

LINCOLN PARISH POLICE JURY  
RUSTON, LOUISIANA

*Primary Government Financial Statements  
For the Year Ended December 31, 2014*

LINCOLN PARISH POLICE JURY  
RUSTON, LOUISIANA  
PRIMARY GOVERNMENT FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2014

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

Lincoln Parish Police Jury  
Ruston, Louisiana

### *Report on the Financial Statements*

I have audited the accompanying primary government financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Lincoln Parish Police Jury (which is the "Police Jury" as well as "the primary government"), as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the Police Jury'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 controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

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 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 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.

Lincoln Parish Police Jury  
Ruston, Louisiana

***Basis for Adverse Opinion on Aggregate Discretely Presented Component Units and Qualified Opinion on Aggregate Remaining Fund Information***

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

***Adverse Opinion on Aggregate Discretely Presented Component Units***

In my opinion, because of the significance of the matter described in the "Basis for Adverse Opinion on Aggregate Discretely Presented Component Units and Qualified Opinion on Aggregate Remaining Fund Information" paragraph, the financial statements referred to above do not present fairly the financial position of the aggregate discretely presented component units of the Lincoln Parish Police Jury as of December 31, 2014, or the changes in financial position thereof for the year then ended.

***Qualified Opinion on Aggregate Remaining Fund Information***

In my opinion, except for the matter described in the "Basis for Adverse Opinion on Aggregate Discretely Presented Component Units and Qualified Opinion on Aggregate Remaining Fund Information" paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the aggregate fund information of the Lincoln Parish Police Jury, as of December 31, 2014, and the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Unmodified 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 Lincoln Parish Police Jury, as of December 31, 2014, 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.

***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 4-10 and 38-45 be presented to supplement the financial statements. Such information, although not a part of the 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.

Lincoln Parish Police Jury  
Ruston, Louisiana

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 financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

***Other Information***

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Police Jury's primary government financial statements. The introductory section, combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The 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 State, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of 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 combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the financial statements as a whole.

The Schedule of Compensation, Reimbursements, Benefits and Other Payments to Agency Head, Political Subdivision Head, or Chief Executive Officer on pages 57-58 is not a required part of the basic financial statements but is supplementary information required by the Louisiana Governmental Audit Guide. Such information has not been subjected to the auditing procedures applied in the audit of the financial statements, and, accordingly, I do not express an opinion or provide any assurance on it.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, I have also issued my report dated May 15, 2015 on my consideration of the Police Jury'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 the 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 Lincoln Parish Police Jury's internal control over financial reporting and compliance.

WILLIAM R. HULSEY, (APAC)  
Certified Public Accountant

May 15, 2015

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

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

We offer the readers of the Lincoln Parish Police Jury's financial statements this narrative overview and analysis of the financial activities of the Lincoln Parish Police Jury for the fiscal year ended on December 31, 2014.

**FINANCIAL HIGHLIGHTS**

Our financial statements provide the following key financial highlights for the 2014 fiscal year:

- General Government Activities report total costs of \$15,264,525 and total revenues of \$16,736,163.
- Public Works accounted for the most significant portion of expenditures in General Government Activities.

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

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

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

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

The Statement of Net Position and the Statement of Activities distinguish functions of the Police Jury that are principally supported by taxes, intergovernmental revenues, and charges for services (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The relationship between revenues and expenses represent the Police



Jury's operating results. However, the Police Jury's goal is to provide services to our citizens, not to generate profits as is the case with commercial entities. As a result, one must consider other non-financial factors, such as the condition of the Police Jury's roads and bridges, services provided such as solid waste disposal, rural garbage collection, recreation, library services and housing assistance in order to assess the overall health of the Police Jury.

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

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

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

**Capital Project Activities** – Expenditures in this area include, but are not limited to, enhancements, renovations, and maintenance of the Lincoln Parish Park, the North Louisiana Exhibition Center, the Lincoln Parish Courthouse and the Bridge Replacement and Road Improvements Funds. Funding is provided through a variety of sources such as admission fees, usage fees, operating transfers from other funds and donations.

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

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

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

## THE JURY AS A WHOLE

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

**Table 1**  
**Net Position**  
**December 31, 2014 and 2013**

	Governmental Activities 2014	Governmental Activities 2013
Current and other assets	40,438,786	39,657,168
Capital assets	22,960,409	23,870,185
Total assets	63,399,195	63,527,353
Current and other liabilities	2,463,033	3,168,483
Long-term liabilities	4,773,438	5,195,733
Total liabilities	7,236,471	8,364,216
Net Position		
Net investment in capital assets	22,960,409	23,870,185
Restricted	3,010,039	2,988,970
Unrestricted	30,192,276	28,303,982
Total net position	56,162,724	55,163,137

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

**Table 2  
Changes in Net Position  
For the Years Ended December 31, 2014 and 2013**

	Governmental Activities 2014	Governmental Activities 2013
<b>Revenues</b>		
Program Revenues		
Section 8 housing	497,533	487,166
Parish transportation funds	518,922	613,873
General revenues		
Property taxes	7,067,277	6,586,959
Sales tax	4,507,092	3,926,512
Other taxes	277,798	225,811
State revenue sharing	285,173	285,232
Local grants	37,236	37,236
Federal revenue	321,472	74,592
Severance tax	1,175,000	1,138,669
Fees, charges and commissions	1,243,321	1,144,837
Fines and forfeitures	276,176	265,871
Earnings on investments	329,940	380,878
Miscellaneous	199,223	18,448
<b>Total Revenues</b>	<b>16,736,163</b>	<b>15,186,084</b>
<b>Functions/Program Expenses</b>		
Governmental Activities		
General and administrative	3,283,516	2,848,793
Public safety	325,673	406,799
Public works	8,054,433	7,787,925
Health and welfare	563,356	549,578
Operating services		
Culture and recreation	2,884,898	2,785,125
Economic development	24,798	24,376
Debt service	127,851	143,171
<b>Total Functions/Program Expenses</b>	<b>15,264,525</b>	<b>14,545,767</b>
Transfer to Detention Center	( 472,051)	( 554,732)
<b>Increase (decrease) in net position</b>	<b>999,587</b>	<b>85,585</b>
<b>Net position – beginning of year (*Restated)</b>	<b>55,163,137</b>	<b>*55,077,552</b>
<b>Net position – ending of year</b>	<b>56,162,724</b>	<b>55,163,137</b>

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

Governmental Activities

The cost of all governmental activities this year was \$15,264,525. As indicated in the Statement of Activities, the amount that our taxpayers financed for these activities through property, sales taxes and other taxes was \$11,852,167 with an additional \$1,175,000 from severance taxes. The rest of these costs were paid by those who directly benefited from the programs or by other governments and organizations that subsidized certain programs with grants and contributions.

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

**Table 3  
Governmental Activities  
For the Years Ended December 31, 2014 and 2013**

	Total Cost Of Services 2014	Total Cost Of Services 2013
<b>Governmental Activities</b>		
General government	3,283,516	2,848,793
Public safety	325,673	406,799
Public works	8,054,433	7,787,925
Health and welfare	563,356	549,578
Culture and recreation	2,884,898	2,785,125
Economic development	24,798	24,376
Interest on long-term debt	127,851	143,171
<b>Total Functions/Program Expenses</b>	<b>15,264,525</b>	<b>14,545,767</b>

**The Police Jury's Funds**

As the Police Jury completed the year, its governmental funds reported a combined net position balance of \$56,162,724 indicating an increase of \$999,587 when compared to the beginning net position.

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

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The excess of revenue over expenditures in the General Fund was \$665,993. This enabled the Jury to transfer additional funds to a capital fund for renovations and maintenance of parish buildings. Severance taxes exceeded one million dollars for the sixth year in a row.

In the general fund, actual revenues exceeded budgeted revenues by \$129,503 and actual expenditures were less than budgeted expenditures by \$536,490.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

The Police Jury had invested in the following capital assets (net of depreciation) at the end of fiscal years 2014 and 2013:

	Governmental Activities 2014	Governmental Activities 2013
Land	\$1,612,186	\$1,708,686
Buildings	5,777,887	5,954,946
Building improvements	5,669,540	6,013,443
Machinery and equipment	1,533,789	1,828,873
Furniture and fixtures	264,841	311,588
Vehicles	568,052	456,151
Non-depreciable improvements	67,100	67,100
Construction in progress	-	-
Infrastructure	7,467,014	7,529,398
Totals	\$22,960,409	\$23,870,185

**Debt Administration**

The Lincoln Parish Police Jury had \$3,476,000 in long-term debt instruments at year-end compared to \$3,942,000 in the prior year.

	2014	2013
Library Bonds payable	\$ 2,621,000	\$ 2,942,000
Certificates of Indebtedness	\$ 855,000	\$1,000,000
Total	\$3,476,000	\$3,942,000

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

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

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

## **OTHER POST-EMPLOYMENT BENEFITS**

In the year ended December 31, 2014, the Lincoln Parish Police Jury has complied with requirements of Government Accounting Standards Board Statement Number 45, *Accounting and Financial Reporting by Employers for Post Employment Benefits Other than Pensions*. This statement requires that employers disclose the *Annual Required Contribution* and *Net Post-employment Benefit Obligation* as determined by actuarial computations. The disclosure of these amounts is presented in more detail in the Notes to the Financial Statements.

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS**

The primary funding source for the General Fund of the parish is taxation. Approximately 69.16% of revenue is provided by Ad Valorem and Sales Tax. The elected and appointed officials consider many factors when developing the parish's budget and authorizing millage rates. Input by the citizens of the parish is a vital part of this consideration. Severance taxes are difficult to project but there is pending legislation that could possibly increase the amount received without any cost to the citizens of the parish. Sales tax revenues showed a significant increase in 2014 despite the lingering effects of an economic downturn. The Lincoln Parish Police Jury will continue to strive for optimum use of parish resources.

## **CONTACTING THE POLICE JURY'S FINANCIAL MANAGEMENT**

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

LINCOLN PARISH POLICE JURY  
RUSTON, LOUISIANA  
STATEMENT OF NET POSITION  
DECEMBER 31, 2014

	<u>Governmental Activities</u>
<i>Assets</i>	
Cash	\$ 9,467,885
Investments	22,471,496
Accounts Receivable	7,666,006
Due From Other Entities	813,998
Inventory	11,582
Capital Assets:	
Non-Depreciable	1,775,786
Depreciable	<u>21,184,623</u>
Total Assets	<u>63,391,376</u>
<i>Deferred Outflow of Resources</i>	
Prepaid Expenses	<u>7,819</u>
<i>Liabilities</i>	
Accounts Payable	1,255,073
Due To Other Entities	720,960
Non-Current Liabilities	
Due Within One Year	
Bonds Payable	487,000
Due in More Than One Year	
Compensated Absences	107,370
Bonds Payable	2,989,000
Unfunded Postretirement Benefit Plan Obligations	<u>1,677,068</u>
Total Liabilities	<u>7,236,471</u>
<i>Net Position</i>	
Net Investment in Capital Assets	22,960,409
Restricted For:	
Capital Projects	1,987,642
Debt Service	1,022,397
Unrestricted	<u>30,192,276</u>
Total Net Position	<u>\$ 56,162,724</u>

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



LINCOLN PARISH POLICE JURY  
RUSTON, LOUISIANA  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2014

Function/Program Activities	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position Governmental Activities
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Government Activities:					
General Government	\$ 3,283,516	\$ 18,768	\$ -	\$ -	\$ (3,264,748)
Public Safety	325,673	284,167	37,236	89,594	85,324
Public Works	8,054,433	404,071	518,922	231,878	(6,899,562)
Health & Welfare	563,356	-	492,854	-	(70,502)
Culture & Recreation	2,884,898	422,227	-	-	(2,462,671)
Economic Development	24,798	-	-	-	(24,798)
Interest on Long-Term Debt	127,851	-	-	-	(127,851)
<b>Total Governmental Activities</b>	<b>\$ 15,264,525</b>	<b>\$ 1,129,233</b>	<b>\$ 1,049,012</b>	<b>\$ 321,472</b>	<b>(12,764,808)</b>

General Revenues:

Taxes:

Property Taxes	7,067,277
Sales Taxes	4,507,092
Other Taxes	277,798
Severance Taxes	1,175,000
Intergovernmental Revenues	494,886
Fire Insurance Rebate	185,230
Other Revenues	18,223
Rents and Royalties	205,034
Sale of Assets	181,000
Transfers to Other Funds	(472,051)
Interest Earned	124,906
<b>Total General Revenues</b>	<b>13,764,395</b>

Changes in Net Position	999,587
Net Position - Beginning (Restated)	55,163,137
Net Position - Ending	<b>\$ 56,162,724</b>

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

FUND FINANCIAL STATEMENTS

LINCOLN PARISH POLICE JURY  
RUSTON, LOUISIANA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2014

	General Fund	Road Construction Fund	Road Maintenance Fund	Library Fund
<b>Assets:</b>				
Cash and Cash Equivalents	\$ 204,938	\$ 1,865,824	\$ 1,265,229	\$ 419,959
Investments	2,057,619	536,000	1,012,717	2,420,098
Receivables	1,160,680	1,647,472	1,647,018	1,848,613
Prepaid Expenses	5,155	1,332	1,332	-
Due From Other Funds	1,135,940	-4,619	4,624	-
Due From Other Entities	788,916	-	-	-
Inventory	-	11,582	-	-
<b>TOTAL ASSETS</b>	<b>\$ 5,353,248</b>	<b>\$ 4,066,829</b>	<b>\$ 3,930,920</b>	<b>\$ 4,688,670</b>
<b>Liabilities and fund equity:</b>				
<b>Liabilities:</b>				
Accounts Payable	327,241	\$ 52,872	\$ 52,856	\$ 119,766
Due To Other Funds	1,220,242	-	-	-
Due To Other Entities	440,046	-	-	-
<b>Total Liabilities</b>	<b>1,987,529</b>	<b>52,872</b>	<b>52,856</b>	<b>119,766</b>
<b>Fund Balances:</b>				
Nonspendable	5,155	11,582	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	4,002,375	3,878,064	4,568,904
Unassigned	3,360,564	-	-	-
<b>Total Fund Equity</b>	<b>3,365,719</b>	<b>4,013,957</b>	<b>3,878,064</b>	<b>4,568,904</b>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>\$ 5,353,248</b>	<b>\$ 4,066,829</b>	<b>\$ 3,930,920</b>	<b>\$ 4,688,670</b>

Solid Waste Disposal Fund	Solid Waste Disposal Equipment Reserve Fund	Hospital Proceeds Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ 38,202	\$ 114,368	\$ 374,947	\$ 5,184,418	\$ 9,467,885
-	2,970,546	9,975,070	3,499,446	22,471,496
601,420	2,400	-	758,403	7,666,006
-	-	-	-	7,819
4,327	-	-	817,628	1,967,138
-	-	-	25,082	813,998
-	-	-	-	11,582
<u>\$ 643,949</u>	<u>\$ 3,087,314</u>	<u>\$ 10,350,017</u>	<u>\$ 10,284,977</u>	<u>\$ 42,405,924</u>
\$ 593,193	\$ -	\$ 1,985	\$ 107,160	\$ 1,255,073
-	-	348,032	398,864	1,967,138
-	-	-	280,914	720,960
<u>593,193</u>	<u>-</u>	<u>350,017</u>	<u>786,938</u>	<u>3,943,171</u>
-	-	-	-	16,737
-	-	-	432,059	432,059
-	-	-	-	-
50,756	3,087,314	10,000,000	9,065,980	34,653,393
-	-	-	-	3,360,564
<u>50,756</u>	<u>3,087,314</u>	<u>10,000,000</u>	<u>9,498,039</u>	<u>38,462,753</u>
<u>\$ 643,949</u>	<u>\$ 3,087,314</u>	<u>\$ 10,350,017</u>	<u>\$ 10,284,977</u>	<u>\$ 42,405,924</u>

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

LINCOLN PARISH POLICE JURY  
RUSTON, LOUISIANA  
RECONCILIATION OF TOTAL GOVERNMENTAL  
FUND BALANCES TO NET POSITION OF  
GOVERNMENTAL ACTIVITIES  
DECEMBER 31, 2014

Total Governmental Fund Balances	\$ 38,462,753
<i>Amounts reported for governmental activities in the statement of net position are different because:</i>	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	22,960,409
Unfunded postretirement benefit plan obligations are not financial resources and therefore are not reported in the funds.	(1,677,068)
Long-term liabilities, including compensated absences payable, are not due and payable in the current period and therefore are not reported in the funds.	<u>(3,583,370)</u>
Net Position of Governmental Activities	<u>\$ 56,162,724</u>

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

LINCOLN PARISH POLICE JURY  
RUSTON, LOUISIANA  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2014

	General Fund	Road Construction Fund	Road Maintenance Fund	Library Fund
<b>Revenues</b>				
Taxes				
Ad Valorem	\$ 1,151,198	\$ 1,734,810	\$ 1,734,243	\$ 2,026,337
1/2 Cent Sales Tax	-	-	-	-
Other Taxes, Penalties and Interest, etc	127,662	-	-	21,875
Intergovernmental Revenues				
Federal Funds				
Section 8 Housing	4,679	-	-	-
Other Federal Funds	89,594	115,939	115,939	-
State Funds				
Parish Transportation Funds	-	-	-	-
State Revenue Sharing (net)	62,500	93,800	93,800	35,073
Grants - Other Local Agencies	-	-	-	-
Severance Tax	1,175,000	-	-	-
Fees, Charges and Commission for Services	203,998	-	-	87,520
Fines and Forfeitures	-	-	-	-
Use of Money and Property				
Interest Earnings and Rents	78,111	8,410	248	9,710
Other Revenues	17,750	-	-	473
<b>Total Revenues</b>	<b>2,910,492</b>	<b>1,952,959</b>	<b>1,944,230</b>	<b>2,180,988</b>
<b>Expenditures</b>				
General Government	1,870,421	-	-	-
Public Safety	280,531	-	-	-
Public Works	-	1,378,191	1,439,484	-
Health and Welfare	8,390	-	-	-
Culture and Recreation	2,432	-	-	2,135,957
Economic Development and Assistance	24,798	-	-	-
Capital Outlay	57,927	131,263	131,263	-
Debt Service				
Principal Payments	-	-	-	-
Interest and Other	-	-	-	-
<b>Total Expenditures</b>	<b>2,244,499</b>	<b>1,509,454</b>	<b>1,570,747</b>	<b>2,135,957</b>
<b>Excess (Deficiency) of Revenues</b>				
Over Expenditures	665,993	443,505	373,483	45,031
<b>Other Financing Sources (Uses)</b>				
Operating Transfers In	-	-	-	-
Operating Transfers Out	(632,053)	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>(632,053)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess (Deficiency) of Revenues and</b>				
Other Sources over Expenditures and				
Other Uses	33,940	443,505	373,483	45,031
<b>Fund Balances, Beginning</b>	<b>3,331,779</b>	<b>3,570,452</b>	<b>3,504,581</b>	<b>4,523,873</b>
<b>Fund Balances, Ending</b>	<b>\$ 3,365,719</b>	<b>\$ 4,013,957</b>	<b>\$ 3,878,064</b>	<b>\$ 4,568,904</b>

Solid Waste Disposal Fund	Solid Waste Disposal Equipment Reserve Fund	Hospital Proceeds Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ -	\$ 420,689	\$ 7,067,277
4,507,092	-	-	-	4,507,092
-	-	-	128,261	277,798
-	-	-	492,854	497,533
-	-	-	494,171	815,643
-	-	-	518,922	518,922
-	-	-	-	285,173
-	-	-	37,236	37,236
-	-	-	-	1,175,000
241,064	-	-	710,739	1,243,321
-	-	-	276,176	276,176
1	35,403	127,298	70,759	329,940
-	-	-	181,000	199,223
<u>4,748,157</u>	<u>35,403</u>	<u>127,298</u>	<u>3,330,807</u>	<u>17,230,334</u>
-	-	-	312,416	2,182,837
-	-	-	-	280,531
3,763,879	-	-	1,115,398	7,696,952
-	-	41,412	513,554	563,356
-	-	-	440,806	2,579,195
-	-	-	-	24,798
-	-	-	1,008,242	1,328,695
-	-	-	466,000	466,000
-	-	-	127,851	127,851
<u>3,763,879</u>	<u>-</u>	<u>41,412</u>	<u>3,984,267</u>	<u>15,250,215</u>
<u>984,278</u>	<u>35,403</u>	<u>85,886</u>	<u>(653,460)</u>	<u>1,980,119</u>
-	-	-	1,574,961	1,574,961
(984,278)	-	(85,886)	(344,795)	(2,047,012)
<u>(984,278)</u>	<u>-</u>	<u>(85,886)</u>	<u>1,230,166</u>	<u>(472,051)</u>
-	35,403	-	576,706	1,508,068
<u>50,756</u>	<u>3,051,911</u>	<u>10,000,000</u>	<u>8,921,333</u>	<u>36,954,685</u>
<u>\$ 50,756</u>	<u>\$ 3,087,314</u>	<u>\$ 10,000,000</u>	<u>\$ 9,498,039</u>	<u>\$ 38,462,753</u>

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

LINCOLN PARISH POLICE JURY  
RUSTON, LOUISIANA  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2014

Net Change in Fund Balances - Total Governmental Funds	\$	1,508,068
 <i>Amounts reported for governmental activities in the statement of activities are different because</i>		
 Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:		
Capital assets purchases capitalized		540,374
Capital assets disposed of less accumulated depreciation		(132,013)
Depreciation Expense		(1,318,137)
		(909,776)
 Postretirement benefit plan expenditures		 (71,497)
 The issuance of long-term debt (e.g. capital leases, bonds) provides current financial resources to governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		 -
 Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term debt liabilities in the statement of net position.		 466,000
 The increase in compensated absences liability does not require the use of current financial resources but is recorded as an expense in the statement of activities.		 6,792
		6,792
 Change in Net Position in Governmental Activities	 \$	 999,587

The accompanying notes are an integral part of this financial statement



LINCOLN PARISH POLICE JURY  
RUSTON, LOUISIANA  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
DECEMBER 31, 2014

ASSETS	
Investments, at Fair Value	\$ 1,238,852
TOTAL ASSETS	<u>\$ 1,238,852</u>
LIABILITIES	
Liabilities	\$ -
NET POSITION	
Held in Trust for Deferred Compensation Benefits	<u>1,238,852</u>
TOTAL NET POSITION	<u>\$ 1,238,852</u>

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

LINCOLN PARISH POLICE JURY  
RUSTON, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2014

INTRODUCTION

The Lincoln Parish Police Jury (the Jury) is the governing authority for Lincoln Parish and is a political subdivision of the State of Louisiana. The Police Jury is governed by 12 jurors representing the various districts within the parish. The jurors serve four-year terms that expire in January of 2016.

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Basis of Presentation

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

Reporting Entity

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

GASB Statement 14 established criteria for determining which component units should be considered part of the Lincoln Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is accountability.

LINCOLN PARISH POLICE JURY  
RUSTON, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reporting Entity (Continued)

The GASB has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization’s governing body and (1) the ability of the Jury to impose its will on that organization or (2) the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the Jury. Organizations for which the Jury does not appoint a voting majority but are fiscally dependent on the Jury. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

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

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

The following have been determined to be related organizations:

Lincoln Health Foundation	1&2
Northern Louisiana Medical Center	1&2
Fire Protection District No. 1 of Lincoln Parish	1&2
Ruston-Lincoln Industrial Development Board	1&2
Mount Olive Waterworks District	1&2
Waterworks District No. 1 of Lincoln Parish	1&2
Waterworks District No. 2 of Lincoln Parish	1&2
Waterworks District No. 3 of Lincoln Parish	1&2
Lincoln Parish Communications District	1&2
Lincoln Parish Geographic Information System	1&2

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

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

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

LINCOLN PARISH POLICE JURY  
RUSTON, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reporting Entity (Continued)

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

Measurement Focus, Basis of Accounting and Financial Statement Position

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

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

Principal revenue sources considered susceptible to accrual include federal grants, interest on investments, sales and income taxes, and lease payments receivable. Some revenue items that are considered measurable and available to finance operations during the year from an accounting perspective are not available for expenditure due to the Jury's present appropriation system. These revenues have been accrued in accordance with accounting principles generally accepted in the United States of America since they have been earned and are expected to be collected within sixty days of the end of the period. Other revenues are considered to be measurable and available only when cash is received by the Jury. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. Modifications to the accrual basis of accounting include:

- Employees' vested annual leave is recorded as an expenditure when utilized. The amount of accumulated annual leave unpaid at December 31, 2014 has been reported only in the governmental-wide financial statements.
- Interest on general long-term obligations is recognized when paid.
- Debt service expenditures are recorded only when payment is due.

Fund Accounting

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

LINCOLN PARISH POLICE JURY  
RUSTON, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Accounting (Continued)

Governmental Funds

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

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

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

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

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

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

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

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

Use of Estimates

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

LINCOLN PARISH POLICE JURY  
RUSTON, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgetary Practices

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

Cash and Cash Equivalents

Cash includes demand deposits and money market accounts. Under state law, the Police Jury may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union or the laws of the United States. Further, the Police Jury may invest in the time deposits or certificates of deposit of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

Investments

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

Fund Equity

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

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

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

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

LINCOLN PARISH POLICE JURY  
RUSTON, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Equity (Continued)

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

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

The Police Jury has not established a formal policy regarding order of spending fund balances that are restricted, committed or assigned. The Police Jury’s informal policy for the spending prioritization of fund balances is that restricted would receive top priority, followed by committed. Assigned would receive the least priority and would be authorized to be spent if adequate funds were available. If expenditures incurred exceed the amounts that have been committed or assigned to the specific purpose, amounts assigned or committed would be reduced to eliminate the deficit.

Receivables

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

Interfund Receivables and Payables

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

Fixed Assets

Fixed assets of the Jury are stated at cost and are reported in the government-wide financial statements. Depreciation of all exhaustible fixed assets are charged as an expense against operations. Depreciation is computed using the straight-line method over the estimated useful lives. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets’ lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

LINCOLN PARISH POLICE JURY  
RUSTON, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Annual and Sick Leave

The following annual and sick leave policies are in effect:

Police Jury

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

Library

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

Third Judicial Criminal District Court

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

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

Sales and Use Tax

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

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

Inventories

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



LINCOLN PARISH POLICE JURY  
RUSTON, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 2 – CASH AND CASH EQUIVALENTS

*Custodial Credit Risk – Deposits.* The custodial credit risk is the risk that in the event of a bank failure, the Police Jury’s deposits may not be returned to it. The Police Jury’s policy to ensure there is no exposure to this risk is to require each financial institution to pledge its’ own securities to cover any amount in excess of Federal Depository Insurance Coverage. Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Police Jury that the fiscal agent bank has failed to pay deposited funds upon demand. Accordingly, the Police Jury had no custodial credit risk related to its deposits at December 31, 2014. The Police Jury had cash and cash equivalents in demand deposits, totaling \$9,467,885 at December 31, 2014.

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, 2014, are secured, as follows:

Bank Balances	\$ <u>8,456,043</u>
FDIC Insurance	2,000,000
Pledged Securities (uncollateralized)	<u>10,480,840</u>
Total	\$ <u>12,480,840</u>

NOTE 3 - INVESTMENTS

*Custodial Credit Risk – Investments.* The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Police Jury’s investments in United States government securities are held by the Police Jury’s agent in the Police Jury’s name. Therefore, the Police Jury had no custodial credit risk related to its investments at December 31, 2014.

Under state law, the Police Jury may invest funds in obligations of the United States, in federally-insured investments, or in time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. At December 31, 2014, the Police Jury had the following investments stated at cost, which approximates market:

Government Agency Bonds	\$ 21,063,532
Equities	15,582
Cash or Money Market Accounts	<u>1,392,382</u>
Total	\$ <u>22,471,496</u>

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

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

LINCOLN PARISH POLICE JURY  
RUSTON, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 3 – INVESTMENTS (Continued)

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

NOTE 4 – RECEIVABLES

The receivables of \$7,666,006 on December 31, 2014, are detailed as follows:

	<u>Class of Receivables</u>	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Capital Project Funds</u>	<u>Debt Service Fund</u>	<u>Total</u>
Taxes:						
Ad valorem		\$ 1,056,292	\$ 5,318,932	\$ -	\$ 392,421	\$ 6,767,645
Other		42,544	502,545	-	-	545,089
State revenue sharing		41,022	147,094	-	-	188,116
State reimbursements		-	104,420	-	-	104,420
Other		<u>20,822</u>	<u>14,737</u>	<u>25,177</u>	<u>-</u>	<u>60,736</u>
Totals		<u>\$ 1,160,680</u>	<u>\$ 6,087,728</u>	<u>\$ 25,177</u>	<u>\$ 392,421</u>	<u>\$ 7,666,006</u>

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

NOTE 5 – PROPERTY AND EQUIPMENT

Capital asset activity for the year ended December 31, 2014, is as follows:

	<u>2013 Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>2014 Balance</u>
Non-Depreciable Assets:				
Land	\$ 1,775,786	\$ -	\$ 96,500	\$ 1,679,286
Infrastructure -CIP	-	-	-	-
Improvements	-	-	-	-
Total	<u>1,775,786</u>	<u>-</u>	<u>96,500</u>	<u>1,679,286</u>
Depreciable Assets:				
Buildings	10,792,475	-	-	10,792,475
Infrastructure	26,022,018	256,470	-	26,278,488
Improvements	9,558,380	38,993	( 10,670)	9,586,703
Vehicles	1,542,911	186,918	( 109,775)	1,620,054
Furniture & Fixtures	1,378,004	-	( 750)	1,377,254
Machinery & Equipment	<u>4,408,675</u>	<u>57,993</u>	<u>( 197,919)</u>	<u>4,268,749</u>
Total	<u>53,702,463</u>	<u>540,374</u>	<u>( 319,114)</u>	<u>53,923,723</u>

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NOTE 5 – PROPERTY AND EQUIPMENT (Continued)

Less: Accumulated Depreciation:

Buildings	( 4,837,529)	( 177,059)	-	( 5,014,588)
Infrastructure	( 18,492,620)	( 318,854)	-	(18,811,474)
Improvements	( 3,544,937)	( 381,829)	9,603	( 3,917,163)
Vehicles	( 1,086,760)	( 63,309)	98,067	( 1,052,002)
Furniture & Fixtures	( 1,066,416)	( 46,672)	675	( 1,112,413)
Machinery & Equipment	( 2,579,802)	( 330,414)	175,256	( 2,734,960)
Total	(31,608,064)	(1,318,137)	283,601	(32,642,600)
Capital Assets, Net	<u>\$ 23,870,185</u>	<u>\$( 777,763)</u>	<u>\$( 132,013)</u>	<u>\$ 22,960,409</u>

Depreciation expense charged for \$1,338,256 is as follows:

General Government	\$ 641,435
Public Safety	45,142
Public Works	325,857
Health & Welfare	-
Economic Development	-
Culture and Recreation	305,703
Total	<u>\$ 1,318,137</u>

NOTE 6 – PENSION PLAN

Plan Description

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

All permanent employees working at least 28 hours per week who are paid wholly or in part from parish funds are eligible to participate in the System. Under Plan A, employees who retire at or after age 60 with at least 10 years of creditable service, at or after age 55 with at least 25 years of creditable service, or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3% of their final average salary for each year of creditable service. However, for those employees who were members of the supplemental plan only before January 1, 1980, the benefit is equal to 1% of final average salary plus \$24 for each year of supplemental-plan-only service earned before January 1, 1980, plus 3% of final-average salary for each year of service credited after the revision date. Under Plan B, employees who retire at or after age 62 with at least 10 years of creditable service or at or after age 55 with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 2% of their final average monthly salary in excess of \$100 for each year of creditable service. Furthermore, employees with at least 10 years of creditable service, but less than 30 years, may take early retirement benefits commencing at or after age 60, with the basic benefit reduced 3% for each year retirement precedes age 62, unless he has at least 30 years of creditable service. In any case, monthly retirement benefits paid under Plan B cannot exceed 100% of final average salary. Final average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average.

LINCOLN PARISH POLICE JURY  
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NOTES TO FINANCIAL STATEMENTS  
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NOTE 6 – PENSION PLAN (Continued)

Plan Description (Continued)

Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Parochial Employees' Retirement System, Post Office Box 14619, Baton Rouge, Louisiana 70898-4619, or by calling (225) 928-1361.

Funding Policy

Under Plan A, members are required by state statute to contribute 9.5% of their annual covered salary and the Lincoln Parish Police Jury is required to contribute at an actuarially determined rate. The current rate is 16.00% of annual covered payroll. Contributions to the System also include one-fourth of 1% (except Orleans and East Baton Rouge Parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the Lincoln Parish Police Jury are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year.

The Lincoln Parish Police Jury's contributions to the System under Plan A for the years ending December 31, 2013, 2012, and 2011 were \$514,407, \$552,900, and \$483,634, respectively, equal to the required contributions for each year.

NOTE 7 – LEASES

Operating Leases (Lessee). The Lincoln Parish Police Jury leases space under noncancelable operating leases in the building the Police Jury purchased in September 2009. Total income for such leases were \$205,034 for the year ended December 31, 2014. Future minimum lease payments for these leases are as follows:

Year Ended <u>December 31,</u>	<u>LPPJ Complex Lease</u>
2015	\$ 137,608
2016	137,608
2017	137,608
2018	137,608
2019	<u>137,608</u>
Total	<u>\$ 688,040</u>

LINCOLN PARISH POLICE JURY  
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NOTE 8 – DUE TO/FROM OTHER FUNDS

Individual fund balances due to/from other funds at December 31, 2014, are as follows:

<u>Fund</u>	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
Major Funds:		
General Fund	\$ 1,135,940	\$ 1,220,242
Special Revenue Funds:		
Road Construction Fund	4,619	-
Road Maintenance Fund	4,624	-
Library Fund	-	-
Solid Waste Disposal Fund	4,327	-
Hospital Proceeds Fund	-	348,032
Non-Major Funds:		
Special Revenue Funds	61,044	372,472
Capital Projects Funds	<u>756,584</u>	<u>26,392</u>
Totals	<u>\$ 1,967,138</u>	<u>\$ 1,967,138</u>

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

NOTE 9 – RESERVED FUND BALANCE – WITNESS FEES

Louisiana Revised Statute 15:255 provides for the payment of witness fees to off-duty law enforcement officers who, in their official capacity, are required to be present as a witness in criminal cases. Witness fees are paid from special court costs levied in criminal cases. Court costs and witness fees are accounted for in the Criminal Court Special Revenue Fund. The following schedule provides a detail of changes in the fund balance of the Law Enforcement Witness Fee Fund for the year ended December 31, 2014:

Balance at January 1, 2013	\$( 3,743)
Court costs collected	5,443
Interest	1
Witness fees paid	<u>( 1,550)</u>
Balance at December 31, 2013	<u>\$ 151</u>

NOTE 10 – DESIGNATED FUND BALANCE – EQUIPMENT REPLACEMENT

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

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

The following schedule provides detail on changes for the year ended December 31, 2014.

	<u>Collection Equipment</u>	<u>Disposal Equipment</u>	<u>Total</u>
Balance at January 1, 2014	\$ 3,087,576	\$ 3,051,911	\$ 6,139,487
Transfers in (out)	-	-	-
Sale of assets	-	-	-
Other revenues	18,730	35,403	54,133
Equipment replacement costs	-	-	-
Expenditures	-	-	-
Balance at December 31, 2014	<u>\$ 3,106,306</u>	<u>\$ 3,087,314</u>	<u>\$ 6,193,620</u>

The total Solid Waste Equipment Reserve as of December 31, 2014, is as follows:

Solid Waste Equipment Reserve	\$ 6,193,620
Sewer Fund Equipment Replacement	<u>108,808</u>
Total Fund Equity Designated for Equipment Replacement	<u>\$ 6,302,428</u>

NOTE 11 – CRIMINAL COURT FUND SURPLUS

Louisiana Revised Statute 15:571.11 requires that one-half of any surplus remaining in the Criminal Court Special Revenue Fund at year end be transferred to the parish General Fund. During the year ended December 31, 2014, \$0 was to be transferred.

NOTE 12 – LITIGATION AND CLAIMS

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

NOTE 13 – TAXES

Property taxes are due as of December 31. The taxes are generally collected in December of the current year and January and February of the ensuing year. An enforceable lien attaches to the property with unpaid taxes and is sold at a tax sale.

<u>Property Tax Calendar</u>	
Assessment Date	January 1, 2014
Levy Date	November 8, 2014
Tax Bills Mailed	November 15, 2014
Total Taxes Are Due	December 31, 2014
Penalties and Interest are Added	January 1, 2015
Tax Sales – 2013 Delinquent Property	May 20-22, 2015

LINCOLN PARISH POLICE JURY  
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NOTES TO FINANCIAL STATEMENTS  
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NOTE 13 – TAXES (Continued)

	<u>Authorized Millage</u>	<u>Levied Millage</u>
Parish Taxes:		
General Fund inside Ruston	1.82	1.82
General Fund outside Ruston	3.65	3.65
Road Maintenance	4.41	4.41
Construction Improvement	4.41	4.41
Library Operation	4.99	4.99
Library Bond Fund	1.10	1.10

NOTE 14 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budget/Actual Unfavorable Variances

When comparing budget to actual revenue and expenditure amounts for the year ended December 31, 2014, the following governmental funds had variances greater than 5%:

	<u>Budget</u>	<u>Actual</u>	<u>Variances (Unfavorable)</u>
General Fund			
Capital Outlay	\$ -	\$ 57,927	\$( 57,927)
Transfers Out	\$( 600,000)	\$( 632,053)	\$( 32,053)
Road Construction Fund			
Public Works	\$ 1,462,666	\$1,509,454	\$( 46,788)
Road Maintenance Fund			
Public Works	\$ 1,539,992	\$1,570,747	\$( 30,755)
Library Fund			
Culture & Recreation	\$ 1,997,644	\$2,135,957	\$( 138,313)
Solid Waste Disposal Fund			
Transfers Out	\$( 734,920)	\$( 984,278)	\$( 249,358)

NOTE 15 – DEFERRED COMPENSATION PLAN

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

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

NOTE 16 – POST EMPLOYMENT HEALTH CARE BENEFITS

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

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NOTE 16 – POST EMPLOYMENT HEALTH CARE BENEFITS (Continued)

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

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

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

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

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

*Fund Policy.* Until 2008, the Lincoln Parish Police Jury recognized the cost of providing post-employment medical and life benefits (Lincoln Parish Police Jury's portion of the retiree medical, dental, and life benefit premiums) as an expense when the benefit premiums were due and thus financed the cost of the post-employment benefits on a pay-as-you-go basis. In 2014 and 2013, Lincoln Parish Police Jury's portion of health care funding cost for retired employees totaled \$308,929 and \$296,960, respectively.

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

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



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NOTE 16 – POST EMPLOYMENT HEALTH CARE BENEFITS (continued)

	2014	2013
Normal Cost	\$ 117,598	\$ 54,511
30-year UAL amortization amount	291,455	262,087
	<hr/>	<hr/>
Annual required contribution (ARC)	\$ 409,053	\$ 316,598

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

	2014	2013
Beginning Net OPEB Obligation	\$ 1,605,571	\$ 1,615,069
Annual required contribution	409,053	316,598
Interest on Net OPEB Obligation	64,223	65,363
ARC Adjustment	( 92,850)	( 94,498)
OPEB Cost	<hr/> 380,426	<hr/> 287,462
Contribution	0	0
Current year retiree premium	<hr/> ( 308,929)	<hr/> ( 296,960)
Change in Net OPEB Obligation	71,497	( 9,498)
Ending Net OPEB Obligation	\$ 1,677,068	\$ 1,605,571

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

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual Cost Contributed</u>	<u>Net OPEB Liability (Asset)</u>
December 31, 2014	\$380,426	81.21%	\$1,677,068
December 31, 2013	\$287,462	103.30%	\$1,605,571
December 31, 2012	\$287,462	103.30%	\$1,615,069

*Funded Status and Funding Progress.* In the fiscal years ending December 31, 2014 and 2013, Lincoln Parish Police Jury made no contributions to its post employment benefits plan. The plan was not funded, has no assets, and hence has a funded ratio of zero. Based on the January 1, 2011 actuarial valuation, the most recent actuarial valuation, the Actuarial Accrued Liability (AAL) at the end of the year ended December 31, 2014 was \$5,241,494, which is defined as that portion, as determined by a particular actuarial cost method (Lincoln Parish Police Jury uses the Projected Unit Credit Cost Method), of the actuarial present value of post employment plan benefits and expenses which is not provided by normal cost.

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NOTE 16 – POST EMPLOYMENT HEALTH CARE BENEFITS (continued)

	2014	2013
Actuarial Accrued Liability (AAL)	\$ 5,241,494	\$ 4,532,147
Actuarial Value of Plan Assets	0	0
Unfunded Act. Accrued Liability (UAAL)	\$ 5,241,494	\$ 4,532,147
Funded Ratio (Act. Val. Assets/AAL)	0%	0%
Covered Payroll (active plan members)	\$ 3,698,421	\$ 3,792,846
UAAL as a percentage of covered payroll	141.72%	119.49%

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

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

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

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

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

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NOTE 16 – POST EMPLOYMENT HEALTH CARE BENEFITS (continued)

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

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

*Health Care Cost Trend Rate.* The expected rate of increase in medical cost is based on projections performed by the Office of the Actuary at the Centers for Medicare & Medicaid Services as published in National Health Care Expenditures Projections: 2003 to 2013, Table 3: National Health Expenditures, Aggregate and per Capita Amounts, Percent Distribution and Average Annual Percent Change by Source of Funds: Selected Calendar Years 1990-2013, released in January, 2004 by the Health Care Financing Administration ([www.cms.hhs.gov](http://www.cms.hhs.gov)). "State and Local" rates for 2008 through 2013 from this report were used, with rates beyond 2013 graduated down to an ultimate annual rate of 5.0% for 2016 and later.

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

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

*Inflation Rate.* Included in both the Investment Return Assumption and the Healthcare Cost Trend rates above is an implicit inflation assumption of 2.50% annually.

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

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

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

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NOTE 16 – POST EMPLOYMENT HEALTH CARE BENEFITS (continued)

	OPEB Costs and Contributions		
	FY 2014	FY 2013	FY 2012
OPEB Cost	\$ 380,426	\$ 287,462	\$ 287,462
Contribution	-	-	-
Retiree Premium	<u>308,929</u>	<u>296,960</u>	<u>296,960</u>
Change in Net OPEB Obligation	<u>\$ 71,497</u>	<u>\$ ( 9,498)</u>	<u>\$ ( 9,498)</u>
% of Contribution to Cost	0.00%	0.00%	0.00%
% of Contribution Plus Premium to Cost	81.21%	103.30%	103.30%

NOTE 17 – BONDS PAYABLE

Certificates of indebtedness were issued in the amount of \$1,500,000 on September 16, 2009 for the purpose of acquiring the Old County Market Building and paying the costs incurred in connection with the issuance of the Certificates. The bonds carry a net interest rate of 4.35%. On March 1, 2001, General obligation bonds were issued in the amount of \$5,300,000 for the purpose of library renovations. These bonds were reissued in 2011 in the amount of \$3,577,000 and are to be repaid by March 2021 by Ad Valorem taxes with the first interest only payment due March 1, 2011. Principal payments commenced on March 1, 2011. The bonds carry a net interest rate of 3.02%. The following is the future principal and interest requirements:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts I Within O Year</u>
Government Activities:					
Bonds Payable:					
General Obligation Refunding Bond, Series 2011	\$ 2,942,000	\$ -	\$ 321,000	\$ 2,621,000	\$ 332,000
Certificates of Indebtedness, Series 2009	1,000,000	-	145,000	855,000	155,000
Accrued Vacation and Sick Time	<u>114,162</u>	<u>-</u>	<u>6,792</u>	<u>107,370</u>	<u>107,370</u>
Total Governmental Activities Long-Term Debt	<u>\$ 4,056,162</u>	<u>\$ -</u>	<u>\$ 472,792</u>	<u>\$ 3,583,370</u>	<u>\$ 594,370</u>

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

Year Ended <u>December 31,</u>	Certificates of Indebtedness <u>Series 2011</u>		Certificates of Indebtedness <u>Series 2009</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2015	\$ 332,000	\$ 74,141	\$ 155,000	\$ 37,192
2016	348,000	63,873	160,000	30,450
2017	358,000	53,212	170,000	23,490
2018	372,000	42,189	180,000	16,095
2019	386,000	30,743	190,000	8,265
2020-2021	<u>825,000</u>	<u>25,171</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 2,621,000</u>	<u>\$ 289,329</u>	<u>\$ 855,000</u>	<u>\$ 115,492</u>

LINCOLN PARISH POLICE JURY  
RUSTON, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 17 – BONDS PAYABLE (Continued)

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

NOTE 18 – INTERFUND OPERATING TRANSFERS IN AND OUT

	<u>Fund</u>	<u>Operating Transfers</u>	
		<u>In</u>	<u>Out</u>
Major Funds:			
General Fund		\$ -	\$ 632,053
Special Revenue Funds:			
Solid Waste Disposal Fund		-	984,278
Solid Waste Collection Fund		-	-
Hospital Proceeds Fund		-	85,886
Non-Major Funds:			
Special Revenue Funds		1,006,022	3,244
Capital Projects Funds		568,939	341,551
Other Entities:			
Detention Center		<u>472,051</u>	<u>-</u>
Totals		<u>\$ 2,047,012</u>	<u>\$ 2,047,012</u>

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

NOTE 19 – SUBSEQUENT EVENTS

Subsequent events have been evaluated through May 15, 2015, which is the day the financial statements were available to be issued, and it has been determined that no significant events have occurred for disclosure.

REQUIRED SUPPLEMENTAL INFORMATION (PART B)  
BUDGETARY COMPARISON SCHEDULES

LINCOLN PARISH POLICE JURY  
RUSTON, LOUISIANA  
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<b><u>Revenues (Inflows):</u></b>				
Taxes				
Ad Valorem	\$ 1,011,516	\$ 1,119,169	\$ 1,151,198	\$ 32,029
Licenses & Permits	121,000	127,000	127,662	662
Intergovernmental Revenues:				
Federal Funds:				
Section 8 Housing	4,600	4,525	4,679	154
FEMA	-	-	89,594	89,594
State Funds:				
State Revenue Sharing	62,500	62,500	62,500	-
Severance Tax	1,110,000	1,175,000	1,175,000	-
Fees, Charges & Commission for Services	192,185	205,180	203,998	(1,182)
Use of Money and Property, Interest Earnings and Rent	65,000	72,500	78,111	5,611
Other Revenues	16,250	15,115	17,750	2,635
Total Revenues	<u>2,583,051</u>	<u>2,780,989</u>	<u>2,910,492</u>	<u>129,503</u>
<b><u>Expenditures (Outflows):</u></b>				
General Government				
Legislative	180,935	181,915	184,125	(2,210)
Judicial	325,805	413,191	413,779	(588)
Elections	30,249	32,649	40,544	(7,895)
Finance and Administration	631,432	610,160	608,716	1,444
Other General Government	988,597	1,057,559	623,257	434,302
Public Safety	331,041	368,841	280,531	88,310
Health and Welfare	17,000	10,000	8,390	1,610
Culture and Recreation	54,492	54,396	2,432	51,964
Economic Development	23,500	52,278	24,798	27,480
Capital Outlay	-	-	57,927	(57,927)
Total Expenditures	<u>2,583,051</u>	<u>2,780,989</u>	<u>2,244,499</u>	<u>536,490</u>
<b><u>Excess (Deficiency) of Revenues Over Expenditures</u></b>	-	-	665,993	665,993
<b><u>Other Financing Uses:</u></b>				
Operating Transfers Out	(600,000)	(600,000)	(632,053)	(32,053)
<b><u>Excess (Deficiency) of Revenues Over Expenditures and Other Uses</u></b>	(600,000)	(600,000)	33,940	633,940
<b><u>Fund Balance at Beginning of Year</u></b>	3,331,779	3,331,779	3,331,779	-
<b><u>FUND BALANCE AT END OF YEAR</u></b>	<u>\$ 2,731,779</u>	<u>\$ 2,731,779</u>	<u>\$ 3,365,719</u>	<u>\$ 633,940</u>

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

LINCOLN PARISH POLICE JURY  
RUSTON, LOUISIANA  
BUDGETARY COMPARISON SCHEDULE -  
ROAD CONSTRUCTION FUND  
FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues (Inflows):</u>				
Taxes				
Ad Valorem	\$ 1,532,159	\$ 1,686,579	\$ 1,734,810	\$ 48,231
Intergovernmental Revenues:				
Federal Grant Revenue	-	-	115,939	115,939
State Funds:				
State Revenue Sharing	93,800	93,800	93,800	-
Use of Money and Property, Interest Earnings and Rent	8,800	8,600	8,410	(190)
Total Revenues	<u>1,634,759</u>	<u>1,788,979</u>	<u>1,952,959</u>	<u>163,980</u>
<u>Expenditures (Outflows):</u>				
Public Works	<u>1,577,993</u>	<u>1,462,666</u>	<u>1,509,454</u>	<u>(46,788)</u>
Total Expenditures	<u>1,577,993</u>	<u>1,462,666</u>	<u>1,509,454</u>	<u>(46,788)</u>
<u>Excess of Revenues Over Expenditures</u>	56,766	326,313	443,505	117,192
<u>Fund Balance at Beginning of Year</u>	<u>3,570,452</u>	<u>3,570,452</u>	<u>3,570,452</u>	<u>-</u>
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ 3,627,218</u>	<u>\$ 3,896,765</u>	<u>\$ 4,013,957</u>	<u>\$ 117,192</u>

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



LINCOLN PARISH POLICE JURY  
RUSTON, LOUISIANA  
BUDGETARY COMPARISON SCHEDULE -  
ROAD MAINTENANCE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues (Inflows):</u>				
Taxes				
Ad Valorem	\$ 1,532,159	\$ 1,686,579	\$ 1,734,243	\$ 47,664
Intergovernmental Revenues:				
Federal Grant Revenue	-	-	115,939	115,939
State Funds:				
State Revenue Sharing	93,800	93,800	93,800	-
Use of Money and Property, Interest Earnings and Rent	8,400	4,150	248	(3,902)
Total Revenues	<u>1,634,359</u>	<u>1,784,529</u>	<u>1,944,230</u>	<u>159,701</u>
<u>Expenditures (Outflows):</u>				
Public Works	1,549,793	1,539,992	1,570,747	(30,755)
Total Expenditures	<u>1,549,793</u>	<u>1,539,992</u>	<u>1,570,747</u>	<u>(30,755)</u>
<u>Excess of Revenues Over Expenditures</u>	84,566	244,537	373,483	128,946
<u>Fund Balance at Beginning of Year</u>	<u>3,504,581</u>	<u>3,504,581</u>	<u>3,504,581</u>	<u>-</u>
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ 3,589,147</u>	<u>\$ 3,749,118</u>	<u>\$ 3,878,064</u>	<u>\$ 128,946</u>

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

LINCOLN PARISH POLICE JURY  
RUSTON, LOUISIANA  
BUDGETARY COMPARISON SCHEDULE -  
LIBRARY FUND  
FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues (Inflows):</u>				
Taxes				
Ad Valorem	\$ 2,081,095	\$ 1,945,774	\$ 2,026,337	\$ 80,563
Intergovernmental Revenues:				
State Funds:				
State Revenue Sharing	35,073	35,073	35,073	-
Grants - Other Local Agencies	-	-	21,875	21,875
Fees, Charges & Commission for Services	69,517	102,775	87,520	(15,255)
Use of Money and Property, Interest Earnings and Rent	-	-	9,710	9,710
Other Revenues	-	-	473	473
<u>Total Revenues</u>	<u>2,185,685</u>	<u>2,083,622</u>	<u>2,180,988</u>	<u>97,366</u>
<u>Expenditures (Outflows):</u>				
Culture and Recreation	2,177,653	1,997,644	2,135,957	(138,313)
Capital Outlay	-	-	-	-
<u>Total Expenditures</u>	<u>2,177,653</u>	<u>1,997,644</u>	<u>2,135,957</u>	<u>(138,313)</u>
<u>Excess (Deficit) of Revenues Over Expenditures</u>	8,032	85,978	45,031	(40,947)
<u>Fund Balance at Beginning of Year</u>	<u>4,523,873</u>	<u>4,523,873</u>	<u>4,523,873</u>	<u>-</u>
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ 4,531,905</u>	<u>\$ 4,609,851</u>	<u>\$ 4,568,904</u>	<u>\$ (40,947)</u>

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

LINCOLN PARISH POLICE JURY  
RUSTON, LOUISIANA  
BUDGETARY COMPARISON SCHEDULE -  
SOLID WASTE DISPOSAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues (Inflows):</u>				
Taxes				
1/2 Cent Sales Tax	\$ 3,600,000	\$ 4,050,000	\$ 4,507,092	\$ 457,092
Fees, Charges & Commission for Services	120,150	189,215	241,064	51,849
Use of Money and Property, Interest Earnings and Rent	-	-	1	1
Total Revenues	<u>3,720,150</u>	<u>4,239,215</u>	<u>4,748,157</u>	<u>508,942</u>
<u>Expenditures (Outflows):</u>				
Public Works	<u>3,720,150</u>	<u>4,239,215</u>	<u>3,763,879</u>	<u>475,336</u>
Total Expenditures	<u>3,720,150</u>	<u>4,239,215</u>	<u>3,763,879</u>	<u>475,336</u>
<u>Excess of Revenues Over Expenditures</u>	-	-	984,278	984,278
<u>Other Financing Uses:</u>				
Transfers Out	(523,969)	(734,920)	(984,278)	(249,358)
<u>Fund Balance at Beginning of Year</u>	<u>50,756</u>	<u>50,756</u>	<u>50,756</u>	<u>-</u>
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ (473,213)</u>	<u>\$ (684,164)</u>	<u>\$ 50,756</u>	<u>\$ 734,920</u>

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

LINCOLN PARISH POLICE JURY  
RUSTON, LOUISIANA  
BUDGETARY COMPARISON SCHEDULE -  
SOLID WASTE DISPOSAL EQUIPMENT RESERVE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues (Inflows):</u>				
Use of Money and Property, Interest Earnings and Rent	\$ 51,000	\$ 28,000	\$ 35,403	\$ 7,403
Total Revenues	51,000	28,000	35,403	7,403
<u>Expenditures (Outflows):</u>				
Public Works	280,000	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	280,000	-	-	-
<u>Excess (Deficiency) of Revenues Over Expenditures</u>	(229,000)	28,000	35,403	7,403
<u>Other Financing Uses:</u>				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources	-	-	-	-
<u>Fund Balance at Beginning of Year</u>	3,051,911	3,051,911	3,051,911	-
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ 2,822,911</u>	<u>\$ 3,079,911</u>	<u>\$ 3,087,314</u>	<u>\$ 7,403</u>

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

LINCOLN PARISH POLICE JURY  
RUSTON, LOUISIANA  
BUDGETARY COMPARISON SCHEDULE -  
HOSPITAL PROCEEDS FUND  
FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues (Inflows):</u>				
Use of Money and Property, Interest Earnings and Rent	\$ 160,724	\$ 142,090	\$ 127,298	\$ (14,792)
Total Revenues	160,724	142,090	127,298	(14,792)
<u>Expenditures (Outflows):</u>				
Health and Welfare	160,724	142,090	41,412	100,678
<u>Excess of Revenues Over Expenditures</u>	-	-	85,886	85,886
<u>Other Financing Uses</u>				
Operating Transfers Out	(92,544)	(79,060)	(85,886)	(6,826)
<u>Fund Balance at Beginning of Year</u>	10,000,000	10,000,000	10,000,000	-
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ 9,907,456</u>	<u>\$ 9,920,940</u>	<u>\$ 10,000,000</u>	<u>\$ 79,060</u>

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

LINCOLN PARISH POLICE JURY  
RUSTON, LOUISIANA  
NOTES TO BUDGETARY COMPARISON SCHEDULES  
FOR THE YEAR ENDED DECEMBER 31, 2014

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

State law requires the Police Jury to amend its budgets when revenues plus projected revenues within a fund are expected to fall short from budgeted revenues by five percent or more and when expenditures and other uses of a fund are expected to exceed budgeted amounts by five percent or more.

Budget/Actual Unfavorable Variances

When comparing budget to actual revenue and expenditure amounts for the year ended December 31, 2014, the following governmental funds had variances greater than 5%:

	<u>Budget</u>	<u>Actual</u>	<u>Variances</u> <u>(Unfavorable)</u>
General Fund			
Capital Outlay	\$ -	\$ 57,927	\$( 57,927)
Transfers Out	\$( 600,000)	\$( 632,053)	\$( 32,053)
Road Construction Fund			
Public Works	\$ 1,462,666	\$1,509,454	\$( 46,788)
Road Maintenance Fund			
Public Works	\$ 1,539,992	\$1,570,747	\$( 30,755)
Library Fund			
Culture & Recreation	\$ 1,997,644	\$2,135,957	\$( 138,313)
Solid Waste Disposal Fund			
Transfers Out	\$( 734,920)	\$( 984,278)	\$( 249,358)

OTHER SUPPLEMENTAL INFORMATION

LINCOLN PARISH POLICE JURY  
RUSTON, LOUISIANA  
SUPPLEMENTAL INFORMATION SCHEDULES  
DECEMBER 31, 2014

NONMAJOR SPECIAL REVENUE FUNDS

Special Road Fund

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

Solid Waste Funds

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

Solid Waste Equipment Reserve Funds

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

Criminal Court Fund

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

Law Enforcement Witness Fee Fund

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

Juvenile Assistance Fund

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



LINCOLN PARISH POLICE JURY  
RUSTON, LOUISIANA  
SUPPLEMENTAL INFORMATION SCHEDULES (CONTINUED)  
DECEMBER 31, 2014

NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)

Health Unit Fund

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

Section 8 Housing Fund

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

Sewer Fund

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

Sewer Equipment Replacement Fund

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

Mosquito Control Fund

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

LINCOLN PARISH POLICE JURY  
RUSTON, LOUISIANA  
NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET  
DECEMBER 31, 2014

	Special Road Fund	Solid Waste Collection Fund	Solid Waste Recycling Fund	Solid Waste Collection Equipment Reserve Fund	Criminal Court Fund
<b>Assets:</b>					
Cash and Cash Equivalents	\$ -	\$ 846,416	\$ -	\$ 1,435,153	\$ 25,692
Investments	788,234	1,023,635	-	1,669,484	-
Receivables	98,283	188,724	-	1,455	19,560
Due From Other Governments	-	-	-	214	-
Due From Other Funds	7,410	2,180	-	-	4,710
<b>TOTAL ASSETS</b>	<b>\$ 893,927</b>	<b>\$ 2,060,955</b>	<b>\$ -</b>	<b>\$ 3,106,306</b>	<b>\$ 49,962</b>
<b>Liabilities and Fund Equity:</b>					
<b>Liabilities:</b>					
Accounts Payable	\$ 16,125	\$ 12,512	\$ -	\$ -	\$ 31,617
Due to Other Funds	235,067	-	-	-	18,345
<b>Total Liabilities</b>	<b>251,192</b>	<b>12,512</b>	<b>-</b>	<b>-</b>	<b>49,962</b>
<b>Fund Equity:</b>					
<b>Fund Balances:</b>					
Restricted	-	-	-	-	-
Assigned	642,735	2,048,443	-	3,106,306	-
Unassigned	-	-	-	-	-
<b>Total Fund Equity</b>	<b>642,735</b>	<b>2,048,443</b>	<b>-</b>	<b>3,106,306</b>	<b>-</b>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>\$ 893,927</b>	<b>\$ 2,060,955</b>	<b>\$ -</b>	<b>\$ 3,106,306</b>	<b>\$ 49,962</b>

Law Enforcement Witness Fee Fund	Sewer Fund	Juvenile Assistance Fund	Health Unit Fund	Section 8 Housing Fund	Sewer Fund Equipment Replacement	
\$ 4,785	\$ 104,779	\$ 3,118	\$ 84,034	\$ 432,059	\$ 105,563	
-	-	-	-	-	-	
1,053	13,230	-	18,500	-	-	
86	-	-	-	-	-	C
-	-	-	18,500	-	3,244	
<u>\$ 5,924</u>	<u>\$ 118,009</u>	<u>\$ 3,118</u>	<u>\$ 121,034</u>	<u>\$ 432,059</u>	<u>\$ 108,807</u>	O
						N
\$ -	\$ 3,251	\$ -	\$ 1,124	\$ -	\$ -	T
5,774	3,244	-	85,042	-	-	I
5,774	6,495	-	86,166	-	-	N
						U
-	-	-	-	432,059	-	E
150	111,514	3,118	34,868	-	108,807	
-	-	-	-	-	-	D
<u>150</u>	<u>111,514</u>	<u>3,118</u>	<u>34,868</u>	<u>432,059</u>	<u>108,807</u>	
<u>\$ 5,924</u>	<u>\$ 118,009</u>	<u>\$ 3,118</u>	<u>\$ 121,034</u>	<u>\$ 432,059</u>	<u>\$ 108,807</u>	

LINCOLN PARISH POLICE JURY  
RUSTON, LOUISIANA  
NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET  
DECEMBER 31, 2014

	Mosquito Control Fund	Totals
Assets:		
Cash and Cash Equivalents	\$ -	\$ 3,041,599
Investments	-	3,481,353
Receivables	-	340,805
Due From Other Governments	-	300
Due From Other Funds	25,000	61,044
<b>TOTAL ASSETS</b>	<b>\$ 25,000</b>	<b>\$ 6,925,101</b>
Liabilities and Fund Equity:		
Liabilities:		
Accounts Payable	\$ -	\$ 64,629
Due to Other Funds	25,000	372,472
Total Liabilities	25,000	437,101
Fund Equity:		
Fund Balances:		
Restricted	-	432,059
Assigned	-	6,055,941
Unassigned	-	-
Total Fund Equity	-	6,488,000
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>\$ 25,000</b>	<b>\$ 6,925,101</b>

LINCOLN PARISH POLICE JURY  
RUSTON, LOUISIANA  
NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED DECEMBER 31, 2014

	Special Road Fund	Solid Waste Collection Fund	Solid Waste Recycling Fund	Solid Waste Collection Equipment Reserve Fund	Criminal Court Fund
Revenues:					
Intergovernmental Revenues:					
Federal Funds:					
Federal Grants	\$ -	\$ -	\$ -	\$ -	\$ -
State Funds:					
Parish Transportation Funds	518,922	-	-	-	-
Grants - Other Local Agencies	-	-	-	-	-
Fees, Charges and Commission for Services	-	78,760	-	-	2,548
Fines and Forfeitures	-	-	-	-	276,176
Use of Money and Property					
Interest Earnings and Rents	17,626	7,481	-	18,730	6
Other Revenues	151,000	-	-	-	-
<b>Total Revenues</b>	<b>717,548</b>	<b>86,241</b>	<b>-</b>	<b>18,730</b>	<b>278,730</b>
Expenditures:					
General Government:					
Judicial	-	-	-	-	278,730
Public Works	303,251	730,608	-	-	-
Health and welfare	-	-	-	-	-
Capital Outlay	194,390	-	-	-	-
<b>Total Expenditures</b>	<b>497,641</b>	<b>730,608</b>	<b>-</b>	<b>-</b>	<b>278,730</b>
Excess (Deficiency) of Revenues Over Expenditures	219,907	(644,367)	-	18,730	-
Other Financing Sources (Uses):					
Operating Transfers In	-	980,968	3,310	-	-
Operating Transfers Out	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>980,968</b>	<b>3,310</b>	<b>-</b>	<b>-</b>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	219,907	336,601	3,310	18,730	-
Fund Balances, Beginning	422,828	1,711,842	(3,310)	3,087,576	-
<b>Fund Balances, Ending</b>	<b>\$ 642,735</b>	<b>\$ 2,048,443</b>	<b>\$ -</b>	<b>\$ 3,106,306</b>	<b>\$ -</b>

Law Enforcement Witness Fee Fund	Sewer Fund	Juvenile Assistance Fund	Health Unit Fund	Section 8 Housing Fund	Sewer Fund Equipment Replacement
\$ -	\$ -	\$ -	\$ -	\$ 492,854	\$ -
-	-	-	-	-	-
-	-	32,236	5,000	-	-
5,443	84,247	-	-	-	-
-	-	-	-	-	-
-	13	2	-	10	16
-	-	-	-	-	-
<u>5,443</u>	<u>84,260</u>	<u>32,238</u>	<u>5,000</u>	<u>492,864</u>	<u>16</u>
1,550	-	32,136	-	-	-
-	81,539	-	-	-	-
-	-	-	16,424	497,130	-
-	-	-	10,199	-	22,254
<u>1,550</u>	<u>81,539</u>	<u>32,136</u>	<u>26,623</u>	<u>497,130</u>	<u>22,254</u>
<u>3,893</u>	<u>2,721</u>	<u>102</u>	<u>(21,623)</u>	<u>(4,266)</u>	<u>(22,238)</u>
-	-	-	18,500	-	3,244
-	(3,244)	-	-	-	-
-	(3,244)	-	18,500	-	3,244
3,893	(523)	102	(3,123)	(4,266)	(18,994)
(3,743)	112,037	3,016	37,991	436,325	127,801
<u>\$ 150</u>	<u>\$ 111,514</u>	<u>\$ 3,118</u>	<u>\$ 34,868</u>	<u>\$ 432,059</u>	<u>\$ 108,807</u>

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LINCOLN PARISH POLICE JURY  
RUSTON, LOUISIANA  
NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED DECEMBER 31, 2014

	Mosquito Control Fund	Totals
Revenues:		
Intergovernmental Revenues:		
Federal Funds:		
Federal Grants	\$ -	\$ 492,854
State Funds:		
Parish Transportation Funds	-	518,922
Grants - Other Local Agencies	-	37,236
Fees, Charges and Commission for Services	-	170,998
Fines and Forfeitures	-	276,176
Use of Money and Property		
Interest Earnings and Rents	-	43,884
Other Revenues	-	181,000
Total Revenues	-	1,721,070
Expenditures:		
General Government:		
Judicial	-	312,416
Public Works	-	1,115,398
Health and welfare	-	513,554
Capital Outlay	-	226,843
Total Expenditures	-	2,168,211
Excess (Deficiency) of Revenues Over Expenditures	-	(447,141)
Other Financing Sources (Uses):		
Operating Transfers In	-	1,006,022
Operating Transfers Out	-	(3,244)
Total Other Financing Sources (Uses)	-	1,002,778
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	-	555,637
Fund Balances, Beginning	-	5,932,363
Fund Balances, Ending	\$ -	\$ 6,488,000

LINCOLN PARISH POLICE JURY  
RUSTON, LOUISIANA  
SUPPLEMENTAL INFORMATION SCHEDULES  
DECEMBER 31, 2014

NONMAJOR CAPITAL PROJECTS FUNDS

Park and Recreation Fund

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

Courthouse Capital Projects Fund

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

North Louisiana Exhibition Center Fund

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

Bridge Replacement and Road Improvement Fund

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

Louisiana Community Development Block Grant – Waterworks District #3

The LCDBG – Waterworks District #3 Fund is used to account for the improvements to the Waterworks District #3 water and sewer equipment, with funding provided by federal grant funds.



LINCOLN PARISH POLICE JURY  
RUSTON, LOUISIANA  
NONMAJOR CAPITAL PROJECTS FUND  
COMBINING BALANCE SHEET  
DECEMBER 31, 2014

	Park and Recreation Fund	Courthouse Capital Project Fund	North Louisiana Exhibition Center Fund
Assets:			
Cash and Cash Equivalents	\$ 243,215	\$ 962,850	\$ 34,057
Investments	18,093	-	-
Receivables	15,148	-	8,228
Due From Other Governments	-	24,782	-
Due From Other Funds	450	451,553	48
	<hr/>	<hr/>	<hr/>
TOTAL ASSETS	<u>\$ 276,906</u>	<u>\$ 1,439,185</u>	<u>\$ 42,333</u>
Liabilities and Fund Equity:			
Liabilities:			
Accounts Payable	\$ 41,481	\$ -	\$ 1,050
Due to Other Entities	-	280,914	-
Due to Other Funds	-	-	26,392
	<hr/>	<hr/>	<hr/>
Total Liabilities	<u>41,481</u>	<u>280,914</u>	<u>27,442</u>
Fund Equity:			
Fund Balances:			
Assigned	<u>235,425</u>	<u>1,158,271</u>	<u>14,891</u>
	<hr/>	<hr/>	<hr/>
Total Fund Equity	<u>235,425</u>	<u>1,158,271</u>	<u>14,891</u>
	<hr/>	<hr/>	<hr/>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 276,906</u>	<u>\$ 1,439,185</u>	<u>\$ 42,333</u>

CDBG Waterworks District #3	Bridge Replacement Fund	Totals
\$ -	\$ 272,721	\$ 1,512,843
-	-	18,093
-	1,801	25,177
-	-	24,782
-	304,533	756,584
<u>\$ -</u>	<u>\$ 579,055</u>	<u>\$ 2,337,479</u>
\$ -	\$ -	\$ 42,531
-	-	280,914
-	-	26,392
-	-	349,837
-	579,055	1,987,642
-	579,055	1,987,642
<u>\$ -</u>	<u>\$ 579,055</u>	<u>\$ 2,337,479</u>

LINCOLN PARISH POLICE JURY  
RUSTON, LOUISIANA  
NONMAJOR CAPITAL PROJECT FUNDS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED DECEMBER 31, 2014

	Park and Recreation Fund	Courthouse Capital Project Fund	North Louisiana Exhibition Center Fund
<b>Revenues:</b>			
Grants	\$ -	\$ -	\$ -
Other Taxes, Penalties and Interest, etc.	128,261	-	-
Use of Money and Property - Interest and Rent	-	2,172	24,571
Sale of Assets	-	-	-
Fees and Charges	244,952	-	89,755
Total Revenues	<u>373,213</u>	<u>2,172</u>	<u>114,326</u>
<b>Expenditures:</b>			
Operating Services: Culture and Recreation	330,189	-	110,617
Capital Outlay	71,960	92,025	-
Total Expenditures	<u>402,149</u>	<u>92,025</u>	<u>110,617</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(28,936)</u>	<u>(89,853)</u>	<u>3,709</u>
<b>Other Financing Sources (Uses):</b>			
Operating Transfers In	50,000	451,553	-
Operating Transfers (Out)	-	(341,551)	-
Total Other Financing Sources (Uses)	<u>50,000</u>	<u>110,002</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other and Other Sources Over Expenditures and Other Uses	21,064	20,149	3,709
Fund Balance, Beginning	<u>214,361</u>	<u>1,138,122</u>	<u>11,182</u>
Fund Balance, Ending	<u>\$ 235,425</u>	<u>\$ 1,158,271</u>	<u>\$ 14,891</u>

CDBD Waterworks District #3	Bridge Replacement Fund	Totals
\$ 494,171	\$ -	\$ 494,171
-	-	128,261
-	-	26,743
-	-	-
-	-	334,707
<u>494,171</u>	<u>-</u>	<u>983,882</u>
-	-	440,806
<u>494,171</u>	<u>123,243</u>	<u>781,399</u>
<u>494,171</u>	<u>123,243</u>	<u>1,222,205</u>
<u>-</u>	<u>(123,243)</u>	<u>(238,323)</u>
-	67,386	568,939
<u>-</u>	<u>-</u>	<u>(341,551)</u>
<u>-</u>	<u>67,386</u>	<u>227,388</u>
-	(55,857)	(10,935)
<u>-</u>	<u>634,912</u>	<u>1,998,577</u>
<u>\$ -</u>	<u>\$ 579,055</u>	<u>\$ 1,987,642</u>

LINCOLN PARISH POLICE JURY  
RUSTON, LOUISIANA  
DEBT SERVICE FUNDS  
COMBINING BALANCE SHEET  
DECEMBER 31, 2014

	Library Bond Sinking Fund	LPPJ Complex II Bond Sinking Fund	Total
ASSETS	<u>          </u>	<u>          </u>	<u>          </u>
Cash	\$ 488,379	\$ 141,597	\$ 629,976
Accounts Receivable	392,421	-	392,421
	<u>          </u>	<u>          </u>	<u>          </u>
TOTAL ASSETS	<u>\$ 880,800</u>	<u>\$ 141,597</u>	<u>\$ 1,022,397</u>
LIABILITIES			
Liabilities	\$ -	\$ -	\$ -
FUND BALANCE			
Assigned	<u>880,800</u>	<u>141,597</u>	<u>1,022,397</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 880,800</u>	<u>\$ 141,597</u>	<u>\$ 1,022,397</u>

LINCOLN PARISH POLICE JURY  
RUSTON, LOUISIANA  
DEBT SERVICE FUNDS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED DECEMBER 31, 2014

	Library Bond Sinking Fund	LPPJ Complex II Bond Sinking Fund	Total
Revenues:			
Taxes:			
Ad Valorem	\$ 420,689	\$ -	\$ 420,689
Rent Income	-	205,034	205,034
Use of Money and Property			
Interest Earnings	102	30	132
Total Revenues	<u>420,791</u>	<u>205,064</u>	<u>625,855</u>
Expenditures:			
Principal Payments	321,000	145,000	466,000
Interest Payments	84,351	43,500	127,851
Total Expenditures	<u>405,351</u>	<u>188,500</u>	<u>593,851</u>
Excess (Deficiency) of Revenues Over Expenditures	15,440	16,564	32,004
Other Financing Sources			
Transfer In	-	-	-
Excess of Revenues and Other Sources over Expenditures	15,440	16,564	32,004
Fund Balance, Beginning	<u>865,360</u>	<u>125,033</u>	<u>990,393</u>
Fund Balance, Ending	<u>\$ 880,800</u>	<u>\$ 141,597</u>	<u>\$ 1,022,397</u>

OTHER SUPPLEMENTAL INFORMATION

LINCOLN PARISH POLICE JURY  
RUSTON, LOUISIANA  
SCHEDULE OF COMPENSATION, REIMBURSEMENTS, BENEFITS AND OTHER PAYMENTS  
TO AGENCY HEAD, POLITICAL SUBDIVISION HEAD, OR CHIEF EXECUTIVE OFFICER  
FOR THE YEAR ENDED DECEMBER 31, 2014

Purpose:	Jody Backus Police Juror	Bobby Bennett Police Juror	David Hammons Police Juror	Joseph Henderson Police Juror	Hazel Hunter Police Juror President
Salary	\$ 10,500	\$ 10,500	\$ 10,500	\$ 10,500	\$ 11,655
Benefits - Insurance	-	-	-	-	-
Benefits - Retirement	-	-	-	-	-
Benefits - Dental	-	-	-	-	-
Travel Reimbursements	-	-	-	-	1,405
Registration Fees	-	-	-	-	755
Auto	-	-	-	-	-
Vehicle Provided by LPPJ	-	-	-	-	-
<b>TOTAL</b>	<u>\$ 10,500</u>	<u>\$ 10,500</u>	<u>\$ 10,500</u>	<u>\$ 10,500</u>	<u>\$ 13,815</u>



Sharyon Mayfield Police Juror	Walter Pullen Police Juror	Randy Robertson Police Juror	Skip Russell Police Juror	Ronny Walker Police Juror	Nancy Wilson Police Juror	
\$ 10,500	\$ 10,500	\$ 10,500	\$ 10,545	\$ 10,500	\$ 10,000	C
-	-	-	-	-	-	O
-	-	-	-	-	-	N
-	-	-	-	-	-	T
1,422	-	-	522	-	1,213	I
755	-	-	490	-	755	N
-	-	-	-	-	-	U
-	-	-	-	-	-	E
						D
<u>\$ 12,677</u>	<u>\$ 10,500</u>	<u>\$ 10,500</u>	<u>\$ 11,557</u>	<u>\$ 10,500</u>	<u>\$ 11,968</u>	

LINCOLN PARISH POLICE JURY  
RUSTON, LOUISIANA  
SCHEDULE OF COMPENSATION, REIMBURSEMENTS, BENEFITS AND OTHER PAYMENTS  
TO AGENCY HEAD, POLITICAL SUBDIVISION HEAD, OR CHIEF EXECUTIVE OFFICER  
FOR THE YEAR ENDED DECEMBER 31, 2014

	Theresa Wyatt Police Juror	Courtney Hall Parish Administrator	Bobby Gray Parish Treasurer	Vivian McCain Head Librarian
Purpose:				
Salary	\$ 10,000	\$ 93,725	\$ 86,420	\$ 76,856
Benefits - Insurance	-	15,845	8,613	12,297
Benefits - Retirement	-	14,996	13,827	15,845
Benefits - Dental	-	772	374	-
Travel Reimbursements	945	212	1,619	-
Registration Fees	755	1,107	1,523	-
Auto	-	480	-	-
Vehicle Provided by LPPJ	-	566	-	-
<b>TOTAL</b>	<b>\$ 11,700</b>	<b>\$ 127,703</b>	<b>\$ 112,376</b>	<b>\$ 104,998</b>

OTHER SUPPLEMENTAL INFORMATION –  
COMPLIANCE REQUIREMENTS

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

Lincoln Parish Police Jury  
Ruston, Louisiana

I 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, each major fund, and the aggregate remaining fund information of the Lincoln Parish Police Jury (which is the "Police Jury" as well as "the primary government"), as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the Police Jury's primary government financial statements, and have issued my report thereon dated May 15, 2015.

***Internal Control Over Financial Reporting***

In planning and performing my audit of the financial statements, I considered the Police Jury's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Police Jury's internal control. Accordingly, I do not express an opinion on the effectiveness of the Police Jury'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, detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Police Jury'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.

My 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Lincoln Parish Police Jury  
Ruston, Louisiana

***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Police Jury's financial statements are free from material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed one instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2014-1.

***Lincoln Parish Police Jury's Response to Findings***

Lincoln Parish Police Jury's response to the findings identified in my audit is described in the accompanying schedule of findings and questioned costs. The Police Jury's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, I express no opinion on it.

***Purpose of this Report***

The purpose of this report is solely to describe the scope of my 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.

This report is intended for the use of management of the Lincoln Parish Police Jury and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

WILLIAM R. HULSEY (APAC)  
Certified Public Accountant

  
May 15, 2015

MEMBER  
AMERICAN INSTITUTE OF  
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SOCIETY OF LOUISIANA  
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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH  
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

Lincoln Parish Police Jury  
Ruston, Louisiana

***Report on Compliance for Each Major Federal Program***

I have audited the Lincoln Parish Police Jury's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Police Jury's major federal programs for the year ended December 31, 2014. The Police Jury's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its federal programs.

***Auditor's Responsibility***

My responsibility is to express an opinion on compliance for each of the Police Jury's major federal programs based on my audit of the types of compliance requirements referred to above. I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Police Jury's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances.

I believe that my audit provides a reasonable basis for my opinion on compliance for each major federal program. However, my audit does not provide a legal determination of the Police Jury's compliance.

***Opinion on Each Major Federal Program***

In my opinion, the Lincoln Parish Police Jury complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2014.

Lincoln Parish Police Jury  
Ruston, Louisiana

***Report on Internal Control Over Compliance***

Management of the Lincoln Parish Police Jury is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing my audit of compliance, I considered the Police Jury's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine that auditing procedures that are appropriate in the circumstances for the purposes of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of the Police Jury's internal control over compliance.

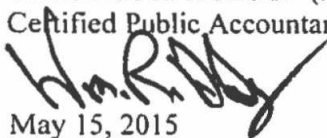
*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement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

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

The purpose of this report on internal control over compliance is solely to describe the scope of my testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

This report is intended for the use of management of the Lincoln Parish Police Jury and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

WILLIAM R. HULSEY (APAC)  
Certified Public Accountant



May 15, 2015

LINCOLN PARISH POLICE JURY  
RUSTON, LOUISIANA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2014

**SUMMARY OF AUDIT RESULTS**

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

1. An unqualified opinion was issued on the primary government financial statements of the Lincoln Parish Police Jury as of and for the year ended December 31, 2014.
2. The audit disclosed no significant deficiencies in internal control.
3. The audit disclosed one instance of noncompliance that is required to be reported under *Government Auditing Standards*.
4. The audit did not disclose a significant deficiency in internal control over major programs.
5. An unqualified opinion was issued on compliance for major programs.
6. Audit findings that are required to be reported in accordance with Sections 510(a) of OMB Circular A-133 are reported in this schedule.
7. The following programs were considered major for the year ended December 31, 2014:

Low Income Housing Assistance Program (CFDA #14.871)  
Louisiana Community Development Block Grant (CFDA #14.228)

8. \$300,000 was the threshold used to distinguish Type A from Type B programs.
9. The Lincoln Parish Police Jury did not qualify as a low-risk auditee.

**FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT**

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

**FINDINGS – FINANCIAL STATEMENT AUDIT**

**2014-01 Unauthorized Use of Fuel Card**

Agency Name: Lincoln Parish Police Jury

Fiscal Year End: December 31, 2014

	<u>ELEMENT OF FINDING</u>	<u>RESPONSE</u>
1.	Description of the fraud or misappropriation	Fuel was stolen.
2.	Description of the assets that were subject to fraud	Gasoline
3.	Value of assets involved	\$1,086.62



LINCOLN PARISH POLICE JURY  
RUSTON, LOUISIANA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2014

**FINDINGS – FINANCIAL STATEMENT AUDIT (CONTINUED)**

**2014-01 Unauthorized Use of Fuel Card (Continued)**

	<u>ELEMENT OF FINDING</u>	<u>RESPONSE</u>
4.	Department in which the fraud occurred	Highway Department
5.	Period of time when misappropriation occurred	January-June 2014
6.	Title of the person who committed the fraud	Highway Dept. worker
7.	Name of the person who committed the fraud and if formal charges have been brought against the person	Marcus Donnell Brown was charged with unauthorized use/ access of the card
8.	Person who committed the act's employment status	Employee was fired
9.	If person who committed the act is still employed do they have access to assets	N/A
10.	Has the agency notified the appropriate law enforcement body about the fraud	Yes
11.	Status of the investigation as of the date of the audit report	Awaiting trial date of 7/7/2015
12.	If the investigation is complete, has the agency filed charges	Yes
13.	Status of related adjudication at the date of audit report	Awaiting trial date of 7/7/2015
14.	Has restitution been made or insurance claim filed	Full restitution was made
15.	Has the agency notified the LA Legislative Auditor	Yes – August 6, 2014
16.	Did the agency's internal controls detect the fraud timely	Yes
17.	Describe the weakness that allowed the fraud to occur	N/A
18.	Management's Corrective Action Plan	Cards are now issued to the employee instead of leaving it in the truck to be used by the person that happens to be driving the vehicle at that time. Cards are no longer left in the vehicles.

LINCOLN PARISH POLICE JURY  
RUSTON, LOUISIANA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2014

Source of Federal Assistance/ Agency Name(s)	Federal CFDA Number	Agency or Pass- Through Number	Expenditures
<b>United States Department of Housing and Urban Development</b>			
Public Indian Housing HAP - Vouchers	14.871	LA212	\$ 484,927 *
Community Development Block Grant/ State's Program and Non Entitlement Grants	14.228	725017	494,171 *
Total United States Department of Housing and Urban Development			<u>979,098</u>
<b>United States Department of Transportation Federal Highway Administration</b>			
Highway Planning and Construction	20.205	HRRR-3108 (500)	231,877
<b>United States Department of Homeland Security</b>			
Emergency Management Performance Grant 2013	97.042	2012-EP-00062-S01	28,481
Emergency Preparedness Grant	97.007	WIPPTREX 2014	5,000
5% Statewide Generator Project	97.067	FEMA-1603-0079	19,638
State Homeland Security Program 2012	97.067	2012-SS-00075-S01	5,115
State Homeland Security Program 2013	97.067	2013-SS-00122-S01	31,360
Total			<u>56,113</u>
Total United States Department of Homeland Security			89,594
Total Expenditures of Federal Awards			<u>\$ 1,300,569</u>

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

LINCOLN PARISH POLICE JURY  
RUSTON, LOUISIANA  
NOTES TO SCHEDULE OF EXPENDITURES  
OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2014

1. General

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

2. Basis of Accounting

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

LINCOLN PARISH POLICE JURY  
RUSTON, LOUISIANA  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2014

Internal Control and Compliance Material to Federal Awards

There were no findings for this category.

Internal Control and Compliance Material to the Financial Statements

There were no findings for this category.

Management Letter

There were no findings for this category.