

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH
RUSTON, LOUISIANA

Component Unit Financial Statements
For the Year Ended December 31, 2011

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

Release Date JUN 20 2012

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH
RUSTON, LOUISIANA
COMPONENT UNIT FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

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HUMANITARIAN ENTERPRISES OF LINCOLN PARISH
RUSTON, LOUISIANA
COMPONENT UNIT FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

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INDEPENDENT AUDITOR'S REPORT

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

I have audited the accompanying component unit financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Humanitarian Enterprises of Lincoln Parish (the Center), a component unit of the Lincoln Parish Police Jury, as of and for the year ended December 31, 2011, which collectively comprise the basic financial statements of the Center as listed in the table of contents. These component unit financial statements are the responsibility of the Humanitarian Enterprises of Lincoln Parish's management. My responsibility is to express an opinion on these component unit financial statements based on my audit.

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

In my opinion, the component unit financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, each major fund and the aggregate remaining fund information for the Humanitarian Enterprises of Lincoln Parish, as of December 31, 2011, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued my report dated May 25, 2012 on my consideration of the Humanitarian Enterprises of Lincoln Parish's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of my audit.

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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 5 and 24 through 28 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge I obtained during our audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

My audit was conducted for the purpose of forming an opinion on the component unit financial statements of the Humanitarian Enterprises of Lincoln Parish taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audit of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the component unit financial statements. The schedule of expenditures of federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the component unit financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated, in all material respects, in relation to the component unit financial statements taken as a whole.

WILLIAM R. HULSEY
Certified Public Accountant



May 25, 2012

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

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

Our discussion and analysis of the Humanitarian Enterprises of Lincoln Parish (H E L P) Center's financial statements provides an overview of its activities for the year ended December 31, 2011. Please read it in conjunction with the H E L P Center's financial statements.

USING THIS ANNUAL REPORT

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

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

The Statement of Net Assets and the Statement of Activities

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

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

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

For the years ended December 31, 2011 and 2010, net assets changed as follows:

	2011	2010
Beginning net assets	\$140,271	\$254,371
Increase (decrease) in net assets	1,562	(114,100)
Ending net assets	\$141,833	\$140,271

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

The following schedule presents a summary of revenues and expenditures for the years ended December 31, 2011 and 2010:

Revenues	2011	Percent of Total	2010	Percent of Total
Grant receipts	\$829,155	96.83%	\$1,031,841	91.26%
Transportation fares	25,279	2.95%	39,359	3.48%
Miscellaneous	1,896	0.22%	59,431	5.26%
Total Revenues	\$856,330	100.00%	\$1,130,631	100.00%

Expenditures	2011	Percent of Total	2010	Percent of Total
Health and welfare	\$ 854,768	100.00%	\$ 1,244,731	100.00%

BUDGETARY HIGHLIGHTS

The H.E.L.P. Center's total revenues in 2011 were greater than the final budgeted revenue by significant amounts but at the same time actual expenditures in 2011 were more than the budgeted figures by similar amounts.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At December 31, 2011, the H.E.L.P. Center had \$464,639 invested in capital assets (\$177,133 net of accumulated depreciation) including machinery and equipment and vehicles.

Assets	December 31, 2010	Additions	Disposals	December 31, 2011
Vehicles	\$412,470			\$412,470
Machinery & equipment	52,169			52,169
Total at historical cost	464,639			464,639
Less Accumulated Depreciation				
Vehicles	(204,162)	(35,573)		(239,735)
Machinery & equipment	(46,671)	(1,100)		(47,771)
Capital assets, net	\$213,806	\$(36,673)		\$177,133

Debt

At year end, the H.E.L.P Center had a total liability of \$10,534 for compensated absences

OTHER POST-EMPLOYMENT BENEFITS

In the year ended December 31, 2011 and 2010, the H.E.L.P Center has complied with requirements of Government Accounting Standards Board Statement Number 45, *Accounting and Financial Reporting by Employers for Post Employment Benefits Other than Pensions*. This statement requires that employers disclose the *Annual Required Contribution* and *Net Post-employment Benefit Obligation* as determined by actuarial computations

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

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

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

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

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH
RUSTON, LOUISIANA
STATEMENT OF NET ASSETS
DECEMBER 31, 2011

	<u>Governmental Activities</u>
ASSETS	
Cash	\$ 186,717
Accounts Receivable	3,396
Due From Other Governments - LPPJ	57,068
Depreciable Assets	<u>177,133</u>
TOTAL ASSETS	<u><u>\$ 424,314</u></u>
LIABILITIES	
Accounts Payable	\$ 1,016
Due To Other Governments - LPPJ	20,504
Non-Current Liabilities	
Due Within One Year	
Compensated Absences	10,534
Postretirement Benefit Plan Payable	<u>250,427</u>
TOTAL LIABILITIES	<u>282,481</u>
NET ASSETS	
Invested in Capital Assets, Net of Related Debt	177,133
Unrestricted	<u>(35,300)</u>
Total Net Assets	<u>141,833</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 424,314</u></u>

The accompanying notes are an integral part of this financial statement

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH
RUSTON, LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2011

Function/Program Activities	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets
Government Activities Health and Welfare	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
	\$ 854,768	\$ 25,279	\$ 829,155	\$ -
				\$ (334)
		General Revenues		
			Interest Earned	1,896
			Total General Revenues	1,896
			Changes in Net Assets	1,562
			Net Assets - Beginning	140,271
			Net Assets - Ending	\$ 141,833

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

FUND FINANCIAL STATEMENTS

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH
RUSTON, LOUISIANA
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2011

	<u>General Fund</u>	<u>Transportation</u>	<u>Community Service Block Grant</u>	<u>LIHEAP</u>
Assets				
Cash	\$ 12,755	\$ 137,363	\$ -	\$ 34,381
Accounts Receivable	-	2,869	58	120
Due From Other Governments - LPPJ	9,291	33,033	14,673	71
Due From Other Funds	23,980	20,203	70,662	450
TOTAL ASSETS	<u>\$ 46,026</u>	<u>\$ 193,468</u>	<u>\$ 85,393</u>	<u>\$ 35,022</u>
 Liabilities and Fund Equity				
Liabilities				
Accounts Payable	\$ -	\$ 197	\$ 484	\$ 141
Due To Other Governments - LPPJ	-	19,273	-	254
Due To Other Funds	24,663	4,802	84,777	-
Total Liabilities	<u>24,663</u>	<u>24,272</u>	<u>85,261</u>	<u>395</u>
 Fund Balances				
Restricted	-	169,196	132	34,627
Assigned	-	-	-	-
Unassigned	21,363	-	-	-
Total Fund Balances	<u>21,363</u>	<u>169,196</u>	<u>132</u>	<u>34,627</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 46,026</u>	<u>\$ 193,468</u>	<u>\$ 85,393</u>	<u>\$ 35,022</u>

HUMANITARIAN ENTERPRISES OF
LINCOLN PARISH
RUSTON, LOUISIANA
RECONCILIATION OF TOTAL GOVERNMENTAL
FUND BALANCES TO NET ASSETS OF
GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2011

<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>		
		Total Governmental Fund Balances	\$ 225,661
		<i>Amounts reported for governmental activities in the statement of net assets are different because</i>	
\$ 2,218	\$ 186,717		
349	3,396		
-	57,068		
<u>300</u>	<u>115,595</u>		
<u>\$ 2,867</u>	<u>\$ 362,776</u>	Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	177,133
		Compensated absences are not due and payable in the current period and therefore are not reported in the funds	(10,534)
\$ 194	\$ 1,016		
977	20,504		
<u>1,353</u>	<u>115,595</u>		
<u>2,524</u>	<u>137,115</u>	Unfunded postretirement benefit plan obligations are not financial expenditures and therefore are not reported in the funds	<u>(250,427)</u>
-	203,955		
1,827	1,827		
<u>(1,484)</u>	<u>19,879</u>	Net Assets of Governmental Activities	<u>\$ 141,833</u>
<u>343</u>	<u>225,661</u>		
<u>\$ 2,867</u>	<u>\$ 362,776</u>		

The accompanying notes are an integral part of this financial statement

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH
RUSTON, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>General Fund</u>	<u>Transportation</u>	<u>Community Service Block Grant</u>	<u>LIHEAP</u>
Revenues				
Intergovernmental revenues				
Grant receipts	\$ -	\$ 322,575	\$ 122,481	\$ 384,099
Transportation fares	-	25,279	-	-
Miscellaneous	1,448	-	-	-
Total revenues	<u>1,448</u>	<u>347,854</u>	<u>122,481</u>	<u>384,099</u>
Health and Welfare Expenditures				
Personnel and Fringe Benefits	-	256,790	92,131	31,091
Vehicle Maintenance and Insurance	-	67,418	-	-
Operating Services and Supplies	41	14,154	-	756
Travel	-	3,106	752	880
Energy and Emergency Assistance	-	-	-	291,985
Emergency Crisis and Rent Assistance	-	-	-	5,653
Other Support Costs	373	9,482	33,548	629
Purchase of Fixed Assets	-	3,458	-	-
Total Health and Welfare Expenditures	<u>414</u>	<u>354,408</u>	<u>126,431</u>	<u>330,994</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>1,034</u>	<u>(6,554)</u>	<u>(3,950)</u>	<u>53,105</u>
Net Change in Fund Balance	1,034	(6,554)	(3,950)	53,105
Fund Balances, Beginning	<u>20,329</u>	<u>175,750</u>	<u>4,082</u>	<u>(18,478)</u>
Fund Balances, Ending	<u>\$ 21,363</u>	<u>\$ 169,196</u>	<u>\$ 132</u>	<u>\$ 34,627</u>

HUMANITARIAN ENTERPRISES OF
LINCOLN PARISH
RUSTON, LOUISIANA
RECONCILIATION OF TOTAL GOVERNMENTAL
FUND BALANCES TO NET ASSETS OF
GOVERNMENTAL ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2011

<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>		
		Net Change in Fund Balances - Total Governmental Funds	\$ 41,765
\$ -	\$ 829,155		
-	25,279	<i>Amounts reported for governmental activities in the statement of activities are different because</i>	
448	1,896		
<u>448</u>	<u>856,330</u>		
		Government funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets	
820	380,832	Depreciation expense	(36,673)
-	67,418		
1,221	16,172	The decrease in compensated absences liability does not require the use of current financial resources but is recorded as an expense in the statement of activities	(203)
-	4,738		
-	291,985		
-	5,653		
277	44,309		
-	3,458		
<u>2,318</u>	<u>814,565</u>	Postretirement benefit plan expenditures	<u>(3,327)</u>
(1,870)	41,765		
		Change in Net Assets in Governmental Activities	<u>\$ 1,562</u>
(1,870)	41,765		
<u>2,213</u>	<u>183,896</u>		
<u>\$ 343</u>	<u>\$ 225,661</u>		

The accompanying notes are an integral part of this financial statement

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

Basis of Presentation

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

Reporting Entity

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

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

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reporting Entity (Continued)

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

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

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

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

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

- Employees' vested annual leave is recorded as an expenditure when utilized. The amount of accumulated annual leave unpaid at December 31, 2011 has been reported only in the government-wide financial statements.
- Interest on general long-term obligations is recognized when paid.
- Debt service expenditures are recorded only when payment is due.

Fund Accounting

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

Governmental Funds

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

Transportation - This fund is derived from the following resources: Section 5311 of the Rural Public Transportation Act, Title XIX from the Louisiana State Medicaid Program for Transportation, Margaret Roan Industries, Office of Family Securities for Project Independence and Transportation Fares. Section 5311 funds, once reimbursed from the state, can be used for any expense of the Center. These funds represent a fifty percent reimbursement of the deficit cost of operation to provide Rural Public Transportation. Title XIX funds are used solely for transportation purposes. For these financial statements the assets and liabilities have been combined, but a separate column for each fund on the "Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Special Revenue Funds - Transportation Funds" has been presented.

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

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

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Governmental Funds (Continued)

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

Use of Estimates

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

Budgeting Procedures

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

Fixed Assets

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

Compensated Absences

Employees accrue from 5 to 15 days of annual and sick leave each year depending on years of service with the H.E.L.P. Center. Annual leave must be used in the year it is earned. Sick leave up to a maximum of 15 days may be carried forward to the next year for major illnesses only. Upon separation, all unused sick leave lapses.

Due to the restrictions on use of accrued sick leave, a provision of \$10,534 has been made for the compensated absences and vacation in these financial statements.

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Short-term Interfund Receivables/Payables

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

Funding Policies

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

Cash

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

Fund Equity

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.

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Equity (Continued)

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

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

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

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 District’s deposits may not be returned to it. The District’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 District that the fiscal agent bank has failed to pay deposited funds upon demand. Accordingly, the District had no custodial credit risk related to its deposits at December 31, 2011. The District had cash and cash equivalents in demand deposits, totaling \$186,717 at December 31, 2011.

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

Bank Balances	\$ 193,776
FDIC Insurance	193,776
Pledged Securities (uncollateralized)	-
Total	\$ 193,776

NOTE 3 - DUE FROM OTHER GOVERNMENTAL UNITS

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

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2011

NOTE 4 - PROPERTY AND EQUIPMENT

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

	December 31 2010			December 31, 2011
	<u>Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u>
Depreciable Assets				
Vehicles	412,470	-	-	412,470
Machinery & Equipment	<u>52,169</u>	-	-	<u>52,169</u>
Totals at Historical Cost	<u>464,639</u>	-	-	<u>464,639</u>
Less Accumulated Depreciation for				
Vehicles	(204,162)	(35,573)	-	(239,735)
Machinery & Equipment	<u>(46,671)</u>	<u>(1,100)</u>	-	<u>(47,771)</u>
Total Accumulated Depreciation	<u>(250,833)</u>	<u>(36,673)</u>	-	<u>(287,506)</u>
<u>CAPITAL ASSETS, NET</u>	<u>\$ 213,806</u>	<u>\$(36,673)</u>	<u>\$ -</u>	<u>\$ 177,133</u>

Depreciation was charged to the Health and Welfare function of the Center for \$36,673

NOTE 5 - DUE FROM/TO OTHER FUNDS

The due from/to other funds at December 31, 2011, are as follows

<u>Fund</u>	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
Major Funds		
General Fund	\$ 23,980	\$ 24,663
Transportation Fund	20,203	4,802
Community Service Block Grant 2011	27,610	41,497
LIHEAP Energy	450	-
Non-Major Funds		
Community Service Block Grant 2010	43,052	43,280
FEMA	300	450
CDBG Alternative Program	-	<u>903</u>
Totals	<u>\$ 115,595</u>	<u>\$ 115,595</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.

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2011

NOTE 6 - PENSION PLAN

Plan Description

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

Under the Parochial Retirement System, a member is eligible for normal retirement if he has at least 30 years of creditable service regardless of age, or 25 years of creditable service and is at least 55 years old, or 10 years of creditable service and is at least 60 years old. The monthly retirement benefit is equal to three percent of the member's coverage monthly compensation for any 36 months of consecutive service in which compensation was highest, multiplied by years of creditable service, not to exceed 100% of member's final compensation. Retirement benefits are payable monthly for the life of the retiree, and upon the retiree's death under certain conditions are payable to the retiree's surviving spouse and minor children

The District's payroll is included in the Lincoln Parish Police Jury, primary government financial statements

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana Parochial Employees' Retirement System, P O Box 14619, Baton Rouge, Louisiana 70898

NOTE 7 - POST EMPLOYMENT HEALTH CARE BENEFITS

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

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

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

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2011

NOTE 7 – POST EMPLOYMENT HEALTH CARE BENEFITS (continued)

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 Center recognized the cost of providing post-employment medical and life benefits (The Center's portion of the retiree medical, dental, and life benefit premiums) as an expense when the benefit premiums were due and thus financed the cost of the post-employment benefits on a pay-as-you-go basis. In 2011 and 2010, the Center's portion of health care funding cost for retired employees totaled \$9,281 and \$7,489, respectively.

Effective January 1, 2008, the Center 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 The Center'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:

		2011		2010
Normal Cost	\$	5,295	\$	81,457
30-year UAL amortization amount		11,719		8,399
		17,014		89,856
Annual required contribution (ARC)	\$	17,014	\$	89,856

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2011

NOTE 7 – POST EMPLOYMENT HEALTH CARE BENEFITS (continued)

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

	2011	2010
Beginning Net OPEB Obligation	\$ 247,100	\$ 164,733
Annual required contribution	17,014	89,856
Interest on Net OPEB Obligation	9,884	0
ARC Adjustment	(14,290)	0
OPEB Cost	12,608	89,856
Contribution	0	0
Current year retiree premium	(9,281)	(7,489)
Change in Net OPEB Obligation	(3,327)	82,367
Ending Net OPEB Obligation	\$ 250,427	\$ 247,100

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

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual Cost Contributed</u>	<u>Net OPEB Liability (Asset)</u>
December 31, 2011	\$12,608	73.61%	\$250,427
December 31, 2010	\$89,856	31.50%	\$247,100

Funded Status and Funding Progress In the fiscal years ending December 31, 2011 and 2010, the Center made no contributions to its post employment benefits plan. The plan was not funded, has no assets, and hence has a funded ratio of zero. Based on the January 1, 2011 actuarial valuation, the most recent actuarial valuation, the Actuarial Accrued Liability (AAL) at the end of the year ended December 31, 2011 was \$202,657, which is defined as that portion, as determined by a particular actuarial cost method (the Center uses the Projected Unit Credit Cost Method), of the actuarial present value of post employment plan benefits and expenses which is not provided by normal cost.

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2011

NOTE 7 – POST EMPLOYMENT HEALTH CARE BENEFITS (continued)

	2011	2010
Actuarial Accrued Liability (AAL)	\$ 202,657	\$ 701,479
Actuarial Value of Plan Assets	0	0
Unfunded Act. Accrued Liability (UAAL)	\$ <u>202,657</u>	\$ <u>701,479</u>
Funded Ratio (Act. Val. Assets/AAL)	0%	0%
Covered Payroll (active plan members)	\$ 3,423,896	\$ 3,729,996
UAAL as a percentage of covered payroll	5.92%	18.81%

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

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

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%

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2011

NOTE 7 – POST EMPLOYMENT HEALTH CARE BENEFITS (continued)

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

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

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

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

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

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

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

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

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2011

NOTE 7 – POST EMPLOYMENT HEALTH CARE BENEFITS (continued)

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

	OPEB Costs and Contributions		
	FY 2011	FY 2010	FY 2009
OPEB Cost	\$ 12,608	\$ 89,856	\$ 89,856
Contribution	-	-	-
Retiree Premium	<u>9,281</u>	<u>7,489</u>	<u>7,489</u>
Change in Net OPEB Obligation	<u>\$ 3,327</u>	<u>\$ 82,367</u>	<u>\$ 82,367</u>
% of Contribution to Cost	0.00%	0.00%	0.00%
% of Contribution Plus Premium to Cost	73.61%	31.50%	31.50%

NOTE 8 - FEDERALLY ASSISTED PROGRAMS

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

NOTE 9 - DEFERRED COMPENSATION PLAN

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

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

NOTE 10 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budget/Actual Variances

The following individual fund has actual actual expenditures over budgeted expenditures for the year ended December 31, 2011:

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
CSBG Expenditures	\$ 118,920	\$ 126,431	\$ (7,511)

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2011

NOTE 11 - LITIGATION AND CLAIMS

According to the Parish District Attorney, the Humanitarian Enterprises of Lincoln Parish had no pending or threatened litigation as of December 31, 2011.

NOTE 12 - SUBSEQUENT EVENTS

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

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

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH
RUSTON, LOUISIANA
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues (Inflows)</u>				
Intergovernmental Revenue	\$ -	\$ -	\$ 941	\$ 941
Other Financing Sources	-	462	507	45
Total Revenue	-	462	1,448	986
<u>Expenditures (Outflows)</u>				
Operating Services and Supplies	-	375	414	(39)
Total Expenditures	-	375	414	(39)
<u>Excess of Revenues Over Expenditures</u>				
	-	87	1,034	947
<u>Fund Balance at Beginning of Year</u>	<u>20,329</u>	<u>20,329</u>	<u>20,329</u>	<u>-</u>
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ 20,329</u>	<u>\$ 20,416</u>	<u>\$ 21,363</u>	<u>\$ 947</u>

The accompanying notes are an integral part of this financial statement

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH
RUSTON, LOUISIANA
BUDGETARY COMPARISON SCHEDULE - TRANSPORTATION
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues (Inflows)</u>				
Intergovernmental Revenue	\$ 337,268	\$ 325,415	\$ 322,575	\$ (2,840)
Fees & Charges for Services	23,500	22,225	25,279	3,054
Use of Money and Property	10	(320)	-	320
Total Revenues	360,778	347,320	347,854	534
<u>Expenditures (Outflows)</u>				
Program Activities & Administration	372,229	347,320	354,408	(7,088)
Total Expenditures	372,229	347,320	354,408	(7,088)
<u>Deficiency of Revenues Over Expenditures</u>				
	(11,451)	-	(6,554)	(6,554)
Fund Balance at Beginning of Year	175,750	175,750	175,750	-
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ 164,299</u>	<u>\$ 175,750</u>	<u>\$ 169,196</u>	<u>\$ (6,554)</u>

The accompanying notes are an integral part of this financial statement

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH
RUSTON LOUISIANA
BUDGETARY COMPARISON SCHEDULE -
COMMUNITY SERVICES BLOCK GRANT (CSBG)
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues (Inflows)</u>				
Intergovernmental Revenue	\$ 121,056	\$ 118,920	\$ 122,481	\$ 3,561
Total Revenues	<u>121,056</u>	<u>118,920</u>	<u>122,481</u>	<u>3,561</u>
<u>Expenditures (Outflows)</u>				
Program Activities & Administration	121,056	118,920	126,431	(7,511)
Total Expenditures	<u>121,056</u>	<u>118,920</u>	<u>126,431</u>	<u>(7,511)</u>
<u>Deficiency of Revenues Over Expenditures</u>				
	-	-	(3,950)	(3,950)
<u>Fund Balance at Beginning of Year</u>	<u>4,082</u>	<u>4,082</u>	<u>4,082</u>	<u>8,164</u>
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ 4,082</u>	<u>\$ 4,082</u>	<u>\$ 132</u>	<u>\$ 4,214</u>

The accompanying notes are an integral part of this financial statement

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH
RUSTON, LOUISIANA
BUDGETARY COMPARISON SCHEDULE - LIHEAP
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues (Inflows):</u>				
Intergovernmental Revenue	\$ 223,760	\$ 384,100	\$ 384,099	\$ (1)
Use of Money and Property	-	-	-	-
Total Revenues	<u>223,760</u>	<u>384,100</u>	<u>384,099</u>	<u>(1)</u>
<u>Expenditures (Outflows):</u>				
Program Activities & Administration	<u>223,760</u>	<u>333,385</u>	<u>330,994</u>	<u>2,391</u>
Total Expenditures	<u>223,760</u>	<u>333,385</u>	<u>330,994</u>	<u>2,391</u>
<u>Deficiency of Revenues Over</u>				
<u>Expenditures</u>	-	50,715	53,105	2,390
<u>Fund Balance at Beginning of Year</u>				
	<u>(18,478)</u>	<u>(18,478)</u>	<u>(18,478)</u>	<u>-</u>
<u>FUND BALANCE AT END OF YEAR</u>				
	<u>\$ (18,478)</u>	<u>\$ 32,237</u>	<u>\$ 34,627</u>	<u>\$ 2,390</u>

The accompanying notes are an integral part of this financial statement

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH
RUSTON, LOUISIANA
NOTES TO BUDGETARY COMPARISON SCHEDULES
FOR THE YEAR ENDED DECEMBER 31, 2011

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

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

Budget/Actual Variances

The following individual fund has actual expenditures over budgeted expenditures for the year ended December 31, 2011:

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
CSBG Expenditures	\$ 118,920	\$126,431	\$ (7,511)

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

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

I have audited the financial statements of the Humanitarian Enterprises of Lincoln Parish (the Center) as of and for the year ended December 31, 2011, and have issued my report thereon dated May 25, 2012. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the Humanitarian Enterprises of Lincoln Parish's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Center's internal control over financial reporting.

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

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

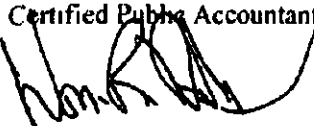
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Humanitarian Enterprises of Lincoln Parish's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed one instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* which is described in the accompanying schedule of findings and questioned costs as item 11-1.

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

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

WILLIAM R. HULSEY
Certified Public Accountant



May 25, 2012

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

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

Compliance

I have audited the compliance of the Humanitarian Enterprises of Lincoln Parish (the Center) with the types of compliance requirements described in the *U S Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2011. The Center's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Center's management. My responsibility is to express an opinion on Lincoln Parish Police Jury's compliance based on my audit.

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

In my opinion, the Humanitarian Enterprises of Lincoln Parish complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2011.

Internal Control Over Compliance

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

Health and Welfare Committee Members
of the Lincoln Parish Police Jury
Ruston, Louisiana
Page 2


In planning and performing my audit, I considered the Humanitarian Enterprises of Lincoln Parish's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing my opinion on compliance and to test and report on internal control over compliance in accordance with *OMB Circular A-133*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of the Humanitarian Enterprises of Lincoln Parish's internal control over compliance.

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

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

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

WILLIAM R. HULSEY
Certified Public Accountant


May 25, 2012

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

	<u>Program Name</u>	<u>Federal CFDA Number</u>	<u>Award Number</u>	<u>Expenditures</u>
United States Department of Health and Human Services				
Passed through State				
Department of Employment and Training				
	Community Service Block Grant	93 569	2011P0048	\$ 99,357
	Community Service Block Grant	93 569	2010P0048	<u>23,124</u>
				122,481
Department of Social Services				
	LIHEAP Energy	93 568	PY2011	384,099 *
	Medicaid - Title 19	93 778		39,330
	Temporary Assistance For Needy Families	93 558	G-0702 TANF 2008	<u>115,020</u>
Total U S Department of Health and Human Services				660,930
United States Department of Transportation				
Passed through State				
Department of Transportation				
	Urban Mass Transportation Administration -	20 509	LA-18-X028	<u>168,225</u>
Total Expenditures of Federal Awards				<u>\$ 829,155</u>

* Denotes Major Federal Financial Assistance Program
See accompanying Notes to Schedule of Expenditures of Federal Awards

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH
RUSTON, LOUISIANA
NOTES TO SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2011

1 General

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

2 Basis of Accounting

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

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

SUMMARY OF AUDIT RESULTS

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

- 1 An unqualified opinion was issued on the component unit financial statements of the Humanitarian Enterprises of Lincoln Parish as of and for the year ended December 31, 2011
- 2 The audit disclosed no significant deficiencies in internal control
- 3 The audit disclosed one instance of noncompliance that is required to be reported under *Government Auditing Standards*
- 4 The audit did not disclose any significant deficiencies in internal control over major programs
- 5 An unqualified opinion was issued on compliance for major programs
- 6 Audit findings that are required to be reported in accordance with Sections 510(a) of OMB Circular A-133 are reported in this schedule
- 7 The following programs were considered major for the year ended December 31, 2011

Low-Income Home Energy Assistance Program (CFDA #93 568)

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

FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

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

FINDINGS – FINANCIAL STATEMENT AUDIT

11-1 Incomplete Budgets

Condition

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

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

11-1 Incomplete Budgets (Continued)

Effect.

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

Recommendation

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

Response

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

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH
RUSTON, LOUISIANA
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2011

Internal Control and Compliance Material to Federal Awards

There were not findings for this category

Internal Control and Compliance Material to the Financial Statements

There were not findings for this category

Management Letter Comments

There were not findings for this category