ 9,718	\$ 419,300		
-	-	31,146	<i>Amounts reported for governmental activities in the statement of activities are different because:</i>	
-	1,146	2,957		
<u>69,826</u>	<u>10,864</u>	<u>453,403</u>	Government funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:	
57,175	5,811	307,607	Capital asset purchases capitalized	-
-	-	61,157	Depreciation expense	(8,673)
3,498	-	22,974	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.	<u>(3,562)</u>
296	-	3,842		
-	-	472		
-	-	3,375		
6,431	-	22,705		
<u>2,553</u>	<u>-</u>	<u>2,553</u>		
<u>69,953</u>	<u>5,811</u>	<u>424,685</u>		
<u>(127)</u>	<u>5,053</u>	<u>28,718</u>	Change in Net Assets in Governmental Activities	<u>\$ 16,483</u>
(127)	5,053	28,718		
<u>(109)</u>	<u>7,319</u>	<u>250,480</u>		
<u>\$ (236)</u>	<u>\$ 12,372</u>	<u>\$ 279,198</u>		

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

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004

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. The Center has elected to implement the general provisions of the Statement in the current year and plans to report capital assets acquired prior to July 1, 2002.

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, 2004

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, 2004

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, 2004 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. For these financial statements the assets and liabilities have been combined, but a separate column for each fund on the "Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Special Revenue Funds - Transportation Funds" has been presented.

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.

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2004

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Governmental Funds (Continued)

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.

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.

Fixed Assets

Fixed assets of the Center 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 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. Annual leave must be used in the year it is earned. Sick leave up to a maximum of 15 days may be carried forward to the next year for major illnesses only. Upon separation, all unused sick leave lapses.

Due to the restrictions on use of accrued sick leave, no provision has been made for the compensated absences or vacation in these financial statements.

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2004

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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

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

- a. Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- b. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. There were no restricted net assets at December 31, 2004.
- c. Unrestricted net assets – All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2004

NOTE 2 - CASH

At year end, the carrying amount (book amount) of the Center's deposits was \$240,338, the bank balance was \$243,859. The bank balance is categorized as follows:

Amount Insured by FDIC and FSLIC	\$ 243,859
Amount collateralized with securities held by the pledging financial institution's agent in the HELP Center's name	_____ -
Total Bank Balance	<u>\$ 243,859</u>

NOTE 3 - DUE FROM OTHER GOVERNMENTAL UNITS

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

NOTE 4 - PROPERTY AND EQUIPMENT

Capital asset activity for the year ended December 31, 2004 is as follows:

	December 31, 2003	Additions	Disposals	December 31, 2004
	<u>Balance</u>			<u>Balance</u>
Depreciable Assets:				
Vehicles	\$ 165,264	\$ -	\$ -	\$ 165,264
Machinery & Equipment	<u>46,671</u>	<u>-</u>	<u>-</u>	<u>46,671</u>
Totals at Historical Cost	211,935	-	-	211,935
Less Accumulated Depreciation for:				
Vehicles	(146,389)	(8,173)	-	(154,562)
Machinery & Equipment	<u>(45,732)</u>	<u>(500)</u>	<u>-</u>	<u>(46,232)</u>
Total Accumulated Depreciation	<u>(192,121)</u>	<u>(8,673)</u>	<u>-</u>	<u>(200,794)</u>
<u>CAPITAL ASSETS, NET</u>	<u>\$ 19,814</u>	<u>\$(8,673)</u>	<u>\$ -</u>	<u>\$ 11,141</u>

Depreciation was charged to the Health and Welfare function of the Center for \$8,673.

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2004

NOTE 5 - DUE FROM/TO OTHER FUNDS

The due from/to other funds at December 31, 2004, are as follows:

<u>Fund</u>	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
Major Funds:		
General Fund	\$ 1,166	\$ 9,432
Transportation Fund	18,673	-
FEMA	-	263
Community Service Block Grant 2004	19,148	24,240
Community Service Block Grant 2003	5,567	10,057
Non-Major Funds:		
CDBG Thrift Store	341	-
LIHEAP Energy	-	903
Totals	<u>\$ 44,895</u>	<u>\$ 44,895</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.

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.

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2004

NOTE 6 - PENSION PLAN (Continued)

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 - FEDERALLY ASSISTED PROGRAMS

The Center receives significant financial assistance from numerous federal and state governmental agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements. The programs are audited in accordance with the Single Audit Act of 1984 and are subject to further examination by the grantor agency.

NOTE 8 - DEFERRED COMPENSATION PLAN

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

The deferred compensation plan is available to all employees of the Center. Under the plan, employees may elect to defer a portion of their salaries and avoid paying taxes on the deferred portion until the withdrawal date. The deferred compensation amount is not available for withdrawal by employees until termination, retirement, death, or unforeseeable emergency.

The deferred compensation plan is administered by PEBSCO (Public Employees Benefit Service Corporation) and Hartford, Inc. Under the terms of an IRC Section 457 deferred compensation plan, all deferred compensation and income attributable to the investment of the deferred compensation amounts held by the Benefit Service Corporation, until paid or made available to the employees or beneficiaries, are the property of the Center subject only to the claims of the Center's general creditors. In addition, the participants in the plan have rights equal to those of the general creditors of the Center, and each participant's rights are equal to his or her share of the fair market value of the plan assets. The Center believes that it is unlikely that plan assets will be needed to satisfy claims of general creditors that might arise. As part of its fiduciary role, the Center has an obligation of due care in selecting the third-party administrator. In the opinion of the Center's legal counsel, the Center has acted in a prudent manner and is not liable for losses that may arise from the administration of the plan.

NOTE 9 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budget/Actual Variances

When comparing budget to actual amounts for the year ended December 31, 2004, there were no governmental fund types that had unfavorable variances greater than 5%.

NOTE 10 - 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, 2004.

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2004

NOTE 11 - FUND DEFICITS

At December 31, 2004, the CSBG 2004 and 2003 had a combined fund deficit of \$2,008.

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

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH
RUSTON, LOUISIANA
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
<u>Resources (Inflows):</u>				
Program Revenue	\$ 2,975	\$ 3,600	\$ 687	\$ (2,913)
Amounts Available for Appropriation	2,975	3,600	687	(2,913)
<u>Charges to Appropriations (Outflows):</u>				
Operating Services and Supplies	2,975	3,600	945	2,655
Other Support Costs	-	-	110	(110)
Total Charges to Appropriations	<u>2,975</u>	<u>3,600</u>	<u>1,055</u>	<u>2,545</u>
<u>Excess of Resources Over (Under)</u>	-	-	(368)	(368)
<u>Fund Balance at Beginning of Year</u>	<u>48,020</u>	<u>48,690</u>	<u>48,941</u>	<u>251</u>
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ 48,020</u>	<u>\$ 48,690</u>	<u>\$ 48,573</u>	<u>\$ (117)</u>

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

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH
RUSTON, LOUISIANA
BUDGETARY COMPARISON SCHEDULE - TRANSPORTATION
FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
<u>Resources (Inflows):</u>				
Grant Receipts	\$ 260,402	\$ 260,402	\$ 280,045	\$ 19,643
Transportation Fares	17,250	17,250	31,146	13,896
Miscellaneous	70	70	1,092	1,022
Amounts Available for Appropriation	<u>277,722</u>	<u>277,722</u>	<u>312,283</u>	<u>34,561</u>
<u>Charges to Appropriations (Outflows):</u>				
Personnel and Fringe Benefits	210,647	210,647	203,479	7,168
Vehicle Maintenance and Insurance	30,000	30,000	61,157	(31,157)
Operating Services and Supplies	34,075	34,075	18,531	15,544
Travel	3,000	3,000	3,546	(546)
Purchase of Fixed Assets	-	-	-	-
Total Charges to Appropriations	<u>277,722</u>	<u>277,722</u>	<u>286,713</u>	<u>(8,991)</u>
<u>Excess of Resources Over (Under)</u>	-	-	25,570	25,570
<u>Fund Balance at Beginning of Year</u>	<u>191,533</u>	<u>190,776</u>	<u>193,564</u>	<u>2,788</u>
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ 191,533</u>	<u>\$ 190,776</u>	<u>\$ 219,134</u>	<u>\$ 28,358</u>

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

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH
RUSTON, LOUISIANA
BUDGETARY COMPARISON SCHEDULE - EMERGENCY FOOD & SHELTER
FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
<u>Resources (Inflows):</u>				
Grant Receipts	\$ 19,144	\$ 19,144	\$ 15,765	\$ (3,379)
Amounts Available for Appropriation	19,144	19,144	15,765	(3,379)
<u>Charges to Appropriations (Outflows):</u>				
Energy and Emergency Assistance	8,000	8,000	472	7,528
Emergency Crisis & Rent Assistance	8,000	8,000	3,375	4,625
Other Support Costs	3,144	3,144	11,557	(8,413)
Total Charges to Appropriations	19,144	19,144	15,404	3,740
<u>Excess of Resources Over (Under)</u>	-	-	361	361
<u>Fund Balance at Beginning of Year</u>	3,765	765	765	-
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ 3,765</u>	<u>\$ 765</u>	<u>\$ 1,126</u>	<u>\$ 361</u>

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

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH
RUSTON, LOUISIANA
BUDGETARY COMPARISON SCHEDULE -
COMMUNITY SERVICES BLOCK GRANT (CSBG)
FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
<u>Resources (Inflows):</u>				
Grant Receipts	\$ 103,495	\$ 103,495	\$ 113,804	\$ 10,309
Amounts Available for Appropriation	103,495	103,495	113,804	10,309
<u>Charges to Appropriations (Outflows):</u>				
Personnel and Fringe Benefits	60,464	60,464	98,317	(37,853)
Operating Services and Supplies	5,175	5,175	3,498	1,677
Travel	-	-	296	(296)
Other Support Costs	37,856	37,856	11,039	26,817
Purchase of Fixed Assets	-	-	2,553	(2,553)
Total Charges to Appropriations	<u>103,495</u>	<u>103,495</u>	<u>115,703</u>	<u>(12,208)</u>
<u>Excess of Resources Over (Under)</u>	-	-	(1,899)	(1,899)
<u>Fund Balance at Beginning of Year</u>	<u>1,117</u>	<u>1,247</u>	<u>(109)</u>	<u>1,138</u>
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ 1,117</u>	<u>\$ 1,247</u>	<u>\$ (2,008)</u>	<u>\$ (761)</u>

The HELP Center budgets the CSBG Grant as one fund, but it is accounted for in two separate funds, one fund accounts for the remainder of the 2003 grant funds allotment and the other fund accounts for the 2004 grant amount received at the end of the year.

For purposes of this schedule, the CSBG 2004 and 2003 actual amounts are combined in the actual amounts column.

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

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH
RUSTON, LOUISIANA
NOTES TO BUDGETARY COMPARISON SCHEDULES
FOR THE YEAR ENDED DECEMBER 31, 2004

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.

**OTHER SUPPLEMENTAL INFORMATION –
GRANT INFORMATION**

WILLIAM R. HULSEY

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MONROE, LOUISIANA

MEMBER
AMERICAN INSTITUTE OF
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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
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
Humanitarian Enterprises of Lincoln Parish
Ruston, Louisiana

I have audited the financial statements of Humanitarian Enterprises of Lincoln Parish, a component unit of Lincoln Parish Police Jury, as of and for the year ended December 31, 2004 and have issued my report thereon dated May 20, 2005. 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 Humanitarian Enterprises of Lincoln Parish's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by errors or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

Compliance and Other Matters

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

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

WILLIAM R. HULSEY
Certified Public Accountant



May 20, 2005

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH
RUSTON, LOUISIANA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Program Name</u>	<u>Federal CFDA Number</u>	<u>Award Number</u>	<u>Expenditures</u>
United States Department of Health and Human Services:				
Passed through State:				
Department of Employment and Training	Community Service Block Grant	93.569	2003P0042	\$ 69,826
	Community Service Block Grant	93.569	2004P0048	43,946
				<u>113,772</u>
Department of Social Services	LIHEAP Energy	93.568	3703192	9,718
Department of Social Services	Medicaid - Title 19	93.778		28,914
Department of Social Services	Project Independence - Jobs Grant	93.558	DSS01284	<u>111,828</u>
Total U. S. Department of Health and Human Services				264,232
United States Department of Transportation:				
Passed through State:				
Department of Transportation	Urban Mass Transportation Administration - Section 5311	20.509	LA-18-X020	64,982
		20.509	LA-18-X021	74,284
				<u>139,266</u>
Federal Emergency Management Agency	Emergency Food and Shelter	83.523	19-3648-00	<u>15,391</u>
Total Federal and Expenditures				<u>\$ 418,889</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards.

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH
RUSTON, LOUISIANA
NOTES TO SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2004

1. General

The Schedule of Expenditures of Federal Awards presents the activity of all federal award programs of the Center. The Center is defined in Note 1 to the Center's financial statements. All federal award programs received directly from federal agencies, as well as federal awards passed through other government agencies, are 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 Center'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.

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH
RUSTON, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2004
EIN 72-6000673

SECTION I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued:	Unqualified
Internal control over financial reporting:	
Material weakness (es) identified?	No
Reportable condition (s) identified that are not considered to be material weakness (es)	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weakness (es) identified?	NA
Reportable condition (s) identified that are not considered to be material weakness (es)?	NA
Type of auditor’s report issued on compliance for major programs:	NA
Any audit findings disclosed that are required to be reported in accordance with section 510 (a) of Circular A-133?	NA
Dollar threshold used to distinguish between type A and type B programs?	NA
Auditee qualified as low-risk auditee?	No

SECTION II – Financial Statement Findings

No matters were reported.

SECTION III – Federal Award Findings and Questioned Costs

No matters were reported.

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH
RUSTON, LOUISIANA
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2004

There were no prior year findings in our report issued May 20, 2004.