

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA

Primary Government Financial Statements
For the Year Ended December 31, 2017

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
PRIMARY GOVERNMENT FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

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LINCOLN PARISH POLICE JURY
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, 2017, 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, 2017, 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, 2017, 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, 2017, 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 combining and individual nonmajor fund financial statements; the schedule of compensation, reimbursements, benefits and other payments to agency head, political subdivision head, or chief executive officer; 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; the schedule of compensation, reimbursements, benefits and other payments to agency head, political subdivision head, or chief executive officer; and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated 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



June 7, 2018

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, 2017.

FINANCIAL HIGHLIGHTS

Our financial statements provide the following key financial highlights for the 2017 fiscal year:

- General Government Activities report total costs of \$16,215,750 and total revenues of \$17,108,643.
- 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, 2017 and 2016**

	Governmental Activities 2017	Governmental Activities 2016
Current and other assets	44,431,522	46,396,346
Capital assets	22,173,588	22,390,772
Total assets	66,605,110	68,787,118
Current and other liabilities	3,774,950	5,058,088
Long-term liabilities	3,426,554	5,196,980
Total liabilities	7,201,504	10,255,068
Net Position		
Net investment in capital assets	22,173,588	22,390,772
Restricted	871,980	502,943
Unrestricted	36,358,038	35,495,059
Total net position	59,403,606	58,532,050

**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, 2017 and 2016**

	Governmental Activities 2017	Governmental Activities 2016
Revenues		
Program Revenues		
Charges for Services	1,675,790	1,334,268
Intergovernmental	2,630,252	3,173,988
General revenues		
Property taxes	6,696,422	6,445,018
Sales tax	4,617,338	4,776,289
Other taxes	330,345	142,741
Other Revenues	69,958	22,041
Gain (loss) on disposal of assets	-	(19,470)
Earnings on investments and rents	1,088,538	516,448
Miscellaneous	-	-
Total Revenues	17,108,643	16,391,323
Functions/Program Expenses		
Governmental Activities		
General and administrative	3,072,626	3,577,922
Public safety	510,706	545,841
Public works	8,664,998	8,914,968
Health and welfare	597,433	580,424
Operating services		
Culture and recreation	3,291,323	3,080,623
Economic development	12,500	20,761
Debt service	66,164	95,773
Total Functions/Program Expenses	16,215,750	16,816,312
Increase (decrease) in net position	892,893	(424,989)
Net position – beginning of year (restated)	58,510,713	58,957,039
Net position – ending of year	59,403,606	58,532,050

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

Governmental Activities

The cost of all governmental activities this year was \$16,112,222. As indicated in the Statement of Activities, the amount that our taxpayers financed for these activities through property, sales taxes and other taxes was \$11,644,105 with an additional \$1,171,022 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, 2017 and 2016**

	Total Cost Of Services 2017	Total Cost Of Services 2016
Governmental Activities		
General government	3,072,626	3,577,922
Public safety	510,706	545,841
Public works	8,664,998	8,914,968
Health and welfare	597,433	580,424
Culture and recreation	3,291,323	3,080,623
Economic development	12,500	20,761
Interest on long-term debt	66,164	95,773
Total Functions/Program Expenses	16,215,750	16,816,312

The Police Jury's Funds

As the Police Jury completed the year, its governmental funds reported a combined net position balance of \$59,424,943 indicating an increase of \$892,893 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 \$671,080. 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 eighth year in a row.

In the general fund, actual revenues exceeded budgeted revenues by \$48,461 and actual expenditures were less than budgeted expenditures by \$344,924.

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 2017 and 2016:

	Governmental Activities 2017	Governmental Activities 2016
Land	\$1,691,786	\$1,691,786
Buildings	5,211,986	5,388,338
Building improvements	4,828,088	5,026,501
Machinery and equipment	2,368,877	2,205,665
Furniture and fixtures	148,389	172,693
Vehicles	1,193,402	990,256
Non-depreciable improvements	67,100	67,100
Construction in progress	-	-
Infrastructure	6,663,960	6,848,432
Totals	\$22,173,588	\$22,390,771

Debt Administration

The Lincoln Parish Police Jury had \$1,953,000 in long-term debt instruments at year-end compared to \$2,481,000 in the prior year.

	2017	2016
Library Bonds payable	\$ 1,583,000	\$ 1,941,000
Certificates of Indebtedness	370,000	540,000
Total	\$ 1,953,000	\$2,481,000

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, 2017, 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 72% 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 leveling off, returning to near 2015 levels. Sales tax revenues are expected to remain flat until 2019. 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, 2017

	Governmental Activities
<i>Assets</i>	
Cash	\$ 13,056,101
Investments	22,636,264
Accounts Receivable	6,822,964
Due From Other Entities	55,488
Inventory	11,582
Capital Assets:	
Non-Depreciable	1,691,786
Depreciable	20,481,802
Total Assets	64,755,987
 <i>Deferred Outflow of Resources</i>	
Pension Related	1,842,066
Prepaid Expenses	7,057
Total Deferred Outflow of Resources	1,849,123
 <i>Liabilities</i>	
Accounts Payable	1,402,731
Due To Other Entities	427,068
Non-Current Liabilities	
Due Within One Year	
Bonds Payable	552,000
Due in More Than One Year	
Compensated Absences	118,192
Bonds Payable	1,401,000
Net Pension Liability	1,152,880
Unfunded Postretirement Benefit Plan Obligations	1,945,150
Total Liabilities	6,999,021
 <i>Deferred Inflow of Resources</i>	
Pension Related	202,482
 <i>Net Position</i>	
Net Investment in Capital Assets	22,173,588
Restricted For:	
Capital Projects	3,416,908
Debt Service	871,980
Unrestricted	32,941,130
Total Net Position	\$ 59,403,606

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, 2017

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	\$ 3,072,626	\$ 22,459	\$ -	\$ -	\$ (3,050,167)
Public Safety	510,706	463,847	37,236	103,528	93,905
Public Works	8,664,998	472,883	509,584	-	(7,682,531)
Health & Welfare	597,433	-	471,534	-	(125,899)
Culture & Recreation	3,291,323	278,295	-	-	(3,013,028)
Economic Development	12,500	-	-	-	(12,500)
Interest on Long-Term Debt	66,164	-	-	-	(66,164)
Total Governmental Activities	\$ 16,215,750	\$ 1,237,484	\$ 1,018,354	\$ 103,528	(13,856,384)

General Revenues:

Taxes:	
Property Taxes	6,696,422
Sales Taxes	4,617,338
Other Taxes	330,345
Severance Taxes	1,171,022
Intergovernmental Revenues	573,701
Fire Insurance Rebate	201,953
Other Revenues	69,958
Rents and Royalties	175,103
Sale of Assets	-
Transfers to Other Funds	-
Interest Earned	913,435
Total General Revenues	14,749,277
Changes in Net Position	892,893
Net Position - Beginning (Restated)	58,510,713
Net Position - Ending	<u>\$ 59,403,606</u>

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, 2017

	General Fund	Road Construction Fund	Road Maintenance Fund	Library Fund
Assets:				
Cash and Cash Equivalents	\$ 1,558,034	\$ 2,165,599	\$ 1,553,447	\$ 6,785
Investments	2,110,401	538,602	1,053,892	2,468,783
Receivables	1,418,496	1,799,852	2,011,453	899,889
Prepaid Expenses	7,057	-	-	-
Due From Other Funds	337,963	328,877	548	-
Due From Other Entities	36,631	-	-	-
Inventory	-	11,582	-	-
TOTAL ASSETS	<u>\$ 5,468,582</u>	<u>\$ 4,844,512</u>	<u>\$ 4,619,340</u>	<u>\$ 3,375,457</u>
Liabilities and fund equity:				
Liabilities:				
Accounts Payable	258,863	\$ 65,915	\$ 157,002	\$ 31,488
Due To Other Funds	987,067	-	-	258,362
Due To Other Entities	418,247	-	-	-
Total Liabilities	<u>1,664,177</u>	<u>65,915</u>	<u>157,002</u>	<u>289,850</u>
Fund Balances:				
Nonspendable	-	11,582	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	4,767,015	4,462,338	3,085,607
Unassigned	3,804,405	-	-	-
Total Fund Equity	<u>3,804,405</u>	<u>4,778,597</u>	<u>4,462,338</u>	<u>3,085,607</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 5,468,582</u>	<u>\$ 4,844,512</u>	<u>\$ 4,619,340</u>	<u>\$ 3,375,457</u>

Solid Waste Disposal Fund	Solid Waste Disposal Equipment Reserve Fund	Hospital Proceeds Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ 397,930	\$ 134,425	\$ 91,857	\$ 7,148,024	\$ 13,056,101
-	3,033,970	9,894,730	3,535,886	22,636,264
24,732	-	-	668,542	6,822,964
-	-	-	-	7,057
2,149	-	1,233	1,021,059	1,691,829
789	-	-	18,068	55,488
-	-	-	-	11,582
<u>\$ 425,600</u>	<u>\$ 3,168,395</u>	<u>\$ 9,987,820</u>	<u>\$ 12,391,579</u>	<u>\$ 44,281,285</u>
\$ 717,115	\$ 55	\$ 2,500	\$ 169,793	\$ 1,402,731
6,480	332,880	58,470	48,570	1,691,829
-	-	-	8,821	427,068
<u>723,595</u>	<u>332,935</u>	<u>60,970</u>	<u>227,184</u>	<u>3,521,628</u>
-	-	-	-	11,582
-	-	-	397,771	397,771
-	-	-	-	-
(297,995)	2,835,460	9,926,850	11,766,624	36,545,899
-	-	-	-	3,804,405
<u>(297,995)</u>	<u>2,835,460</u>	<u>9,926,850</u>	<u>12,164,395</u>	<u>40,759,657</u>
<u>\$ 425,600</u>	<u>\$ 3,168,395</u>	<u>\$ 9,987,820</u>	<u>\$ 12,391,579</u>	<u>\$ 44,281,285</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, 2017

Total Governmental Fund Balances	\$	40,759,657
 <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.		22,173,588
 Pension related items are not reported in the fund financial statements:		
Deferred Outflows		1,842,066
Deferred Inflows		(202,482)
Net Pension Liability		(1,152,880)
 Long-term obligations are not due and payable in the current period and therefore are not reported in the fund statements:		
Compensated absences payable		(118,192)
Bonds payable		(1,953,000)
Net OPEB obligation		(1,945,150)
Net Position of Governmental Activities	\$	59,403,607

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

RUSTON, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017

	General Fund	Road Construction Fund	Road Maintenance Fund	Library Fund
Revenues:				
Taxes:				
Ad Valorem	\$ 1,169,290	\$ 2,002,317	\$ 2,003,691	\$ 1,201,451
1/2 Cent Sales Tax	-	-	-	-
Other Taxes, Penalties and Interest, etc.	153,466	-	-	-
Intergovernmental Revenues:				
Federal Funds:				
Section 8 Housing	6,083	-	-	-
Other Federal Funds	103,528	-	-	-
State Funds:				
Parish Transportation Funds	-	-	-	-
State Revenue Sharing (net)	65,712	97,119	97,119	27,115
Grants - Other Local Agencies	-	-	-	-
Severance Tax	1,171,022	-	-	-
Fees, Charges and Commission for Services	201,953	-	-	83,387
Fines and Forfeitures	-	-	-	-
Use of Money and Property				
Interest Earnings and Rents	155,944	9,453	11,858	39,884
Other Revenues	32,556	8,608	8,608	1,575
Total Revenues	<u>3,059,554</u>	<u>2,117,497</u>	<u>2,121,276</u>	<u>1,353,412</u>
Expenditures:				
General Government	1,844,928	-	-	-
Public Safety	510,706	-	-	-
Public Works	-	1,300,385	1,846,920	-
Health and Welfare	17,190	-	-	-
Culture and Recreation	3,150	-	-	2,287,986
Economic Development and Assistance	12,500	-	-	-
Capital Outlay	-	394,379	19,406	-
Debt Service:				
Principal Payments	-	-	-	-
Interest and Other	-	-	-	-
Total Expenditures	<u>2,388,474</u>	<u>1,694,764</u>	<u>1,866,326</u>	<u>2,287,986</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>671,080</u>	<u>422,733</u>	<u>254,950</u>	<u>(934,574)</u>
Other Financing Sources (Uses):				
Operating Transfers In	-	-	-	-
Operating Transfers Out	<u>(539,307)</u>	<u>(150,030)</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(539,307)</u>	<u>(150,030)</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	131,773	272,703	254,950	(934,574)
Fund Balances, Beginning	<u>3,672,632</u>	<u>4,505,894</u>	<u>4,207,388</u>	<u>4,020,181</u>
Fund Balances, Ending	<u>\$ 3,804,405</u>	<u>\$ 4,778,597</u>	<u>\$ 4,462,338</u>	<u>\$ 3,085,607</u>

Solid Waste Disposal Fund	Solid Waste Disposal Equipment Reserve Fund	Hospital Proceeds Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ -	\$ 319,673	\$ 6,696,422
4,617,338	-	-	-	4,617,338
-	-	-	176,879	330,345
-	-	-	471,534	477,617
-	-	-	44,200	147,728
-	-	-	509,584	509,584
-	-	-	-	287,065
-	-	-	37,236	37,236
-	-	-	-	1,171,022
298,277	-	-	551,433	1,135,050
-	-	-	457,031	457,031
-	58,449	121,398	691,552	1,088,538
-	-	-	18,611	69,958
<u>4,915,615</u>	<u>58,449</u>	<u>121,398</u>	<u>3,277,733</u>	<u>17,024,934</u>
-	-	-	615,369	2,460,297
-	-	-	-	510,706
3,801,856	5,211	-	1,260,415	8,214,787
-	-	42,428	537,815	597,433
-	-	-	655,133	2,946,269
-	-	-	-	12,500
247,344	-	-	385,023	1,046,152
-	-	-	528,000	528,000
-	-	-	66,164	66,164
<u>4,049,200</u>	<u>5,211</u>	<u>42,428</u>	<u>4,047,919</u>	<u>16,382,308</u>
<u>866,415</u>	<u>53,238</u>	<u>78,970</u>	<u>(770,186)</u>	<u>642,626</u>
-	-	-	1,891,333	1,891,333
(1,143,526)	-	(58,470)	-	(1,891,333)
<u>(1,143,526)</u>	<u>-</u>	<u>(58,470)</u>	<u>1,891,333</u>	<u>-</u>
(277,111)	53,238	20,500	1,121,147	642,626
(20,884)	2,782,222	9,906,350	11,043,248	40,117,031
<u>\$ (297,995)</u>	<u>\$ 2,835,460</u>	<u>\$ 9,926,850</u>	<u>\$ 12,164,395</u>	<u>\$ 40,759,657</u>

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

FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017

Net Change in Fund Balances - Total Governmental Funds \$ 642,626

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:

Capital assets purchases capitalized	1,046,152
Capital assets disposed of less accumulated depreciation	(22,893)
Depreciation Expense	(1,240,502)
	(217,243)

Postretirement benefit plan expenditures (155,123)

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.

528,000

Payments of long-term debt, including contributions to the OPEB obligation, are reported as expenditures in governmental funds. However, these amounts are a reduction of long-term liabilities in the Statement of Net Position and are not reflected in the Statement of Activities:

Change in compensated absences payable	10,864
Pension expense	42,358
Other parties' contributions to pension plans	41,351
	94,573

Change in Net Position in Governmental Activities \$ 892,833

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, 2017

ASSETS

Investments, at Fair Value	<u>\$ 1,168,576</u>
TOTAL ASSETS	<u><u>\$ 1,168,576</u></u>

LIABILITIES

Liabilities	\$ -
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NET POSITION

Held in Trust for Deferred Compensation Benefits	<u>1,168,576</u>
TOTAL NET POSITION	<u><u>\$ 1,168,576</u></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, 2017

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 2019.

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, 2017

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.

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reporting Entity (Continued)

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). 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, 2017 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, 2017

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, 2017

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.

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Equity (Continued)

This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

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

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

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, 2017

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, 2017

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, 2017. The Police Jury had cash and cash equivalents in demand deposits, totaling \$13,056,101 at December 31, 2017.

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, 2017, are secured, as follows:

Bank Balances	\$ 10,493,501
FDIC Insurance	2,000,000
Pledged Securities (uncollateralized)	<u>10,214,155</u>
Total	<u>\$ 12,214,155</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, 2017.

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, 2017, the Police Jury had the following investments stated at cost, which approximates market:

Government Agency Bonds	\$ 20,400,791
Equities	18,294
Cash or Money Market Accounts	<u>2,217,179</u>
Total	<u>\$ 22,636,264</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.

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 3 – INVESTMENTS (Continued)

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.

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, 2017, 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		\$ 1,077,529	\$ 4,352,551	\$ -	\$ 348,324	\$ 5,778,404
Other		-	296,458	-	-	296,458
State revenue sharing		22,762	144,995	-	-	167,757
State reimbursements		8,159	-	-	-	8,159
Other		<u>310,046</u>	<u>236,333</u>	<u>25,807</u>	<u>-</u>	<u>572,186</u>
Totals		<u>\$ 1,418,496</u>	<u>\$ 5,030,337</u>	<u>\$ 25,807</u>	<u>\$ 348,324</u>	<u>\$ 6,822,964</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, 2017, is as follows:

	<u>2016 Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>2017 Balance</u>
Non-Depreciable Assets:				
Land	\$ 1,691,786	\$ -	\$ -	\$ 1,691,786
Infrastructure -CIP Improvements	-	-	-	-
Total	<u>1,691,786</u>	<u>-</u>	<u>-</u>	<u>1,691,786</u>
Depreciable Assets:				
Buildings	10,792,475	-	-	10,792,475
Infrastructure	26,302,244	-	-	26,302,244
Improvements	9,642,966	210,716	(14,439)	9,839,243
Vehicles	2,128,137	336,681	(21,507)	2,443,311
Furniture & Fixtures	1,380,165	-	(62,844)	1,317,321
Machinery & Equipment	<u>5,440,069</u>	<u>498,755</u>	<u>(110,833)</u>	<u>5,827,991</u>
Total	<u>55,686,056</u>	<u>1,046,152</u>	<u>(209,623)</u>	<u>56,522,585</u>

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NOTE 5 -- PROPERTY AND EQUIPMENT (Continued)

Less: Accumulated Depreciation:

Buildings	(5,404,137)	(176,352)	-	(5,580,489)
Infrastructure	(19,386,712)	(251,572)	-	(19,638,284)
Improvements	(4,616,465)	(339,709)	12,119	(4,944,055)
Vehicles	(1,137,881)	(131,155)	19,127	(1,249,909)
Furniture & Fixtures	(1,207,472)	(17,689)	56,229	(1,168,932)
Machinery & Equipment	(3,234,404)	(324,025)	99,315	(3,459,114)
Total	(34,987,071)	(1,240,502)	186,790	(36,040,783)
Capital Assets, Net	<u>\$ 22,390,771</u>	<u>\$(194,350)</u>	<u>\$(22,893)</u>	<u>\$ 22,173,588</u>

Depreciation expense charged for \$1,240,502 is as follows:

General Government	\$ 445,237
Public Safety	-
Public Works	450,211
Health & Welfare	-
Economic Development	-
Culture and Recreation	345,054
Total	<u>\$ 1,240,502</u>

NOTE 6 – PENSION PLAN

Plan Description

The Lincoln Parish Police Jury contributes to the Parochial Employees' Retirement System of Louisiana (System) which is a cost sharing multiple employer defined benefit pension plan. All permanent employees working at least 28 hours per week are eligible to participate in the System. As of January 1997, elected officials, except coroners, justices of the peace, and parish presidents may no longer join PERS. Section 1901 through 2025 of Title 11 of the Louisiana Revised Statutes (La. R.S. 11:1901-2025) and other general laws of the State of Louisiana govern PERS.

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.

Any member of Plan A hired prior to January 1, 2007, can retire providing he/she meets one of the following criteria:

1. Any age after 30 years of creditable service.
2. Age 55 after 25 years of creditable service.
3. Age 60 after 10 years of creditable service.
4. Age 65 after seven years creditable service.

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Eligibility for retirement for Plan A members hired on or after January 1, 2007 is as follows:

1. Age 55 after 30 years of creditable service.
2. Age 62 after 10 years of creditable service.
3. Age 67 after seven years of creditable service.

Generally, the monthly amount of the retirement allowance of any member of Plan A shall consist of an amount equal to three percent of the employee's final compensation multiplied by his or her years of creditable service. However, under certain conditions as outlined in the statutes, the benefits are limited to specified amounts.

The System also provides death and disability benefits. Benefits are established or amended by state statute.

For the year ended December 31, 2017, the Lincoln Parish Police Jury's total payroll for all employees was \$4,864,836. Total covered payroll was \$3,310,789. Covered payroll refers to all compensation paid by the Lincoln Parish Police Jury to active employees covered by the Plan.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. The report may be obtained by writing to the Parochial Employees Retirement System of Louisiana, 7509 Wrenwood Boulevard, Baton Rouge, Louisiana 70809, or by calling (225) 928-1361, or by visiting the System's website www.persla.org.

Contributions

According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ended December 31, 2017, the actual employer contribution rate was 12.50% for Plan A, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. In accordance with state statute, the System receives ad valorem taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities, but are not considered special funding situations.

Under Plan A, members are required by state statute to contribute 9.50% of their annual covered salary. The contributions are deducted from the employee's wages or salary and remitted by the Lincoln Parish Police Jury to the System monthly. The Lincoln Parish Police Jury's contributions to the System under Plan A for the year ending December 31, 2016 were \$728,374.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

At December 31, 2017, the Employer reported a liability of \$1,152,880 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of December 31, 2016 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The Lincoln Parish Police Jury's proportion of the Net Pension Liability was based on a projection of the Police Jury's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

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At December 31, 2016, the Police Jury's proportion was 0.559783%, which was an increase of 0.007431% from its proportion measured as of December 31, 2015.

For the year ended December 31, 2017, the Lincoln Parish Police Jury recognized pension expense of \$684,797 plus employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, which was (\$727,155). Total pension expense for the Lincoln Parish Police Jury for the year ended December 31, 2017 was (\$42,358).

At December 31, 2017, the Lincoln Parish Police Jury reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	-	201,743
Changes in assumption	218,881	-
Net difference between projected and actual earnings on pension plan investments	894,678	-
Changes in employer's portion of beginning net pension liability	2,738	370
Differences between employer contributions and proportionate share of employer contributions	(2,605)	369
Subsequent measurement contributions	728,374	-
Total	1,842,066	202,482

Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year ended December 31,	
2018	409,896
2019	409,896
2020	409,896
2021	409,896

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of December 31, 2016, are as follows:

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Valuation Date	December 31, 2015
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Investment Rate of Return	7.00% (net of investment expense, including inflation)
Salary increases	5.25% (2.75% merit, 2.50% inflation)
Mortality rates	RP-2000 Employee Sex Distinct Table was selected for employees. RP-2000 Healthy Annuitant Sex Distinct Tables were selected for annuitants and beneficiaries. RP-2000 Disabled Lives Mortality Table was selected for disabled annuitants.
Expected remaining service lives	4 years
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.

The discount rate used to measure the total pension liability was 7.00% for Plan A and 7.00% for Plan B. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers and non-employer contributing entities will be made at the actuarially determined contribution rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the capital asset pricing model (top-down), a treasury yield curve approach (bottom-up) and an equity building-block model (bottom-up). Risk return and correlations are projected on a forward looking basis in equilibrium, in which best estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.00% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 7.66% for the year ended December 31, 2016.

Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of December 31, 2016 are summarized in the following table:

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Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed income	35%	1.24%
Equity	52%	3.63%
Alternatives	11%	0.67%
Real Assets	2%	0.12%
Totals	100%	5.66%
Inflation		2.00%
Expected arithmetic nominal return		7.66%

Discount Rate

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from employers will be made at contractually required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payment to determine the total pension liability.

Sensitivity of the Lincoln Parish Police Jury's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Lincoln Parish Police Jury's proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the Police Jury's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (6.00%) or one percentage-point higher (8.00%) than the current rate:

	1.0% Decrease (6.00%)	Current Discount Rate (7.00%)	1.0% Increase (8.00%)
Employer's proportionate share of net pension liability	\$3,448,728	\$1,152,880	(\$788,329)

Payables to the Pension Plan

These financial statements include no payable to the pension plan, which is the legally required contribution due at December 31, 2017. This amount is recorded in accrued expenses.

Plan Fiduciary Net Position

Detailed information about the Plan's fiduciary net position is available in the separately issued Parochial Employees' Retirement System of Louisiana Audit Report at www.persla.org.

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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 \$175,103 for the year ended December 31, 2017. Future minimum lease payments for these leases are as follows:

Year Ended December 31,	LPPJ Complex Lease
2018	137,608
2019	137,608
Total	<u>\$ 275,216</u>

NOTE 8 – DUE TO/FROM OTHER FUNDS

Individual fund balances due to/from other funds at December 31, 2017, are as follows:

<u>Fund</u>	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
Major Funds:		
General Fund	\$ 337,963	\$ 987,067
Special Revenue Funds:		
Road Construction Fund	328,877	-
Road Maintenance Fund	548	-
Library Fund	-	258,362
Solid Waste Disposal Fund	2,149	6,480
Solid Waste Equipment Reserve	-	332,880
Hospital Proceeds Fund	1,233	58,470
Non-Major Funds:		
Special Revenue Funds	473,088	45,733
Capital Projects Funds	547,685	2,837
Debt Service Funds	<u>286</u>	<u>-</u>
Totals	<u>\$ 1,691,829</u>	<u>\$ 1,691,829</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.

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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, 2017:

Balance at January 1, 2017	\$ 9,992
Court costs collected	6,816
Interest	26
Witness fees paid	<u>(650)</u>
Balance at December 31, 2017	\$ 16,184

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.

The following schedule provides detail on changes for the year ended December 31, 2017.

	<u>Collection Equipment</u>	<u>Disposal Equipment</u>	<u>Total</u>
Balance at January 1, 2017	\$ 2,862,017	\$ 2,782,222	\$ 5,644,239
Transfers in (out)	-	-	-
Sale of assets	-	-	-
Other revenues	44,631	58,449	103,080
Equipment replacement costs	-	-	-
Expenditures	<u>(1,182)</u>	<u>(5,211)</u>	<u>(6,393)</u>
Balance at December 31, 2017	<u>\$ 2,905,466</u>	<u>\$ 2,835,460</u>	<u>\$ 5,740,926</u>

The total Solid Waste Equipment Reserve as of December 31, 2017, is as follows:

Solid Waste Equipment Reserve	\$ 5,740,926
Sewer Fund Equipment Replacement	<u>92,532</u>
Total Fund Equity Designated for Equipment Replacement	<u>\$ 5,833,458</u>

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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, 2017, \$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.

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.

Property Tax Calendar

Assessment Date	January 1, 2017
Levy Date	November 8, 2017
Tax Bills Mailed	November 15, 2017
Total Taxes Are Due	December 31, 2017
Penalties and Interest are Added	January 1, 2018
Tax Sales – 2013 Delinquent Property	May 20-22, 2018

	<u>Authorized Millage</u>	<u>Levied Millage</u>
Parish Taxes:		
General Fund inside Ruston	2.00	1.68
General Fund outside Ruston	4.00	3.37
Road Maintenance	4.41	4.41
Construction Improvement	4.41	4.41
Library Operation	5.99	3.20
Library Bond Fund	0.80	0.75

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, 2017, the following governmental funds had variances greater than 5%:

	<u>Budget</u>	<u>Actual</u>	<u>Variances (Unfavorable)</u>
General Fund			
Fees and Charges for Services	\$ 227,454	\$ 201,953	\$ (25,501)
Road Construction Fund			
Capital Outlay	\$ -	\$ 394,379	\$ (394,379)
Road Maintenance Fund			
Capital Outlay	\$ -	\$ 19,406	\$ (19,406)

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NOTE 14 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY - Continued

Library Fund			
Ad Valorem Revenue	\$ 1,382,013	\$ 1,201,451	\$ (180,562)
Solid Waste Disposal Fund			
½ Cent Sales Tax	\$ 4,840,000	\$ 4,617,338	\$ (222,662)
Solid Waste Disposal Reserve Fund			
Public Works	\$ -	\$ 5,211	\$ (5,211)

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 medical plan and are made available to employees upon actual retirement.

The employees are covered by the Parochial Employees' Retirement System of Louisiana, whose retirement eligibility (D.R.O.P. entry) provisions are as follows: 30 years of service at any age; age 55 and 25 years of service; age 60 and 10 years of service; or, age 65 and 7 years of service. For employees hired on and after January 1, 2007. Retirement eligibility (D.R.O.P. entry) provisions are as follows: age 55 and 30 years of service; age 62 and 10 years of service; or, age 67 and 7 years of service.

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

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

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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 insurance benefits (the Lincoln Parish Police Jury’s portion of the retiree medical and life insurance benefit premiums) as an expense when the benefit premiums were due and thus financed the cost of the post-employment benefits on a pay-as-you-go basis. In 2017 and 2016, the Lincoln Parish Police Jury’s portion of health care and life insurance funding cost for retired employees totaled \$314,865 and \$360,334, respectively. Effective January 1, 2008, the Lincoln Parish Police Jury implemented Government Accounting Standards Board Codification Section P50, *Accounting and Financial Reporting by Employers for Post-employment Benefits Other than Pensions* (GASB Codification Section). This amount was applied toward the Net OPEB Benefit Obligation as shown in the following table.

Annual Required Contribution – The Lincoln Parish Police Jury’s Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB Codification Section P50. The ARC is the sum of the Normal Cost plus the contribution to amortize the Unfunded Actuarial Accrued Liability (UAAL). A level dollar, open amortization period of 30 years (the maximum amortization period allowed by GASB Codification Section P50) has been used for the post-employment benefits. The actuarially computed ARC is as follows:

	<u>2017</u>	<u>2016</u>
Normal cost	\$ 171,613	\$ 127,194
30-year UAL amortization amount	<u>330,291</u>	<u>315,238</u>
Annual required contribution (ARC)	\$ <u>501,904</u>	\$ <u>442,432</u>

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

	<u>2017</u>	<u>2016</u>
Beginning Net OPEB Obligation	\$ 1,790,028	\$ 1,738,937
Annual required contribution	501,904	442,432
Interest on Net OPEB Obligation	71,601	69,557
ARC Adjustment	<u>(103,517)</u>	<u>(100,563)</u>
OPEB Cost	469,988	411,426
Contribution to Irrevocable Trust	-	-
Current year retiree premium	<u>(314,865)</u>	<u>(360,334)</u>
Change in Net OPEB Obligation	<u>155,123</u>	<u>51,092</u>
Ending Net OPEB Obligation	\$ <u>1,945,150</u>	\$ <u>1,790,028</u>

The following table shows the Lincoln Parish Police Jury’s annual other post-employment benefits (OPEB) cost, percentage of the cost contributed, and the net other post-employment benefits (OPEB) liability for last year and this year:

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<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, 2017	\$ 469,988	66.99%	\$ 1,945,150
December 31, 2016	\$ 411,426	87.58%	\$ 1,790,028

Funded Status and Funding Progress – In 2017 and 2016, the Lincoln Parish Police Jury made no contributions to its post-employment benefits plan. The plan is not funded, has no assets, and hence has a funded ratio of zero. Based on the January 1, 2017 actuarial valuation, the most recent valuation, the Actuarial Accrued Liability (AAL) at the end of the year December 31, 2017 was \$5,939,974 which is defined as that portion, as determined by a particular actuarial cost method (the 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.

	<u>2017</u>	<u>2016</u>
Actuarial Accrued Liability (AAL)	\$ 5,939,974	\$ 5,669,200
Actuarial Value of Plan Assets (AVP)	-	-
Unfunded Act. Accrued Liability (UAAL)	\$ 5,939,974	\$ 5,669,200
Funded Ratio (AVP/AAL)	0.00%	0.00%
Covered Payroll (active plan members)	\$ 4,040,230	\$ 2,758,325
UAAL as a percentage of covered payroll	147.20%	205.53%

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 Lincoln Parish Police Jury and its employce plan members) at the time of the valuation and on the pattern of sharing costs between the 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 the 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.

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

Actuarial Value of Plan Assets – There are not any plan assets. It is anticipated that in future valuations, should funding take place, a smoothed market value consistent with Actuarial Standards Board ASOP 6, as provided in paragraph number 125 of GASB Codification Section P50.

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

Post-employment Benefit Plan Eligibility Requirements – Based on past experience, it has been assumed that entitlement to benefits will commence three years after eligibility to enter the D.R.O.P., as described above under "Plan Description". Medical benefits are provided to employees upon actual retirement.

Investment Return Assumption (Discount Rate) – GASB Codification Section P50 states that the investment return assumption should be the estimated long-term investment yield on the investments that are expected to be used to finance the payment of benefits (that is, for a plan which is funded). Based on the assumption that the ARC will not be funded, a 4% annual investment return has been used in this valuation.

Health Care Cost Trend Rate – The expected rate of increase in medical cost is based on a flat annual rate of 5.5%. There has not been any trend applied after Medicare eligibility because of the high Medicare supplemental benefit rates and the fact that Medicare is the primary coverage.

Mortality Rate - The 1994 Group Annuity Reserving (94GAR) table, projected to 2002, based on a fixed blend of 50% of the unloaded male mortality rates and 50% of the unloaded female mortality rates, is used. This is a recently published mortality table which has been used in determining the value of accrued benefits in defined benefit pension plans. Projected future mortality improvement has not been used since it is our opinion that this table contains sufficiently conservative margin for the population involved in this valuation.

Method of Determining Value of Benefits – The "value of benefits" has been assumed to be the portion of the premium after retirement date expected to be paid by the employer for each retiree and has been used as the basis for calculating the actuarial present value of OPEB benefits to be paid. The employer pays 90 to 95% of the cost of the medical insurance (depending on the plan) for the retiree and 50% for dependents. Medical and dental coverage is not provided after age 65 to retirees who were hired 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.

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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

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.

OPEB Costs and Contributions				
	FY 2015	FY 2016	FY 2017	
OPEB Cost	\$ 395,513	\$ 411,426	\$ 469,988	
Contribution	0	0	0	
Retiree premium	<u>333,643</u>	<u>360,334</u>	<u>314,865</u>	
Total contribution and premium	<u>333,643</u>	<u>360,334</u>	<u>314,865</u>	
Change in net OPEB obligation	\$ <u>61,870</u>	\$ <u>51,092</u>	\$ <u>155,123</u>	
% of contribution to cost	0.00%	0.00%	0.00%	
% of contribution plus premium to cost	84.36%	87.58%	66.99%	

NOTE 17 – BONDS PAYABLE

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Government Activities:					
Bonds Payable:					
General Obligation Refunding Bond, Series 2011	\$ 1,941,000	\$ -	\$ 358,000	\$ 1,583,000	\$ 372,000
Certificates of Indebtedness, Series 2009	540,000	-	170,000	370,000	180,000
Accrued Vacation and Sick Time	<u>129,056</u>	<u>-</u>	<u>10,864</u>	<u>118,192</u>	<u>118,192</u>
Total Governmental Activities					
Long-Term Debt	<u>\$ 2,610,056</u>	<u>\$ -</u>	<u>\$ 538,864</u>	<u>\$2,071,192</u>	<u>\$670,192</u>

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 17 – BONDS PAYABLE – Continued

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

Year Ended December 31,	Certificates of Indebtedness Series 2011		Certificates of Indebtedness Series 2009	
	Principal	Interest	Principal	Interest
2018	372,000	42,189	180,000	16,095
2019	386,000	30,743	190,000	8,265
2020	404,000	18,815	-	-
2021	<u>421,000</u>	<u>6,357</u>	<u>-</u>	<u>-</u>
Total	<u>\$1,583,000</u>	<u>\$ 98,104</u>	<u>\$ 370,000</u>	<u>\$ 24,360</u>

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

Fund	Operating Transfers	
	In	Out
Major Funds:		
General Fund	\$ -	\$ 539,307
Special Revenue Funds:		
Solid Waste Disposal Fund	-	1,143,526
Hospital Proceeds Fund	-	58,470
Non-Major Funds:		
Special Revenue Funds	1,162,026	-
Capital Projects Funds	<u>729,307</u>	<u>-</u>
Totals	<u>\$ 1,891,333</u>	<u>\$ 1,891,333</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 June 7, 2018, 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.

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 20 – PRIOR PERIOD ADJUSTMENT

During the year an amount recorded as due to other funds was reversed. \$21,337 had previously been recorded in the Courthouse Capital fund as due from the HELP Transportation fund, but was deemed not collectible due to lack of funding for that program. This resulted in a decrease in fund balance and net assets of \$21,337.

Note 21: LANDFILL CLOSURE AND POST CLOSURE COSTS

State and federal laws and regulations require the Police Jury to place a final cover on its Type III C&D and woodwaste Landfill when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Because closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the Police Jury does not report these costs as an operating expense in the December 31, 2017 financial statements. The Police Jury will recognize the estimated cost of closure and postclosure care of \$531,521 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2017. Actual cost may be higher due to inflation, changes in technology, or changes in regulations. The Police Jury is required by state and federal laws and regulations to make annual contributions to a separate fund to finance closure and postclosure care. The Police Jury is in compliance with these requirements, and, at December 31, 2017, investments of \$3,033,970 are held for these purposes in the Solid Waste Disposal Reserve Fund. These are reported as assigned assets on the balance sheet. The Police Jury expects that future inflation costs will be paid from interest earnings on these annual contributions. However, if interest earnings are inadequate or additional postclosure care requirements are determined (due to changes in technology or applicable laws or regulations, for example), these costs may need to be covered by future charges to landfill users or from future tax revenue.

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, 2017

	<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	\$ 1,178,004	\$ 1,165,987	\$ 1,169,290	\$ 3,303
Licenses & Permits	136,870	156,300	153,466	(2,834)
<u>Intergovernmental Revenues:</u>				
<u>Federal Funds:</u>				
Section 8 Housing	4,525	5,500	6,083	583
FEMA	-	-	-	-
<u>State Funds:</u>				
State Revenue Sharing	60,895	60,895	65,712	4,817
Severance Tax	1,200,000	1,200,000	1,171,022	(28,978)
Fees, Charges & Commission for Services	213,500	227,454	201,953	(25,501)
Use of Money and Property, Interest Earnings and Rent	50,000	79,500	155,944	76,444
Other Revenues	22,000	11,929	32,556	20,627
 Total Revenues	 <u>2,865,794</u>	 <u>2,907,565</u>	 <u>2,956,026</u>	 <u>48,461</u>
 <u>Expenditures (Outflows):</u>				
General Government	1,996,374	2,019,095	1,741,400	277,695
Public Safety	773,380	793,930	510,706	283,224
Health and Welfare	17,000	17,500	17,190	310
Culture and Recreation	55,540	53,540	3,150	50,390
Economic Development	23,500	23,500	12,500	11,000
Capital Outlay	-	-	-	-
 Total Expenditures	 <u>2,865,794</u>	 <u>2,907,565</u>	 <u>2,284,946</u>	 <u>344,924</u>
 <u>Excess (Deficiency) of Revenues</u>				
<u>Over Expenditures</u>	-	-	671,080	393,385
 <u>Other Financing Uses:</u>				
Operating Transfers Out	(538,208)	(544,695)	(539,307)	5,388
 <u>Excess (Deficiency) of Revenues Over</u>				
<u>Expenditures and Other Uses</u>	(538,208)	(544,695)	131,773	398,773
 <u>Fund Balance at Beginning of Year</u>	 <u>3,672,632</u>	 <u>3,672,632</u>	 <u>3,672,632</u>	 <u>-</u>
 <u>FUND BALANCE AT END OF YEAR</u>	 <u>\$ 3,134,424</u>	 <u>\$ 3,127,937</u>	 <u>\$ 3,804,405</u>	 <u>\$ 398,773</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, 2017

	<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	\$ 1,688,000	\$ 1,904,639	\$ 2,002,317	\$ 97,678
Intergovernmental Revenues:				
State Funds:				
State Revenue Sharing	90,177	92,255	97,119	4,864
Use of Money and Property, Interest Earnings and Rent	11,000	8,578	18,061	9,483
Total Revenues	<u>1,789,177</u>	<u>2,005,472</u>	<u>2,117,497</u>	<u>112,025</u>
<u>Expenditures (Outflows):</u>				
Public Works	1,789,382	1,733,951	1,300,385	433,566
Capital Outlay	-	-	394,379	(394,379)
Total Expenditures	<u>1,789,382</u>	<u>1,733,951</u>	<u>1,694,764</u>	<u>39,187</u>
<u>Excess of Revenues Over Expenditures</u>	(205)	271,521	422,733	151,212
<u>Other Financing Uses:</u>				
Transfers Out	(113,030)	(150,030)	(150,030)	-
<u>Fund Balance at Beginning of Year</u>	<u>4,505,894</u>	<u>4,505,894</u>	<u>4,505,894</u>	<u>-</u>
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ 4,392,659</u>	<u>\$ 4,627,385</u>	<u>\$ 4,778,597</u>	<u>\$ 151,212</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, 2017

	<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	\$ 1,688,000	\$ 1,904,639	\$ 2,003,691	\$ 99,052
Intergovernmental Revenues:				
State Funds:				
State Revenue Sharing	90,177	92,255	97,119	4,864
Use of Money and Property, Interest Earnings and Rent	11,000	18,197	20,466	2,269
Total Revenues	<u>1,789,177</u>	<u>2,015,091</u>	<u>2,121,276</u>	<u>106,185</u>
<u>Expenditures (Outflows):</u>				
Public Works	1,789,177	1,881,129	1,846,920	34,209
Capital Outlay	-	-	19,406	(19,406)
Total Expenditures	<u>1,789,177</u>	<u>1,881,129</u>	<u>1,866,326</u>	<u>14,803</u>
<u>Excess of Revenues Over Expenditures</u>	-	133,962	254,950	120,988
<u>Fund Balance at Beginning of Year</u>	<u>4,207,388</u>	<u>4,207,388</u>	<u>4,207,388</u>	-
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ 4,207,388</u>	<u>\$ 4,341,350</u>	<u>\$ 4,462,338</u>	<u>\$ 120,988</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, 2017

	<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	\$ 1,516,576	\$ 1,382,013	\$ 1,201,451	\$ (180,562)
Intergovernmental Revenues:				
State Funds:				
State Revenue Sharing	33,000	27,115	27,115	-
Fees, Charges & Commission for Services	106,000	123,200	124,846	1,646
Other Revenues	-	-	-	-
Total Revenues	<u>1,655,576</u>	<u>1,532,328</u>	<u>1,353,412</u>	<u>(178,916)</u>
<u>Expenditures (Outflows):</u>				
Culture and Recreation	<u>2,441,217</u>	<u>2,259,990</u>	<u>2,287,986</u>	<u>(27,996)</u>
Total Expenditures	<u>2,441,217</u>	<u>2,259,990</u>	<u>2,287,986</u>	<u>(27,996)</u>
<u>Excess (Deficit) of Revenues Over Expenditures</u>	(785,641)	(727,662)	(934,574)	(206,912)
<u>Fund Balance at Beginning of Year</u>	<u>4,020,181</u>	<u>4,020,181</u>	<u>4,020,181</u>	<u>-</u>
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ 3,234,540</u>	<u>\$ 3,292,519</u>	<u>\$ 3,085,607</u>	<u>\$ (206,912)</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, 2017

	<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	\$ 4,840,000	\$ 4,840,000	\$ 4,617,338	\$ (222,662)
Fees, Charges & Commission for Services	225,000	273,950	298,277	24,327
Use of Money and Property, Interest Earnings and Rent	10	10	-	(10)
Total Revenues	<u>5,065,010</u>	<u>5,113,960</u>	<u>4,915,615</u>	<u>(198,345)</u>
<u>Expenditures (Outflows):</u>				
Public Works	<u>3,954,380</u>	<u>4,059,635</u>	<u>4,049,200</u>	<u>10,435</u>
Total Expenditures	<u>3,954,380</u>	<u>4,059,635</u>	<u>4,049,200</u>	<u>10,435</u>
<u>Excess of Revenues Over Expenditures</u>	1,110,630	1,054,325	866,415	(187,910)
<u>Other Financing Uses:</u>				
Transfers Out	(1,110,630)	(1,110,630)	(1,143,526)	(32,896)
<u>Fund Balance at Beginning of Year</u>	<u>(20,884)</u>	<u>(20,884)</u>	<u>(20,884)</u>	<u>-</u>
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ (20,884)</u>	<u>\$ (77,189)</u>	<u>\$ (297,995)</u>	<u>\$ (220,806)</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, 2017

	<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	\$ 15,000	\$ 36,000	\$ 58,449	\$ 22,449
Total Revenues	15,000	36,000	58,449	22,449
<u>Expenditures (Outflows):</u>				
Public Works	-	-	5,211	(5,211)
Capital Outlay	-	249,656	-	249,656
Total Expenditures	-	249,656	5,211	244,445
<u>Excess (Deficiency) of Revenues Over Expenditures</u>	15,000	(213,656)	53,238	266,894
<u>Fund Balance at Beginning of Year</u>	<u>2,782,222</u>	<u>2,782,222</u>	<u>2,782,222</u>	<u>-</u>
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ 2,797,222</u>	<u>\$ 2,568,566</u>	<u>\$ 2,835,460</u>	<u>\$ 266,894</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, 2017

	<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	\$ 108,000	\$ 105,000	\$ 121,398	\$ 16,398
Total Revenues	108,000	105,000	121,398	16,398
<u>Expenditures (Outflows):</u>				
Health and Welfare	46,530	46,530	42,428	4,102
<u>Excess of Revenues Over Expenditures</u>	61,470	58,470	78,970	20,500
<u>Other Financing Uses</u>				
Operating Transfers Out	(60,470)	(58,470)	(58,470)	-
<u>Fund Balance at Beginning of Year</u>	9,906,350	9,906,350	9,906,350	-
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ 9,907,350</u>	<u>\$ 9,906,350</u>	<u>\$ 9,926,850</u>	<u>\$ 20,500</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, 2017

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, 2017, for the governmental funds that had variances greater than 5%, see note 14 in the financial statements.

Lincoln Parish Police Jury
 Parochial Employee's Retirement System (Plan A)
 Schedule of Employer's Share of Net Pension Liability
 12/31/2017

Year	Employer's Proportion of the Net Pension Liability (Asset)	Employer's Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Employee Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a percentage of its Covered Payroll	Plan Fiduciary Net Pension as a Percentage of the Total Pension Liability
2015	0.589037%	161,049	3,310,538	-4.86%	99.15%
2016	0.552352%	1,453,950	3,166,967	-45.91%	92.23%
2017	0.559783%	1,152,880	3,320,553	-34.72%	94.15%

Lincoln Parish Police Jury
 Parochial Employee's Retirement System (Plan A)
 Schedule of Employer's Contributions
 12/31/2017

Year	Contractually Required Contributions	Contributions in Relation to Contractually Required Contributions	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a Percentage of Covered Employee Payroll
2015	459,210	459,210	-	3,166,967	14.50%
2016	431,577	431,577	-	3,320,553	13.00%
2017	728,374	728,374	-	5,826,989	12.50%

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, 2017

	Special Road Fund	Solid Waste Collection Fund	Solid Waste Collection Equipment Reserve Fund	Criminal Court Fund
Assets:				
Cash and Cash Equivalents	\$ -	\$ 2,183,919	\$ 767,107	\$ -
Investments	789,777	1,039,819	1,688,359	-
Receivables	42,184	234,535	-	910
Due From Other Governments	-	-	-	4,710
Due From Other Funds	1,882	2,500	450,000	-
TOTAL ASSETS	\$ 833,843	\$ 3,460,773	\$ 2,905,466	\$ 5,620
Liabilities and Fund Equity:				
Liabilities:				
Accounts Payable	\$ 10,715	\$ 40,583	\$ -	\$ 7,563
Due to Other Governments	-	-	-	-
Due to Other Funds	29,361	7,056	-	4,606
Total Liabilities	40,076	47,639	-	12,169
Fund Equity:				
Fund Balances:				
Restricted	-	-	-	-
Assigned	793,767	3,413,134	2,905,466	(6,549)
Unassigned	-	-	-	-
Total Fund Equity	793,767	3,413,134	2,905,466	(6,549)
TOTAL LIABILITIES AND FUND EQUITY	\$ 833,843	\$ 3,460,773	\$ 2,905,466	\$ 5,620

Law Enforcement Witness Fee Fund	Sewer Fund	Juvenile Assistance Fund	Health Unit Fund	Section 8 Housing Fund	Sewer Fund Equipment Replacement	Totals
\$ 20,371	\$ 109,210	\$ 3,457	\$ 112,456	\$ 405,185	\$ 101,796	\$ 3,703,501
-	-	-	-	-	-	3,517,955
436	14,939	-	-	1,407	-	294,411
87	-	-	-	-	-	4,797
-	-	-	18,706	-	-	473,088
<u>\$ 20,894</u>	<u>\$ 124,149</u>	<u>\$ 3,457</u>	<u>\$ 131,162</u>	<u>\$ 406,592</u>	<u>\$ 101,796</u>	<u>\$ 7,993,752</u>
\$ -	\$ 3,408	\$ -	\$ 1,422	\$ -	\$ -	\$ 63,691
-	-	-	-	8,821	-	8,821
4,710	-	-	-	-	-	45,733
4,710	3,408	-	1,422	8,821	-	118,245
-	-	-	-	397,771	-	397,771
16,184	120,741	3,457	129,740	-	101,796	7,477,736
-	-	-	-	-	-	-
16,184	120,741	3,457	129,740	397,771	101,796	7,875,507
<u>\$ 20,894</u>	<u>\$ 124,149</u>	<u>\$ 3,457</u>	<u>\$ 131,162</u>	<u>\$ 406,592</u>	<u>\$ 101,796</u>	<u>\$ 7,993,752</u>

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, 2017

	Special Road Fund	Solid Waste Collection Fund	Solid Waste Collection Equipment Reserve Fund	Criminal Court Fund
Revenues:				
Intergovernmental Revenues:				
Federal Funds:				
Federal Grants	\$ -	\$ -	\$ -	\$ -
State Funds:				
Parish Transportation Funds	509,584	-	-	-
Grants - Other Local Agencies	-	-	-	-
Fees, Charges and Commission for Services	-	78,491	-	-
Fines and Forfeitures	-	-	-	457,031
Use of Money and Property				
Interest Earnings and Rents	8,701	14,188	44,631	51
Other Revenues	-	9,347	-	-
Total Revenues	<u>518,285</u>	<u>102,026</u>	<u>44,631</u>	<u>457,082</u>
Expenditures:				
General Government:				
Judicial	-	-	-	469,693
Public Works	263,256	917,517	1,182	-
Health and welfare	-	-	-	-
Capital Outlay	136,912	-	-	-
Total Expenditures	<u>400,168</u>	<u>917,517</u>	<u>1,182</u>	<u>469,693</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>118,117</u>	<u>(815,491)</u>	<u>43,449</u>	<u>(12,611)</u>
Other Financing Sources (Uses):				
Operating Transfers In	-	1,143,526	-	-
Operating Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>1,143,526</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	118,117	328,035	43,449	(12,611)
Fund Balances, Beginning (restated)	<u>675,650</u>	<u>3,085,099</u>	<u>2,862,017</u>	<u>6,062</u>
Fund Balances, Ending	<u>\$ 793,767</u>	<u>\$ 3,413,134</u>	<u>\$ 2,905,466</u>	<u>\$ (6,549)</u>

Law Enforcement Witness Fee Fund	Sewer Fund	Juvenile Assistance Fund	Health Unit Fund	Section 8 Housing Fund	Sewer Fund Equipment Replacement	Totals
\$ -	\$ -	\$ -	\$ -	\$ 471,534	\$ -	\$ 471,534
-	-	-	-	-	-	509,584
-	-	32,236	5,000	-	-	37,236
6,816	96,115	-	-	-	-	181,422
-	-	-	-	-	-	457,031
26	-	20	-	3,304	-	70,921
-	-	-	-	-	9,264	18,611
<u>6,842</u>	<u>96,115</u>	<u>32,256</u>	<u>5,000</u>	<u>474,838</u>	<u>9,264</u>	<u>1,746,339</u>
650	-	29,458	-	-	-	499,801
-	78,460	-	-	-	-	1,260,415
-	-	-	15,376	522,439	-	537,815
-	-	-	-	-	-	136,912
<u>650</u>	<u>78,460</u>	<u>29,458</u>	<u>15,376</u>	<u>522,439</u>	<u>-</u>	<u>2,434,943</u>
<u>6,192</u>	<u>17,655</u>	<u>2,798</u>	<u>(10,376)</u>	<u>(47,601)</u>	<u>9,264</u>	<u>(688,604)</u>
-	-	-	18,500	-	-	1,162,026
-	-	-	-	-	-	-
-	-	-	18,500	-	-	1,162,026
6,192	17,655	2,798	8,124	(47,601)	9,264	473,422
9,992	103,086	659	121,616	445,372	92,532	7,402,085
<u>\$ 16,184</u>	<u>\$ 120,741</u>	<u>\$ 3,457</u>	<u>\$ 129,740</u>	<u>\$ 397,771</u>	<u>\$ 101,796</u>	<u>\$ 7,875,507</u>

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.

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
NONMAJOR CAPITAL PROJECTS FUND
COMBINING BALANCE SHEET
DECEMBER 31, 2017

	Park and Recreation Fund	Courthouse Capital Project Fund	North Louisiana Exhibition Center Fund	Bridge Replacement Fund	Totals
Assets:					
Cash and Cash Equivalents	\$ 621,021	\$ 1,656,809	\$ 66,578	\$ 576,745	\$ 2,921,153
Investments	17,931	-	-	-	17,931
Receivables	15,687	-	-	10,120	25,807
Due From Other Governments	-	13,271	-	-	13,271
Due From Other Funds	18,408	489,307	-	39,970	547,685
TOTAL ASSETS	\$ 673,047	\$ 2,159,387	\$ 66,578	\$ 626,835	\$ 3,525,847
Liabilities and Fund Equity:					
Liabilities:					
Accounts Payable	\$ 76,851	\$ 22,996	\$ 5,962	\$ 293	\$ 106,102
Due to Other Entities	-	-	-	-	-
Due to Other Funds	1,227	-	1,610	-	2,837
Total Liabilities	78,078	22,996	7,572	293	108,939
Fund Equity:					
Fund Balances:					
Assigned	594,969	2,136,391	59,006	626,542	3,416,908
Total Fund Equity	594,969	2,136,391	59,006	626,542	3,416,908
TOTAL LIABILITIES AND FUND EQUITY	\$ 673,047	\$ 2,159,387	\$ 66,578	\$ 626,835	\$ 3,525,847

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, 2017

	Park and Recreation Fund	Courthouse Capital Project Fund	North Louisiana Exhibition Center Fund	Bridge Replacement Fund	Totals
Revenues:					
Grants	\$ 44,200	\$ -	\$ -	\$ -	\$ 44,200
Other Taxes, Penalties and Interest, etc.	176,879	-	-	-	176,879
Use of Money and Property -					
Interest and Rent	558,466	13,854	46,817	-	619,137
Fees and Charges	83,704	-	111,204	-	194,908
Total Revenues	<u>863,249</u>	<u>13,854</u>	<u>158,021</u>	<u>-</u>	<u>1,035,124</u>
Expenditures:					
Operating Services:					
General Government	-	115,568	-	-	115,568
Culture and Recreation	403,197	-	144,125	107,811	655,133
Capital Outlay	248,111	-	-	-	248,111
Total Expenditures	<u>651,308</u>	<u>115,568</u>	<u>144,125</u>	<u>107,811</u>	<u>1,018,812</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>211,941</u>	<u>(101,714)</u>	<u>13,896</u>	<u>(107,811)</u>	<u>16,312</u>
Other Financing Sources (Uses):					
Operating Transfers In	50,000	489,307	-	190,000	729,307
Operating Transfers (Out)	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>50,000</u>	<u>489,307</u>	<u>-</u>	<u>190,000</u>	<u>729,307</u>
Excess (Deficiency) of Revenues over Expenditure	261,941	387,593	13,896	82,189	745,619
Fund Balance, Beginning (restated)	333,028	1,748,798	45,110	544,353	2,671,289
Fund Balance, Ending	<u>\$ 594,969</u>	<u>\$ 2,136,391</u>	<u>\$ 59,006</u>	<u>\$ 626,542</u>	<u>\$ 3,416,908</u>

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
DEBT SERVICE FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2017

	Library Bond Sinking Fund	LPPJ Complex II Bond Sinking Fund	Total
ASSETS			
Cash	\$ 384,924	\$ 138,446	\$ 523,370
Accounts Receivable	348,324	-	348,324
Due from other funds	286	-	286
	TOTAL ASSETS	\$ 138,446	\$ 871,980
LIABILITIES			
Liabilities	\$ -	\$ -	\$ -
FUND BALANCE			
Assigned	733,534	138,446	871,980
	TOTAL LIABILITIES AND FUND BALANCE	\$ 138,446	\$ 871,980

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, 2017

	Library Bond Sinking Fund	LPPJ Complex II Bond Sinking Fund	Total
Revenues:			
Taxes:			
Ad Valorem	\$ 319,673	\$ -	\$ 319,673
Rent Income	-	175,103	175,103
Use of Money and Property			
Interest Earnings	1,234	260	1,494
Total Revenues	<u>320,907</u>	<u>175,363</u>	<u>496,270</u>
Expenditures:			
Principal Payments	358,000	170,000	528,000
Interest Payments	42,224	23,490	65,714
Paying Agent Fees	450	-	450
Total Expenditures	<u>400,674</u>	<u>193,490</u>	<u>594,164</u>
Excess (Deficiency) of Revenues Over Expenditures	(79,767)	(18,127)	(97,894)
Other Financing Sources			
Transfer In	-	-	-
Excess of Revenues and Other Sources over Expenditures	(79,767)	(18,127)	(97,894)
Fund Balance, Beginning	<u>813,301</u>	<u>156,573</u>	<u>969,874</u>
Fund Balance, Ending	<u>\$ 733,534</u>	<u>\$ 138,446</u>	<u>\$ 871,980</u>

OTHER SUPPLEMENTAL INFORMATION –
COMPLIANCE REQUIREMENTS

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, 2017

	<u>Jody Backus</u> <u>Police</u> <u>Juror</u>	<u>Bobby Bennett</u> <u>Police</u> <u>Juror</u>	<u>David</u> <u>Hammons</u> <u>Police</u> <u>Juror</u>	<u>Joseph</u> <u>Henderson</u> <u>Police</u> <u>Juror</u>	<u>Hazel Hunter</u> <u>Police</u> <u>Juror</u>
Purpose:					
Salary	\$ 10,500	\$ 10,500	\$ 10,500	\$ 10,500	\$ 10,500
Benefits - Insurance	-	-	-	-	-
Benefits - Retirement	-	-	-	-	-
Benefits - Dental	-	-	-	-	-
Travel Reimbursements	-	-	-	-	1,595
Registration Fees	-	-	-	-	-
Auto	-	-	-	-	-
Vehicle Provided by LPPJ	-	-	-	-	-
TOTAL	<u>\$ 10,500</u>	<u>\$ 10,500</u>	<u>\$ 10,500</u>	<u>\$ 10,500</u>	<u>\$ 12,095</u>

Sharyon Mayfield Police Juror	Walter Pullen Police Juror	Randy Roberson Police Jury President	Skip Russell Police Juror	Annette Straughter Police Juror	Nancy Wilson Police Juror
\$ 10,500	\$ 10,500	\$ 11,500	\$ 10,500	\$ 10,500	\$ 10,500
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
835	-	-	-	139	430
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 11,335</u>	<u>\$ 10,500</u>	<u>\$ 11,500</u>	<u>\$ 10,500</u>	<u>\$ 10,639</u>	<u>\$ 10,930</u>

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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, 2017

	Theresa Wyatt Police Juror	Courtney Hall Parish Administrator	Megan Wiens Parish Treasurer	Laura Hartt Parish Treasurer
Purpose:				
Salary	\$ 10,000	\$ 106,018	\$ 17,245	\$ 52,681
Benefits - Insurance	-	20,168	2,259	13,961
Benefits - Retirement	-	13,273	2,156	6,599
Benefits - Dental	-	825	89	571
Travel Reimbursements		-	-	-
Registration Fees		-	-	-
Auto		504	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL	<u>\$ 10,000</u>	<u>\$ 140,788</u>	<u>\$ 21,749</u>	<u>\$ 73,812</u>

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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, 2017, 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 June 7, 2018.

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 2017-1.

Lincoln Parish Police Jury’s Response to Findings

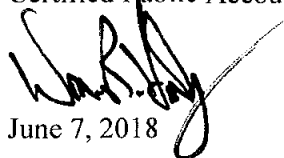
Lincoln Parish Police Jury’s response to the findings identified in my audit is described in the accompanying schedule of findings and questioned costs. The Police Jury’s response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, I express 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



June 7, 2018

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2017

Lincoln Parish Police Jury
Ruston, Louisiana

I have audited the financial statements of the Lincoln Parish Police Jury as of and for the year ended December 31, 2017 and have issued my report thereon dated June 7, 2018. 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. My audit of the financial statements as of December 31, 2017, resulted in an unqualified opinion.

Section I- Summary of Auditor's Results

A. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weakness ___ yes X no
Significant Deficiencies not considered to be
Material Weaknesses ___ yes ___ no

Compliance

Compliance Material to Financial Statements X yes ___ no

B. Federal Awards – N/A

Material Weakness Identified ___ yes ___ no
Significant Deficiencies not considered to be
Material Weaknesses ___ yes ___ no

Type of Opinion on Compliance For Major Programs (No Major Programs)

Unqualified _____ Qualified _____
Disclaimer _____ Adverse _____

Are their findings required to be reported in accordance with the Uniform Guidance?
N/A

C. Identification of Major Programs: N/A

Name of Federal Program (or cluster) CFDA Number(s) N/A

Dollar threshold used to distinguish between Type A and Type B Programs. N/A

Is the auditee a “low-risk” auditee, as defined by the Uniform Guidance? N/A

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2017

Section I - Internal Control and Compliance Material to the Financial Statements

2017-01 Employee theft of cash receipts

Finding:

During the year, the parish treasurer discovered that the receptionist was taking cash from various sources. The internal controls in place did not catch the theft because the process relied on the employee in question to alert the treasurer to the existence of such infrequent cash receipts. Total amount of the theft was \$9,684 and full restitution was made.

Condition:

The accounting duties for these functions are performed by one employee.

Cause:

Limited number of employees due to the small size of the Police Jury.

Effect:

Errors or irregularities may not be detected within a timely period.

Recommendation:

The Police Jury should revise the internal controls and related processes with regard to accepting cash payments. Funds should be deposited the business day following receipt.

Management's Corrective Action Plan:

The theft of money was reported to the local authorities and to the auditor. The former employee was arrested and has made full restitution of the money.

Section II - Financial Statement Findings

No findings were reported under this section.

Section III - Management Letter

No management letter was issued.

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2017

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.

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INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the Lincoln Parish Police Jury and the Louisiana Legislative Auditor:

I have performed the procedures enumerated below, which were agreed to by the Police Jury of the Fourth Judicial District (Entity) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the period January 1, 2017 through December 31, 2017. The Entity's management is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

1. Obtain the entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the entity does not have any written policies and procedures), as applicable:
 - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget
 - b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
 - c) **Disbursements**, including processing, reviewing, and approving
 - d) **Receipts**, including receiving, recording, and preparing deposits
 - e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
 - f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process
 - g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage
 - h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers

- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.
- j) **Debt Service**, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

- Budgeting – The Police Jury has written policies and procedures regarding budget preparation, adoption, monitoring and amending.

- Purchasing – The Police Jury has written policies and procedures for purchasing regarding the following:

Initiation of purchases – Purchasing agent

Addition of vendors – the accountant adds vendors

Preparation and approval of check requests

Controls ensuring compliance with public bid laws

Bids and price quotes are required to be maintained . When major purchases are needed for the Jury, the Purchasing Officer usually gathers bids via email, fax or phone.

- Disbursements – The Police Jury has written policies and procedures regarding disbursement processing, reviewing and approving.
- Receipts – The Police Jury does not have written policies and procedures regarding receiving, recording and preparation of deposits for all receipts.
- Payroll & Personnel – The Police Jury has written policies and procedures regarding payroll processing and reviewing and approving time and attendance.
- Contracting – The Police Jury has written policies and procedures regarding the types of services that require contracts, terms and condition, legal review and approval.
- Credit Cards – The Police Jury has written policies and procedures regarding the control of credit cards, allowable business usage, documentation requirements, required approvers and monitoring process.
- Travel & Expense Reimbursement – The Police Jury does not have written policies and procedures regarding what's allowable, dollar amount by expense category, documentation requirements and required approvers.
- Ethics – The Police Jury has written policies and procedures regarding ethics.
- Debt Service – There is not a debt service policy.

2. Obtain and review the board/committee minutes for the fiscal period, and:

- a) Report whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.

- b) Report whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the entity's prior audit (GAAP-basis).
 - If the budget-to-actual comparisons show that management was deficit spending during the fiscal period, report whether there is a formal/written plan to eliminate the deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, report whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan.
- c) Report whether the minutes referenced or included non-budgetary financial information (e.g. approval of contracts and disbursements) for at least one meeting during the fiscal period.

All policies and procedures were followed with no exceptions noted.

3. Obtain a listing of client bank accounts from management and management's representation that the listing is complete.
4. Using the listing provided by management, select all of the entity's bank accounts (if five accounts or less) or one-third of the bank accounts on a three year rotating basis (if more than 5 accounts). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. For each of the bank accounts selected, obtain bank statements and reconciliations for all months in the fiscal period and report whether:
 - a) Bank reconciliations have been prepared;
 - b) Bank reconciliations include evidence that a member of management or a board member (with no involvement in the transactions associated with the bank account) has reviewed each bank reconciliation; and
 - c) If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period.

The Police Jury has thirty one bank accounts that it operates. Bank reconciliations are prepared monthly and the Treasurer examines them along with the bank statement each month checking outstanding check amounts. The Treasurer currently does sign off on the reconciliations and bank statements.

5. Obtain a listing of cash/check/money order (cash) collection locations and management's representation that the listing is complete.
6. Using the listing provided by management, select all of the entity's cash collection locations (if five locations or less) or one-third of the collection locations on a three year rotating basis (if more than 5 locations). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. **For each cash collection location selected:**
 - a) Obtain existing written documentation (e.g. insurance policy, policy manual, job description) and report whether each person responsible for collecting cash is (1) bonded, (2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account (report if there are compensating controls performed by an outside party), and (3) not required to share the same cash register or drawer with another employee.
 - b) Obtain existing written documentation (e.g. sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and report whether the entity has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source

and/or agency fund additions, by a person who is not responsible for cash collections in the cash collection location selected.

- c) Select the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:
 - Using entity collection documentation, deposit slips, and bank statements, trace daily collections to the deposit date on the corresponding bank statement and report whether the deposits were made within one day of collection. If deposits were not made within one day of collection, report the number of days from receipt to deposit for each day at each collection location.
 - Using sequentially numbered receipts, system reports, or other related collection documentation, verify that daily cash collections are completely supported by documentation and report any exceptions.
7. Obtain existing written documentation (e.g. policy manual, written procedure) and report whether the entity has a process specifically defined (identified as such by the entity) to determine completeness of all collections, including electronic transfers, for each revenue source and agency fund additions by a person who is not responsible for collections.

Cash is received by the individual bringing the money to the office or by mail. There is not a policy on procedures regarding cash collections, but the persons receiving the payments are not bonded. There is no formal process to reconcile cash collections to the general ledger or subsidiary. I selected the highest (dollar) week of cash collections from the general ledger and traced daily collections to the deposit date on the bank statement noting their timely deposit. All cash collections are completely supported by documentation without any exceptions. Currently, the Police Jury does have written documentation on the processes to determine completeness of all collections.

8. Obtain a listing of entity disbursements from management or, alternately, obtain the general ledger and sort/filter for entity disbursements. Obtain management's representation that the listing or general ledger population is complete.
9. Using the disbursement population from #8 above, randomly select 25 disbursements (or randomly select disbursements constituting at least one-third of the dollar disbursement population if the entity had less than 25 transactions during the fiscal period), excluding credit card/debit card/fuel card/P-card purchases or payments. Obtain supporting documentation (e.g. purchase requisitions, system screens/logs) for each transaction and report whether the supporting documentation for each transaction demonstrated that:
 - a) Purchases were initiated using a requisition/purchase order system or an equivalent electronic system that separates initiation from approval functions in the same manner as a requisition/purchase order system.
 - b) Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase.
 - c) Payments for purchases were not processed without (1) an approved requisition and/or purchase order, or electronic equivalent; a receiving report showing receipt of goods purchased, or electronic equivalent; and an approved invoice.
10. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the person responsible for processing payments is prohibited from adding vendors to the entity's purchasing/disbursement system.

11. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the persons with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases.
12. Inquire of management and observe whether the supply of unused checks is maintained in a locked location, with access restricted to those persons that do not have signatory authority, and report any exceptions. Alternately, if the checks are electronically printed on blank check stock, review entity documentation (electronic system control documentation) and report whether the persons with signatory authority have system access to print checks.
13. If a signature stamp or signature machine is used, inquire of the signer whether his or her signature is maintained under his or her control or is used only with the knowledge and consent of the signer. Inquire of the signer whether signed checks are likewise maintained under the control of the signer or authorized user until mailed. Report any exceptions.

A listing of disbursements was obtained from the Police Jury and 25 disbursements were selected for testing, and no exceptions were noted. There currently is no policy or procedure prohibiting the person responsible for processing payments from adding vendors to the Police Jury's purchasing system. There is a segregation of duties policy which covers who has signatory authority and authorization for disbursements do not initiate or record purchases. Unused checks are maintained in a locked location with restricted access. A signature stamp is not used. All checks require two authorized signers.

14. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards), including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
15. Using the listing prepared by management, randomly select 10 cards (or at least one-third of the cards if the entity has less than 10 cards) that were used during the fiscal period, rotating cards each year. If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner.

Obtain the monthly statements, or combined statements if multiple cards are on one statement, for the selected cards. Select the monthly statement or combined statement with the largest dollar activity for each card (for a debit card, select the monthly bank statement with the largest dollar amount of debit card purchases) and:
 - a) Report whether there is evidence that the monthly statement or combined statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder.
 - b) Report whether finance charges and/or late fees were assessed on the selected statements.
16. Using the monthly statements or combined statements selected under #15 above, obtain supporting documentation for all transactions for each of the 10 cards selected (i.e. each of the 10 cards should have one month of transactions subject to testing).
 - a) For each transaction, report whether the transaction is supported by:
 - An original itemized receipt (i.e., identifies precisely what was purchased)
 - Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.

- Other documentation that may be required by written policy (e.g., purchase order, written authorization.)
- b) For each transaction, compare the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the entity's written purchasing/disbursement policies and the Louisiana Public Bid Law (i.e. transaction is a large or recurring purchase requiring the solicitation of bids or quotes) and report any exceptions.
- c) For each transaction, compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. cash advances or non-business purchases, regardless whether they are reimbursed).
If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

A list of all credit and debit cards was obtained from the Police Jury. 4 cards were selected for testing with the monthly statements without any exceptions. No finance charges were paid on any of the statements.

17. Obtain from management a listing of all travel and related expense reimbursements, by person, during the fiscal period or, alternately, obtain the general ledger and sort/filter for travel reimbursements. Obtain management's representation that the listing or general ledger is complete.
18. Obtain the entity's written policies related to travel and expense reimbursements. Compare the amounts in the policies to the per diem and mileage rates established by the U.S. General Services Administration (www.gsa.gov) and report any amounts that exceed GSA rates.
19. Using the listing or general ledger from #17 above, select the three persons who incurred the most travel costs during the fiscal period. Obtain the expense reimbursement reports or prepaid expense documentation of each selected person, including the supporting documentation, and choose the largest travel expense for each person to review in detail. For each of the three travel expenses selected:
 - a) Compare expense documentation to written policies and report whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging). If the entity does not have written policies, compare to the GSA rates (#18 above) and report each reimbursement that exceeded those rates.
 - b) Report whether each expense is supported by:
 - An original itemized receipt that identifies precisely what was purchased. [Note: An expense that is reimbursed based on an established per diem amount (e.g., meals) does not require a receipt.]
 - Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).
 - Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance)
 - c) Compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse). If the nature of the

transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

- d) Report whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

A listing of all travel and related expense reimbursements during the fiscal year was obtained from the Police Jury. The Police Jury does not have written policies and procedures regarding travel and expense reimbursements. Three travel payments were selected and tested without exception. All travel and expense, and expense reimbursements were documented as to the business purpose and all were reviewed and approved by someone other than the person receiving the reimbursement.

20. Obtain a listing of all contracts in effect during the fiscal period or, alternately, obtain the general ledger and sort/filter for contract payments. Obtain management's representation that the listing or general ledger is complete.

21. Using the listing above, select the five contract "vendors" that were paid the most money during the fiscal period (excluding purchases on state contract and excluding payments to the practitioner). Obtain the related contracts and paid invoices and:

- a) Report whether there is a formal/written contract that supports the services arrangement and the amount paid.
- b) Compare each contract's detail to the Louisiana Public Bid Law or Procurement Code. Report whether each contract is subject to the Louisiana Public Bid Law or Procurement Code and:
 - If yes, obtain/compare supporting contract documentation to legal requirements and report whether the entity complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder)
 - If no, obtain supporting contract documentation and report whether the entity solicited quotes as a best practice.
- c) Report whether the contract was amended. If so, report the scope and dollar amount of the amendment and whether the original contract terms contemplated or provided for such an amendment.
- d) Select the largest payment from each of the five contracts, obtain the supporting invoice, compare the invoice to the contract terms, and report whether the invoice and related payment complied with the terms and conditions of the contract.
- e) Obtain/review contract documentation and board minutes and report whether there is documentation of board approval, if required by policy or law (e.g. Lawrason Act or Home Rule Charter).

A list of contracts was obtained from the Police Jury, four contracts paid the most money were selected for testing without exception.

22. Obtain a listing of employees (and elected officials, if applicable) with their related salaries, and obtain management's representation that the listing is complete. Randomly select five employees/officials, obtain their personnel files, and:

- a) Review compensation paid to each employee during the fiscal period and report whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.
 - b) Review changes made to hourly pay rates/salaries during the fiscal period and report whether those changes were approved in writing and in accordance with written policy.
23. Obtain attendance and leave records and randomly select one pay period in which leave has been taken by at least one employee.

Within that pay period, randomly select 25 employees/officials (or randomly select one-third of employees/officials if the entity had less than 25 employees during the fiscal period), and:

- a) Report whether all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)
 - b) Report whether there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees/officials.
 - c) Report whether there is written documentation that the entity maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees/officials that earn leave.
24. Obtain from management a list of those employees/officials that terminated during the fiscal period and management's representation that the list is complete.
- If applicable, select the two largest termination payments (e.g., vacation, sick, compensatory time) made during the fiscal period and obtain the personnel files for the two employees/officials. Report whether the termination payments were made in strict accordance with policy and/or contract and approved by management.
25. Obtain supporting documentation (e.g. cancelled checks, EFT documentation) relating to payroll taxes and retirement contributions during the fiscal period. Report whether the employee and employer portions of payroll taxes and retirement contributions, as well as the required reporting forms, were submitted to the applicable agencies by the required deadlines.

A listing of employees was obtained from the Police Jury. All full-time employees do not fill out a time sheet, but they turn in leave slips. Their hours are recapped on a time recap and approved. The attorneys are paid by the Police Jury, state warrant and the rest is supplemented by the Police Jury, who makes the decision on the amount to supplement. The non-attorney full-time employees are paid by the Police Jury. Part-time employees are required to fill out a time sheet, but do not have leave slips. They are not paid if they do not work. All payroll taxes and retirement contributions were paid and filed during the year without exception.

26. Using the five randomly selected employees/officials from procedure #22 under "Payroll and Personnel" above, obtain ethics compliance documentation from management and report whether the entity maintained documentation to demonstrate that required ethics training was completed.
27. Inquire of management whether any alleged ethics violations were reported to the entity during the fiscal period. If applicable, review documentation that demonstrates whether management investigated alleged ethics violations, the corrective actions taken, and whether management's actions complied with the entity's ethics policy. Report whether management received allegations, whether

management investigated allegations received, and whether the allegations were addressed in accordance with policy.

Five employees were tested for their ethics compliance documentation without exception. There were no ethics violations during the year and there were not allegations received during the year.

28. If debt was issued during the fiscal period, obtain supporting documentation from the entity, and report whether State Bond Commission approval was obtained.
29. If the entity had outstanding debt during the fiscal period, obtain supporting documentation from the entity and report whether the entity made scheduled debt service payments and maintained debt reserves, as required by debt covenants.
30. If the entity had tax millages relating to debt service, obtain supporting documentation and report whether millage collections exceed debt service payments by more than 10% during the fiscal period. Also, report any millages that continue to be received for debt that has been paid off.

There were no written policies and procedures for debt service.

31. Inquire of management whether the entity had any misappropriations of public funds or assets. If so, obtain/review supporting documentation and report whether the entity reported the misappropriation to the legislative auditor.
32. Observe and report whether the entity has posted on its premises and website, the notice required by R.S. 24:523.1. This notice (available for download or print at www.la.gov/hotline) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.
33. If the practitioner observes or otherwise identifies any exceptions regarding management's representations in the procedures above, report the nature of each exception.

Inquired of management whether the Police Jury's office had any misappropriations of public funds or assets and there was one instance which restitution was made. The notice concerning the reporting of misappropriation, fraud, waste, or abuse of public funds is posted on its premises, which is the notice required by R.S. 24:523.1.

I was not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, I do not express such an opinion or conclusion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.


Monroe, Louisiana
June 7, 2018