

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA

Primary Government Financial Statements
For the Year Ended December 31, 2019

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
PRIMARY GOVERNMENT FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

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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, 2019, 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, 2019, 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, 2019, 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.

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, 2019, 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, Schedule of Proportionate Share of the Net Pension Liability, Schedule of Employer Contributions to Pension Plan, Schedule of Changes in Net OPEB Liability and Related Ratios, and the Budgetary Comparison Schedules, as listed in the table of contents, be presented to supplement the basic financial statements.

Lincoln Parish Police Jury
Ruston, Louisiana

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

Supplementary and Other Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Police Jury's basic financial statements. The accompanying supplementary information, as listed in the table of contents, and the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the other information, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying supplementary information, and the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the accompanying supplementary information, as listed in the table of contents, and the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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.

Lincoln Parish Police Jury
Ruston, Louisiana

The accompanying other information, as listed in the table of contents, has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, I do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated August 5, 2020 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



August 5, 2020

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, 2019.

FINANCIAL HIGHLIGHTS

Our financial statements provide the following key financial highlights for the 2019 fiscal year:

- General Government Activities report total costs of \$19,105,401 and total revenues of \$17,983,570
- 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, 2019 and 2018

	Governmental Activities 2019	Governmental Activities 2018
Current and other assets	47,886,102	44,594,878
Capital assets	22,593,564	22,101,904
Total assets	70,479,666	66,696,782
Current and other liabilities	3,704,053	1,852,994
Long-term liabilities	11,516,598	7,489,523
Total liabilities	15,220,651	9,342,517
Net Position		
Net investment in capital assets	22,593,564	22,101,904
Restricted	2,571,044	641,505
Unrestricted	30,094,407	29,814,255
Total net position	55,259,015	56,129,515

**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, 2019 and 2018**

	Governmental Activities 2019	Governmental Activities 2018
Revenues		
Program Revenues		
Charges for Services	1,610,630	1,506,694
Operating & Capital Grants	1,556,201	1,913,421
General revenues		
Property taxes	7,896,941	7,056,248
Sales tax	4,582,037	4,754,089
Other taxes	243,025	139,117
Other Revenues	1,469,689	1,966,615
Gain (loss) on disposal of assets	-	-
Earnings on investments and rents	625,047	480,702
Miscellaneous	-	-
Total Revenues	17,983,570	17,816,886
Functions/Program Expenses		
Governmental Activities		
General and administrative	5,497,857	2,227,932
Public safety	808,187	1,669,219
Public works	8,794,341	8,635,589
Health and welfare	687,892	658,813
Operating services		
Culture and recreation	3,186,695	3,069,686
Economic development	29,750	22,500
Debt service	100,679	70,168
Total Functions/Program Expenses	19,105,401	16,353,907
Increase (decrease) in net position	(1,121,831)	1,462,979
Net position – beginning of year (restated)	56,380,846	54,666,536
Net position – ending of year	55,259,015	56,129,515

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

Governmental Activities

The cost of all governmental activities this year was \$19,105,401. As indicated in the Statement of Activities, the amount that our taxpayers financed for these activities through property, sales taxes and other taxes was \$12,722,033 with an additional \$251,896 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, 2019 and 2018**

	Total Cost Of Services 2019	Total Cost Of Services 2018
Governmental Activities		
General government	5,447,857	2,227,932
Public safety	676,807	1,669,219
Public works	8,794,341	8,635,589
Health and welfare	819,272	658,813
Culture and recreation	3,236,695	3,069,686
Economic development	29,750	22,500
Interest on long-term debt	100,679	70,168
Total Functions/Program Expenses	19,105,401	16,353,907

The Police Jury's Funds

As the Police Jury completed the year, its governmental funds reported a combined net position balance of \$55,259,015 indicating a decrease of \$1,121,831 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 expenditures over revenue in the General Fund was \$281,253, due mostly to the decline of severance taxes received. As expected, severance taxes fell sharply, down by \$996,205 from the prior year.

In the general fund, actual revenues exceeded budgeted revenues by \$128,993 and actual expenditures were less than budgeted expenditures by \$12,004.

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 2019 and 2018:

	Governmental Activities 2019	Governmental Activities 2018
Land	\$1,681,786	\$1,691,786
Buildings	4,859,952	5,088,156
Machinery and equipment	2,605,998	2,552,632
Furniture and fixtures	108,232	132,147
Construction in progress	132,392	213,487
Infrastructure	6,198,581	6,423,940
Totals	\$22,593,564	\$22,101,904

Debt Administration

The Lincoln Parish Police Jury had \$825,000 in long-term debt instruments at year-end compared to \$1,401,000 in the prior year.

	<u>2019</u>	<u>2018</u>
Library Bonds payable	\$ 825,000	\$ 1,211,000
Certificates of Indebtedness	-	190,000
Total	\$ 825,000	\$ 1,401,000

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. Bonds were issued for the construction of the Parish Library and Events Center. 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. 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, 2019, the Lincoln Parish Police Jury has complied with requirements of Government Accounting Standards Board Statement Number 75, *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 44% 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. Sales tax revenues showed a leveling off, returning to near 2015 levels. Sales tax revenues are expected to remain flat until 2020. 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 Christopher B. Hyde 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, 2019

	Governmental Activities
<i>Assets</i>	
Cash	\$ 14,747,902
Investments	22,890,444
Accounts Receivable	7,904,928
Due From Other Entities	305,530
Inventory	11,582
Capital Assets:	
Non-Depreciable	1,814,178
Depreciable	20,779,386
Total Assets	68,453,950
 <i>Deferred Outflow of Resources</i>	
Pension Related	2,019,986
Prepaid Expenses	5,730
Total Deferred Outflow of Resources	2,025,716
 <i>Liabilities</i>	
Accounts Payable	1,664,397
Due To Other Entities	2,039,656
Non-Current Liabilities	
Due Within One Year	
Bonds Payable	404,000
Compensated Absences	94,142
Due in More Than One Year	
Bonds Payable	421,000
Net Pension Liability	2,484,021
Unfunded Postretirement Benefit Plan Obligations	7,960,665
Total Liabilities	15,067,881
 <i>Deferred Inflow of Resources</i>	
Pension Related	152,770
 <i>Net Position</i>	
Net Investment in Capital Assets	22,593,564
Restricted For:	
Capital Projects	2,183,540
Debt Service	387,504
Unrestricted	30,094,407
Total Net Position	\$ 55,259,015

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, 2019

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	\$ 5,497,857	\$ 23,028	\$ -	\$ -	\$ (5,474,829)
Public Safety	808,187	484,441	26,489	441,804	144,547
Public Works	8,794,341	437,670	554,391	-	(7,802,280)
Health & Welfare	687,892	-	575,338	-	(112,554)
Culture & Recreation	3,186,695	665,491	-	-	(2,521,204)
Economic Development	29,750	-	-	-	(29,750)
Interest on Long-Term Debt	100,679	-	-	-	(100,679)
Total Governmental Activities	\$ 19,105,401	\$ 1,610,630	\$ 1,156,218	\$ 441,804	(15,896,749)

General Revenues:

Taxes:

Property Taxes	7,896,941
Sales Taxes	4,582,037
Other Taxes	243,025
Severance Taxes	251,896
Intergovernmental Revenues	629,961
Fire Insurance Rebate	350,554
Other Revenues	67,443
Rents and Royalties	169,835
Sale of Assets	-
Transfers to Other Funds	-
Interest Earned	583,226
Total General Revenues	14,774,918

Changes in Net Position (1,121,831)

Net Position - Beginning (Restated) 56,380,846

Net Position - Ending \$ 55,259,015

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, 2019

	<u>General Fund</u>	<u>Road Construction Fund</u>	<u>Road Maintenance Fund</u>	<u>Library Fund</u>
Assets:				
Cash and Cash Equivalents	\$ 2,148,801	\$ 3,510,066	\$ 2,557,926	\$ 5,673
Investments	2,228,313	561,986	1,104,135	2,570,098
Receivables	1,343,469	2,030,500	2,030,500	2,098,537
Prepaid Expenses	5,307	-	118	305
Due From Other Funds	367,244	14,896	36,124	-
Due From Other Entities	64,696	91	91	-
Inventory	-	11,582	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL ASSETS	\$ 6,157,830	\$ 6,129,121	\$ 5,728,894	\$ 4,674,613
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Liabilities and fund equity:				
Liabilities:				
Accounts Payable	437,726	\$ 3,511	\$ 575,965	\$ 36,480
Due To Other Funds	1,584,159	-	-	41,661
Due To Other Entities	551,097	-	-	1,431,533
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities	2,572,982	3,511	575,965	1,509,674
	<hr/>	<hr/>	<hr/>	<hr/>
Fund Balances:				
Nonspendable	5,307	11,582	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	6,114,028	5,152,929	3,164,939
Unassigned	3,579,541	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Fund Equity	3,584,848	6,125,610	5,152,929	3,164,939
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL LIABILITIES AND FUND EQUITY	\$ 6,157,830	\$ 6,129,121	\$ 5,728,894	\$ 4,674,613
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Solid Waste Disposal Fund	Solid Waste Disposal Equipment Reserve Fund	Hospital Proceeds Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ 657,633	\$ 135,496	\$ 373,484	\$ 5,358,823	\$ 14,747,902
-	2,842,814	9,877,491	3,705,607	22,890,444
23,213	-	-	378,709	7,904,928
-	-	-	-	5,730
8,633	-	20,733	1,809,285	2,256,915
1,086	-	-	239,566	305,530
-	-	-	-	11,582
<u>\$ 690,565</u>	<u>\$ 2,978,310</u>	<u>\$ 10,271,708</u>	<u>\$ 11,491,990</u>	<u>\$ 48,123,031</u>
\$ 304,244	\$ 57	\$ 17,500	\$ 288,914	\$ 1,664,397
56,961	-	76,970	497,164	2,256,915
479	-	-	56,547	2,039,656
<u>361,684</u>	<u>57</u>	<u>94,470</u>	<u>842,625</u>	<u>5,960,968</u>
-	-	-	-	16,889
-	-	-	474,765	474,765
-	-	-	-	-
328,881	2,978,253	10,177,238	10,174,600	38,090,868
-	-	-	-	3,579,541
<u>328,881</u>	<u>2,978,253</u>	<u>10,177,238</u>	<u>10,649,365</u>	<u>42,162,063</u>
<u>\$ 690,565</u>	<u>\$ 2,978,310</u>	<u>\$ 10,271,708</u>	<u>\$ 11,491,990</u>	<u>\$ 48,123,031</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, 2019

Total Governmental Fund Balances	\$	42,162,063
 <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.		22,593,564
 Pension related items are not reported in the fund financial statements:		
Deferred Outflows		2,019,986
Deferred Inflows		(152,770)
Net Pension Liability		(2,484,021)
 Long-term obligations are not due and payable in the current period and therefore are not reported in the fund statements:		
Compensated absences payable		(94,142)
Bonds payable		(825,000)
Net OPEB obligation		(7,960,665)
		(7,960,665)
Net Position of Governmental Activities	\$	55,259,015

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, 2019

	General Fund	Road Construction Fund	Road Maintenance Fund	Library Fund
Revenues:				
Taxes:				
Ad Valorem	\$ 1,282,947	\$ 2,085,054	\$ 2,077,416	\$ 2,199,099
1/2 Cent Sales Tax	-	-	-	-
Other Taxes, Penalties and Interest, etc.	90,898	-	-	-
Intergovernmental Revenues:				
Federal Funds:				
Section 8 Housing	6,855	-	-	-
Other Federal Funds	6,395	-	-	-
State Funds:				
Parish Transportation Funds	-	-	-	-
State Revenue Sharing (net)	62,751	98,902	98,902	34,059
Grants - Other Local Agencies	-	-	-	-
Severance Tax	251,896	-	-	-
Fees, Charges and Commission for Services	350,554	-	-	102,965
Fines and Forfeitures	-	-	-	-
Use of Money and Property				
Interest Earnings and Rents	102,452	17,436	36,821	72,601
Other Revenues	34,365	4,489	4,489	17,596
	<u>2,189,113</u>	<u>2,205,881</u>	<u>2,217,628</u>	<u>2,426,320</u>
Total Revenues				
Expenditures:				
General Government	1,534,159	-	-	-
Public Safety	802,612	-	-	-
Public Works	-	1,477,765	1,745,991	-
Health and Welfare	36,809	-	-	-
Culture and Recreation	17,036	-	-	2,244,014
Economic Development and Assistance	29,750	-	-	-
Capital Outlay	-	190,639	77,104	19,418
Debt Service:				
Principal Payments	-	-	-	-
Interest and Other	-	-	-	-
	<u>2,420,366</u>	<u>1,668,404</u>	<u>1,823,095</u>	<u>2,263,432</u>
Total Expenditures				
Excess (Deficiency) of Revenues Over Expenditures	<u>(231,253)</u>	<u>537,477</u>	<u>394,533</u>	<u>162,888</u>
Other Financing Sources (Uses):				
Operating Transfers In	-	-	-	-
Operating Transfers Out	(50,000)	-	-	-
	<u>(50,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)				
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	(281,253)	537,477	394,533	162,888
Fund Balances, Beginning (restated)	<u>3,866,101</u>	<u>5,588,133</u>	<u>4,758,396</u>	<u>3,002,051</u>
Fund Balances, Ending	<u>\$ 3,584,848</u>	<u>\$ 6,125,610</u>	<u>\$ 5,152,929</u>	<u>\$ 3,164,939</u>

Solid Waste Disposal Fund	Solid Waste Disposal Equipment Reserve Fund	Hospital Proceeds Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ -	\$ 252,425	\$ 7,896,941
4,582,037	-	-	-	4,582,037
-	-	-	152,127	243,025
-	-	-	575,338	582,193
-	-	-	441,804	448,199
-	-	-	554,391	554,391
-	-	-	-	294,614
-	-	-	26,489	26,489
-	-	-	-	251,896
271,019	-	-	1,074,302	1,798,840
-	-	-	484,441	484,441
-	123,304	261,061	139,386	753,061
5,035	-	1,232	237	67,443
<u>4,858,091</u>	<u>123,304</u>	<u>262,293</u>	<u>3,700,940</u>	<u>17,983,570</u>
-	-	-	1,197,357	2,731,516
-	-	-	-	802,612
3,677,686	5,379	-	1,185,783	8,092,604
-	-	43,269	607,814	687,892
-	-	-	561,034	2,822,084
-	-	-	-	29,750
3,477	-	-	1,925,179	2,215,817
-	-	-	576,000	576,000
-	-	-	100,679	100,679
<u>3,681,163</u>	<u>5,379</u>	<u>43,269</u>	<u>6,153,846</u>	<u>18,058,954</u>
<u>1,176,928</u>	<u>117,925</u>	<u>219,024</u>	<u>(2,452,906)</u>	<u>(75,384)</u>
-	-	-	1,071,556	1,071,556
(1,003,056)	-	(18,500)	-	(1,071,556)
<u>(1,003,056)</u>	<u>-</u>	<u>(18,500)</u>	<u>1,071,556</u>	<u>-</u>
173,872	117,925	200,524	(1,381,350)	(75,384)
<u>155,009</u>	<u>2,860,328</u>	<u>9,976,714</u>	<u>12,030,715</u>	<u>42,237,447</u>
<u>\$ 328,881</u>	<u>\$ 2,978,253</u>	<u>\$ 10,177,238</u>	<u>\$ 10,649,365</u>	<u>\$ 42,162,063</u>

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

RUSTON, LOUISIANA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019

Net Change in Fund Balances - Total Governmental Funds	\$	(75,384)
 <i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
 Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:		
Capital assets purchases capitalized		2,215,817
Capital assets disposed of less accumulated depreciation		(420,177)
Depreciation Expense		(1,303,980)
		491,660
 Postretirement benefit plan expenditures		 (1,410,880)
 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.		 576,000
 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		20,596
Pension expense		(766,590)
Other parties' contributions to pension plans		42,767
		(1,121,831)
 Change in Net Position in Governmental Activities	 \$	 (1,121,831)

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, 2019

ASSETS

Investments, at Fair Value	<u>\$ 1,115,202</u>
TOTAL ASSETS	<u><u>\$ 1,115,202</u></u>

LIABILITIES

Liabilities	\$ -
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NET POSITION

Held in Trust for Deferred Compensation Benefits	<u>1,115,202</u>
TOTAL NET POSITION	<u><u>\$ 1,115,202</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, 2019

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 2020.

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, 2019

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, 2019

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, 2019 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, 2019

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, 2019

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 non-spendable 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, 2019

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 non-spendable 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, 2019

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 Parish Sales Tax Commission, 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, 2019

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, 2019. The Police Jury had cash and cash equivalents in demand deposits, totaling \$14,747,902 at December 31, 2019.

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, 2019, are secured, as follows:

Bank Balances	\$ <u>13,916,099</u>
FDIC Insurance	1,250,000
Pledged Securities (uncollateralized)	<u>13,671,691</u>
Total	\$ <u>14,921,691</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, 2019.

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, 2019, the Police Jury had the following investments stated at cost, which approximates market:

Government Agency Bonds	\$ 16,745,786
Equities	18,294
Cash or Money Market Accounts	<u>6,126,364</u>
Total	\$ <u>22,890,444</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, 2019

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 \$7,904,928 on December 31, 2019, are detailed as follows:

	<u>Class of</u> <u>Receivables</u>	<u>General</u> <u>Fund</u>	<u>Special</u> <u>Revenue</u> <u>Funds</u>	<u>Capital</u> <u>Project</u> <u>Funds</u>	<u>Debt</u> <u>Service</u> <u>Fund</u>	<u>Total</u>
Taxes						
Ad valorem		\$ 1,217,701	\$ 6,159,537	\$ -	\$ 244,574	\$ 7,621,812
State revenue sharing		62,751	-	-	-	62,751
State reimbursements		47,790	-	-	-	47,790
Other		<u>15,227</u>	<u>141,239</u>	<u>14,243</u>	<u>1,866</u>	<u>172,575</u>
Totals		<u>\$ 1,343,469</u>	<u>\$ 6,300,776</u>	<u>\$ 14,243</u>	<u>\$ 246,440</u>	<u>\$ 7,904,928</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, 2019, is as follows:

	<u>2018</u> <u>Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>2019</u> <u>Balance</u>
Non-Depreciable Assets:				
Land	\$ 1,691,786	\$ -	\$ (10,000)	\$ 1,681,786
Improvements - CIP	<u>213,487</u>	<u>132,392</u>	<u>(213,487)</u>	<u>132,392</u>
Total	<u>1,905,273</u>	<u>132,392</u>	<u>(223,487)</u>	<u>1,814,178</u>
Depreciable Assets				
Buildings	10,845,631	-	(131,354)	10,714,277
Infrastructure	26,302,244	-	-	26,302,244
Improvements	10,005,757	1,422,498	(329,333)	11,098,922
Vehicles	2,420,377	290,981	(27,944)	2,683,414
Furniture & Fixtures	1,317,321	-	(84,211)	1,233,110
Machinery & Equipment	<u>6,014,869</u>	<u>408,883</u>	<u>(51,173)</u>	<u>6,372,579</u>
Total	<u>56,906,199</u>	<u>2,122,362</u>	<u>(624,015)</u>	<u>58,404,546</u>

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 5 – PROPERTY AND EQUIPMENT (Continued)

Less: Accumulated Depreciation:

Buildings	(5,757,475)	(175,146)	78,296	(5,854,325)
Infrastructure	(19,878,304)	(225,359)	-	(20,103,663)
Improvements	(5,291,198)	(386,101)	166,743	(5,510,556)
Vehicles	(1,135,180)	(155,128)	25,151	(1,265,157)
Furniture & Fixtures	(1,185,174)	(12,081)	72,377	(1,124,878)
Machinery & Equipment	(3,462,237)	(350,165)	45,821	(3,766,581)
Total	<u>(36,709,568)</u>	<u>(1,303,980)</u>	<u>388,388</u>	<u>(37,625,160)</u>

Capital Assets, Net	<u>\$ 22,101,904</u>	<u>\$ 950,774</u>	<u>\$(459,114)</u>	<u>\$ 22,593,564</u>
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Depreciation expense charged for \$1,303,980 is as follows:

General Government	\$ 232,057
Public Works	701,737
Public Safety	5,575
Culture and Recreation	<u>364,611</u>
Total	<u>\$ 1,303,980</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 who was 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.

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 6 – PENSION PLAN – (Continued)

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 average 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, 2019, the Lincoln Parish Police Jury's total payroll for all employees was \$4,422,792. Total covered payroll was \$3,465,937. 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, 2019, the actual employer contribution rate was 11.50% 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, 2019 were \$398,583.

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

At December 31, 2019, the Employer reported a liability of \$2,484,021 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of December 31, 2018 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 6 – PENSION PLAN – (Continued)

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. At December 31, 2018, the Police Jury’s proportion was 0.559671%, which was an increase of 0.003231% from its proportion measured as of December 31, 2017.

For the year ended December 31, 2019, the Lincoln Parish Police Jury recognized pension expense of \$965,280 plus employer’s amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, which was (\$198,690). Total pension expense for the Lincoln Parish Police Jury for the year ended December 31, 2019 was \$766,590.

At December 31, 2019, 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	-	151,333
Changes in assumption	621,087	-
Net difference between projected and actual earnings on pension plan investments	1,189,109	-
Changes in employer’s portion of beginning net pension liability	1,354	720
Differences between employer contributions and proportionate share of employer contributions	7,060	717
Subsequent measurement contributions	201,376	-
Total	2,019,986	152,770

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	572,017
2019	312,668
2020	255,865
2021	525,289

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 6 – PENSION PLAN – (Continued)

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of December 31, 2018, are as follows:

Valuation Date	December 31, 2018
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Investment Rate of Return	6.50% (net of investment expense, including inflation)
Expected remaining service lives	4 years
Projected salary increases	4.75%
Inflation Rate	2.40%
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.
Mortality rates	Pub-2010 Public Retirement Plans Mortality Table for Health Retirees multiplied by 130% for males and 125% for females using MP2018 scale for annuitant and beneficiary mortality. For employees, the Pub-2010 Public Retirement Plans Mortality Table for General Employees multiplied by 130% for males and 125% for females using MP2018 scale. Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 130% for males and 125% for females using MP2018 scale for disabled annuitants.

The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the CAPM 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 7.62% for the year ended December 31, 2018.

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 6 – PENSION PLAN – (Continued)

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, 2018 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed income	35%	1.22%
Equity	52%	3.45%
Alternatives	11%	0.65%
Real Assets	2%	0.11%
Totals	100%	5.43%
Inflation		2.00%
Expected arithmetic nominal return		7.43%

Discount Rate

The discount rate used to measure the total pension liability was 6.50% for Plan A and 6.50% 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.

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 6.75%, 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 (5.75%) or one percentage-point higher (7.75%) than the current rate:

	1.0% Decrease (5.75%)	Current Discount Rate (6.75%)	1.0% Increase (7.75%)
Employer’s proportionate share of net pension liability	\$5,275,394	\$2,484,021	\$150,675

Payables to the Pension Plan

These financial statements include a payable to the pension plan of \$0, which is the legally required contribution due at December 31, 2019. This amount is recorded in accrued expenses.

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

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.

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 \$169,835 for the year ended December 31, 2019. Future minimum lease payments for these leases are as follows:

Year Ended <u>December 31,</u>	<u>LPPJ Complex Lease</u>
2020	<u>143,000</u>
Total	<u>\$ 143,000</u>

NOTE 8 – DUE TO/FROM OTHER FUNDS

Individual fund balances due to/from other funds at December 31, 2019, are as follows:

<u>Fund</u>	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
Major Funds:		
General Fund	\$ 367,244	\$ 1,584,159
Special Revenue Funds:		
Road Construction Fund	14,896	-
Road Maintenance Fund	36,124	-
Library Fund	-	41,661
Solid Waste Disposal Fund	8,633	56,961
Hospital Proceeds Fund	20,733	76,970
Non-Major Funds:		
Special Revenue Funds	522,549	163,396
Capital Projects Funds	1,286,450	286,086
Debt Service Funds	<u>286</u>	<u>47,682</u>
Totals	<u>\$ 2,256,915</u>	<u>\$ 2,256,915</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.

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

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, 2019:

Balance at January 1, 2019	\$ 22,517
Court costs collected	6,710
Interest	45
Witness fees paid	<u>(100)</u>
Balance at December 31, 2019	<u>\$ 29,172</u>

NOTE 10 – DESIGNATED FUND BALANCE – EQUIPMENT REPLACEMENT

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

The following schedule provides detail on changes for the year ended December 31, 2019.

	<u>Collection Equipment</u>	<u>Disposal Equipment</u>	<u>Total</u>
Balance at January 1, 2019	\$ 2,943,657	\$ 2,860,328	\$ 5,803,985
Transfers in (out)	-	-	-
Sale of assets	-	-	-
Other revenues	79,494	123,304	202,798
Equipment replacement costs	-	-	-
Expenditures	<u>(273,460)</u>	<u>(5,376)</u>	<u>(278,836)</u>
Balance at December 31, 2018	<u>\$ 2,749,691</u>	<u>\$ 2,978,253</u>	<u>\$ 5,727,947</u>

The total Solid Waste Equipment Reserve as of December 31, 2019, is as follows:

Solid Waste Equipment Reserve	\$ 5,727,947
Sewer Fund Equipment Replacement	<u>81,181</u>
Total Fund Equity Designated for Equipment Replacement	<u>\$ 5,809,128</u>

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

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, 2019, \$3,499 was to be transferred.

NOTE 12 – LITIGATION AND CLAIMS

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

NOTE 13 – PROPERTY TAX REVENUE

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, 2019
Levy Date	November 8, 2019
Tax Bills Mailed	November 15, 2019
Total Taxes Are Due	December 31, 2019
Penalties and Interest are Added	January 1, 2020
Tax Sales – 2019 Delinquent Property	May 20-22, 2020

	<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	4.65
Library Bond Fund	0.80	0.55

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, 2019, the following governmental funds had variances greater than 5%:

	<u>Budget</u>	<u>Actual</u>	<u>Variances (Unfavorable)</u>
General Fund			
Interest Earnings and Rent	\$128,970	\$102,452	\$(26,518)
Other Revenues	35,500	125,263	89,763
Health and Welfare Expenditures	30,000	36,809	(6,809)

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 14 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY - Continued

Budget/Actual Unfavorable Variances - Continued

	<u>Budget</u>	<u>Actual</u>	<u>Variances</u> <u>(Unfavorable)</u>
Road Construction Fund			
Interest Earnings and Rent	13,110	21,925	8,815
Transfers Out	(706,000)	-	706,000
Road Maintenance Fund			
Interest Earnings and Rent	23,840	41,310	17,470
Public Works	1,966,179	1,745,991	220,188
Capital Outlay	111,337	77,104	34,233
Library Fund			
State Revenue Sharing	23,959	34,059	10,100
Fees, Charges for Services	66,100	90,197	24,097
Solid Waste Disposal Fund			
Interest Earnings and Rent	3,800	5,035	1,235
Public Works	4,554,090	3,681,163	872,927
Transfers Out	(1,279,147)	(1,003,056)	276,091
Solid Waste Disposal Equipment Reserve Fund			
Interest Earnings and Rent	54,940	123,304	68,364
Public Works	-	5,379	(5,379)
Hospital Proceeds Fund			
Interest Earnings and Rent	216,712	262,293	45,581

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 AND LIFE INSURANCE BENEFITS

General Information about the OPEB Plan

Plan description – The Lincoln Parish Police Jury (the Police Jury) provides certain continuing health care and life insurance benefits for its retired employees. The Lincoln Parish Police Jury’s OPEB Plan (the OPEB Plan) is a single-employer defined benefit OPEB plan administered by the Police Jury. The authority to establish and/or amend the obligation of the employer, employees and retirees rests with the Police Jury. No assets are accumulated in a trust that meets the criteria in Governmental Accounting Standards Board (GASB) Codification Section P52 *Postemployment Benefits Other Than Pensions—Reporting For Benefits Not Provided Through Trusts That Meet Specified Criteria—Defined Benefit*.

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

Benefits Provided – Medical and life insurance benefits are provided through comprehensive plans and are made available to employees upon actual retirement. Employees retirement eligibility (D.R.O.P. entry) provisions are as follows: 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.

Life insurance coverage is provided to retirees and 100% of the blended rate (active and retired) is paid by the employer. A \$5,000 or \$10,000 amount of insurance coverage while active is continued after retirement at 50% of the active level.

Employees covered by benefit terms – At December 31, 2019, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	45
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	87
	<u>132</u>

Total OPEB Liability

The Police Jury's total OPEB liability of \$7,960,665 was measured as of December 31, 2019 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and other inputs – The total OPEB liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.5%
Salary increases	3.0%, including inflation
Discount rate	4.10% annually (Beginning of Year to Determine ADC)
	2.74%, annually (As of End of Year Measurement Date)
Healthcare cost trend rates	Flat 5.5% annually

The discount rate was based on the Bond Buyers' 20 Year General Obligation municipal bond index as of December 31, 2019, the end of the applicable measurement period.

Mortality rates were based on the RP-2000 Table without projection with 50%/50% unisex blend.

The actuarial assumptions used in the December 31, 2019 valuation were based on the results of ongoing evaluations of the assumptions from January 1, 2009 to December 31, 2019.

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
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Changes in the Total OPEB Liability

Balance at December 31, 2018	\$ 6,549,785
Changes for the year:	
Service cost	90,024
Interest	270,387
Differences between expected and actual experience	368,943
Changes in assumptions	1,041,521
Benefit payments and net transfers	(359,994)
Net changes	<u>1,410,880</u>
Balance at December 31, 2019	<u>\$ 7,960,665</u>

Sensitivity of the total OPEB liability to changes in the discount rate – The following presents the total OPEB liability of the Police Jury, as well as what the Police Jury’s total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.74%) or 1-percentage-point higher (3.74%) than the current discount rate:

	1.0% Decrease (1.74%)	Current Discount Rate (2.74%)	1.0% Increase (3.74%)
Total OPEB liability	\$ 8,933,380	\$ 7,960,665	\$ 7,146,282

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates – The following presents the total OPEB liability of the Police Jury, as well as what the Police Jury’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (4.5%) or 1-percentage-point higher (6.5%) than the current healthcare trend rates:

	1.0% Decrease (4.5%)	Current Trend (5.5%)	1.0% Increase (6.5%)
Total OPEB liability	\$ 7,131,311	\$ 7,960,665	\$ 8,952,224

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2019, the Police Jury recognized OPEB expense of \$444,368. At December 31, 2019, the Police Jury reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 332,049	\$ (111,206)
Changes in assumptions	937,369	(402,595)
Total	<u>\$ 1,269,417</u>	<u>\$ (513,801)</u>

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Years ending December 31:	
2020	83,957
2021	83,957
2022	83,957
2023	83,957
2024	83,957
Thereafter	335,829

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</u> <u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending</u> <u>Balance</u>	<u>Amounts Due</u> <u>Within One</u> <u>Year</u>
Government Activities:					
Bonds Payable:					
General Obligation Refunding					
Bond, Series 2011	\$ 1,211,000	\$ -	\$ 386,000	\$ 825,000	\$ 404,000
Certificates of Indebtedness,					
Series 2009	190,000	-	190,000	-	-
Accrued Vacation and Sick Time	<u>114,738</u>	<u>-</u>	<u>20,596</u>	<u>94,142</u>	<u>94,142</u>
Total Governmental Activities					
Long-Term Debt	<u>\$ 1,515,738</u>	<u>\$ -</u>	<u>\$ 596,596</u>	<u>\$ 919,142</u>	<u>\$ 498,142</u>

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

	Certificates of Indebtedness	
	Series 2011	
<u>Year Ended</u> <u>December 31,</u>	<u>Principal</u>	<u>Interest</u>
2020	\$ 404,000	\$ 18,815
2021	<u>421,000</u>	<u>6,357</u>
Total	<u>\$ 825,000</u>	<u>\$ 25,172</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.

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 18 – INTERFUND OPERATING TRANSFERS IN AND OUT

<u>Fund</u>	<u>Operating Transfers</u>	
	<u>In</u>	<u>Out</u>
Major Funds:		
General Fund	\$ -	\$ 50,000
Special Revenue Funds:		
Solid Waste Disposal Fund	-	1,003,056
Hospital Proceeds Fund	-	18,500
Non-Major Funds:		
Special Revenue Funds	1,021,556	-
Capital Projects Funds	<u>50,000</u>	<u>-</u>
Totals	<u>\$ 1,071,556</u>	<u>\$ 1,071,556</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 August 5, 2020, which is the day the financial statements were available to be issued, and it has been determined that one significant event requires disclosure. The COVID-19 outbreak in the United States and Louisiana has caused business disruption through mandated and voluntary closings of businesses. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the closings and whether those closings will precipitate a wider economic recession. As a result, the related financial impact on the Police Jury and the duration cannot be estimated at this time.

NOTE 20 – PRIOR PERIOD ADJUSTMENT

During the year, management wrote off old outstanding items that had been on the bank reconciliation for several years. It was determined these amounts were adjustments done over the course of several years. The resulting write offs resulted in an increase to the fund financial statement fund balance in the amount of \$251,331.

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

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 post closure 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, 2019 financial statements. The Police Jury will recognize the estimated cost of closure and post closure 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 post closure care in 2018. 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 post closure care. The Police Jury is in compliance with these requirements, and, at December 31, 2019, investments of \$2,842,814 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 post closure 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, 2019

	<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	\$ 1,217,900	\$ 1,217,900	\$ 1,282,947	\$ 65,047
Licenses & Permits	163,040	163,040	163,794	754
<u>Intergovernmental Revenues:</u>				
<u>Federal Funds:</u>				
Section 8 Housing	6,870	6,870	6,855	(15)
FEMA	-	-	6,395	6,395
<u>State Funds:</u>				
State Revenue Sharing	64,295	64,295	62,751	(1,544)
Severance Tax	260,660	260,660	251,896	(8,764)
Fees, Charges & Commission for Services	187,385	182,885	186,760	3,875
Use of Money and Property, Interest Earnings and Rent	128,970	128,970	102,452	(26,518)
Other Revenues	35,500	35,500	125,263	89,763
Total Revenues	<u>2,064,620</u>	<u>2,060,120</u>	<u>2,189,113</u>	<u>128,993</u>
<u>Expenditures (Outflows):</u>				
General Government	1,236,412	1,578,133	1,534,159	43,974
Public Safety	841,238	821,431	802,612	18,819
Health and Welfare	29,000	30,000	36,809	(6,809)
Culture and Recreation	6,030	17,030	17,036	(6)
Economic Development	29,750	29,750	29,750	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>2,142,430</u>	<u>2,476,344</u>	<u>2,420,366</u>	<u>12,004</u>
<u>Excess (Deficiency) of Revenues</u>				
<u>Over Expenditures</u>	(77,810)	(416,224)	(231,253)	140,997
<u>Other Financing Uses:</u>				
Operating Transfers Out	(50,000)	(50,000)	(50,000)	-
<u>Excess (Deficiency) of Revenues Over</u>				
<u>Expenditures and Other Uses</u>	(127,810)	(466,224)	(281,253)	140,997
<u>Fund Balance at Beginning of Year</u>	<u>3,866,101</u>	<u>3,866,101</u>	<u>3,866,101</u>	<u>-</u>
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ 3,738,291</u>	<u>\$ 3,399,877</u>	<u>\$ 3,584,848</u>	<u>\$ 140,997</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, 2019

	<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	\$ 1,994,210	\$ 1,994,210	\$ 2,085,054	\$ 90,844
Intergovernmental Revenues:				
State Funds:				
State Revenue Sharing	101,740	101,740	98,902	(2,838)
Use of Money and Property, Interest Earnings and Rent	<u>13,140</u>	<u>13,110</u>	<u>21,925</u>	<u>8,815</u>
Total Revenues	<u>2,109,090</u>	<u>2,109,060</u>	<u>2,205,881</u>	<u>96,821</u>
<u>Expenditures (Outflows):</u>				
Public Works	1,932,150	1,497,480	1,477,765	19,715
Capital Outlay	<u>22,400</u>	<u>190,000</u>	<u>190,639</u>	<u>(639)</u>
Total Expenditures	<u>1,954,550</u>	<u>1,687,480</u>	<u>1,668,404</u>	<u>19,076</u>
<u>Excess of Revenues Over Expenditures</u>	154,540	421,580	537,477	115,897
<u>Other Financing Uses:</u>				
Transfers Out	(1,725,500)	(706,000)	-	706,000
<u>Fund Balance at Beginning of Year</u>	<u>5,588,133</u>	<u>5,588,133</u>	<u>5,588,133</u>	<u>-</u>
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ 4,017,173</u>	<u>\$ 5,303,713</u>	<u>\$ 6,125,610</u>	<u>\$ 115,897</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, 2019

	<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	\$ 1,994,210	\$ 1,994,210	\$ 2,077,416	\$ 83,206
Intergovernmental Revenues:				
State Funds:				
State Revenue Sharing	101,742	101,742	98,902	(2,840)
Use of Money and Property, Interest Earnings and Rent	<u>23,870</u>	<u>23,840</u>	<u>41,310</u>	<u>17,470</u>
Total Revenues	<u>2,119,822</u>	<u>2,119,792</u>	<u>2,217,628</u>	<u>97,836</u>
<u>Expenditures (Outflows):</u>				
Public Works	2,025,979	1,966,179	1,745,991	220,188
Capital Outlay	<u>90,000</u>	<u>111,337</u>	<u>77,104</u>	<u>34,233</u>
Total Expenditures	<u>2,115,979</u>	<u>2,077,516</u>	<u>1,823,095</u>	<u>254,421</u>
<u>Excess of Revenues Over Expenditures</u>	3,843	42,276	394,533	352,257
<u>Fund Balance at Beginning of Year</u>	<u>4,758,396</u>	<u>4,758,396</u>	<u>4,758,396</u>	<u>-</u>
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ 4,762,239</u>	<u>\$ 4,800,672</u>	<u>\$ 5,152,929</u>	<u>\$ 352,257</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, 2019

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues (Inflows):</u>				
Taxes				
Ad Valorem	\$ 2,103,048	\$ 2,103,048	\$ 2,199,099	\$ 96,051
Intergovernmental Revenues:				
State Funds:				
State Revenue Sharing	22,500	23,959	34,059	10,100
Fees, Charges & Commission for Services	118,000	86,750	102,965	16,215
Other Revenues	19,000	66,100	90,197	24,097
Total Revenues	<u>2,262,548</u>	<u>2,279,857</u>	<u>2,426,320</u>	<u>146,463</u>
<u>Expenditures (Outflows):</u>				
Culture and Recreation	<u>2,470,329</u>	<u>2,271,720</u>	<u>2,263,432</u>	<u>8,288</u>
Total Expenditures	<u>2,470,329</u>	<u>2,271,720</u>	<u>2,263,432</u>	<u>8,288</u>
<u>Excess (Deficit) of Revenues Over Expenditures</u>	(207,781)	8,137	162,888	154,751
<u>Fund Balance at Beginning of Year</u>	<u>3,487,742</u>	<u>3,487,742</u>	<u>3,002,051</u>	<u>(485,691)</u>
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ 3,279,961</u>	<u>\$ 3,495,879</u>	<u>\$ 3,164,939</u>	<u>\$ (330,940)</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, 2019

	<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	\$ 4,546,590	\$ 4,546,590	\$ 4,582,037	\$ 35,447
Fees, Charges & Commission for Services	168,000	285,444	271,019	(14,425)
Use of Money and Property, Interest Earnings and Rent	3,800	3,800	5,035	1,235
Total Revenues	<u>4,718,390</u>	<u>4,835,834</u>	<u>4,858,091</u>	<u>22,257</u>
<u>Expenditures (Outflows):</u>				
Public Works	<u>3,603,530</u>	<u>4,554,090</u>	<u>3,681,163</u>	<u>872,927</u>
Total Expenditures	<u>3,603,530</u>	<u>4,554,090</u>	<u>3,681,163</u>	<u>872,927</u>
<u>Excess of Revenues Over Expenditures</u>	1,114,860	281,744	1,176,928	895,184
<u>Other Financing Uses:</u>				
Transfers Out	(943,060)	(1,279,147)	(1,003,056)	276,091
<u>Fund Balance at Beginning of Year</u>	<u>50,466</u>	<u>50,466</u>	<u>155,009</u>	<u>104,543</u>
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ 222,266</u>	<u>\$ (946,937)</u>	<u>\$ 328,881</u>	<u>\$ 1,275,818</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, 2019

	<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	\$ 54,940	\$ 54,940	\$ 123,304	\$ 68,364
Total Revenues	54,940	54,940	123,304	68,364
<u>Expenditures (Outflows):</u>				
Public Works	-	-	5,379	(5,379)
Capital Outlay	-	-	-	-
Total Expenditures	-	-	5,379	(5,379)
<u>Excess (Deficiency) of Revenues Over Expenditures</u>	54,940	54,940	117,925	62,985
<u>Fund Balance at Beginning of Year</u>	2,835,460	2,826,004	2,860,328	34,324
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ 2,890,400</u>	<u>\$ 2,880,944</u>	<u>\$ 2,978,253</u>	<u>\$ 97,309</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, 2019

	<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	\$ 216,712	\$ 216,712	\$ 262,293	\$ 45,581
Total Revenues	216,712	216,712	262,293	45,581
<u>Expenditures (Outflows):</u>				
Health and Welfare	41,530	41,530	43,269	(1,739)
<u>Excess of Revenues Over Expenditures</u>	175,182	175,182	219,024	43,842
<u>Other Financing Uses</u>				
Operating Transfers Out	(18,500)	(18,500)	(18,500)	-
<u>Fund Balance at Beginning of Year</u>	9,926,850	9,926,850	9,976,714	49,864
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ 10,083,532</u>	<u>\$ 10,083,532</u>	<u>\$ 10,177,238</u>	<u>\$ 93,706</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, 2019

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, 2019, for the governmental funds that had variances greater than 5%, see note 14 in the financial statements.

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
SCHEDULE OF EMPLOYER'S SHARE OF NET PENSION LIABILITY
FOR THE YEAR ENDED DECEMBER 31, 2019

Fiscal Year	Agency's proportion of the net pension liability (asset)	Agency's proportionate share of the net pension liability (asset)	Agency's covered payroll	Agency's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2015	0.58904%	\$ 161,048	\$ 3,310,538	4.86%	99.15%
2016	5.52352%	\$ 1,453,949	\$ 3,166,967	45.91%	92.23%
2017	0.55978%	\$ 1,152,880	\$ 3,320,553	34.72%	94.15%
2018	0.55644%	\$ (413,016)	\$ 3,424,986	-12.00%	101.98%
2019	0.55967%	\$ 2,484,021	\$ 3,440,638	72.20%	88.86%

Amounts presented were determined as of the measurement date (previous fiscal year end).
Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

SCHEDULE OF EMPLOYER CONTRIBUTIONS
FOR THE YEAR ENDED DECEMBER 31, 2019

Fiscal Year	(a) Statutorily required contribution	(b) Contributions in relation to the statutorily required contribution	(a-b) Contribution deficiency	Agency's covered payroll	Contributions as a percentage of covered payroll
2015	\$ 459,210	\$ 459,210	\$	\$ 3,166,967	14.50%
2016	\$ 431,577	\$ 431,577	\$	\$ 3,320,553	13.00%
2017	\$ 428,123	\$ 428,123	\$	\$ 3,424,986	12.50%
2018	\$ 395,673	\$ 395,673	\$	\$ 3,440,638	11.50%
2019	\$ 398,583	\$ 398,583	\$	\$ 3,465,937	11.50%

Amounts presented were determined as of the end of the fiscal year.
Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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

LINCOLN PARISH POLICE JURY
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED DECEMBER 31, 2019

	2018	2019
Total OPEB Liability		
Service cost	\$ 111,389	\$ 90,024
Interest	248,199	270,387
Changes of benefit terms	-	-
Differences between expected and actual experience	(135,918)	368,943
Changes of assumptions	(492,061)	1,041,521
Benefit payments	<u>(341,227)</u>	<u>(359,994)</u>
Net change in total OPEB liability	(609,618)	1,410,880
Total OPEB liability - beginning	<u>7,159,403</u>	<u>6,549,785</u>
Total OPEB liability - ending (a)	<u>\$ 6,549,785</u>	<u>\$ 7,960,665</u>
Covered-employee payroll	\$ 3,217,251	\$ 3,313,769
Net OPEB liability as a percentage of covered-employee payroll	203.58%	240.23%
Notes to Schedule:		
<i>Benefit Changes:</i>	None	None
<i>Changes of Assumptions:</i>		
<i>Discount Rate:</i>	4.10%	2.74%

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

OTHER SUPPLEMENTAL INFORMATION

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
SUPPLEMENTAL INFORMATION SCHEDULES
DECEMBER 31, 2019

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, 2019

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.

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2019

	Special Road Fund	Solid Waste Collection Fund	Solid Waste Collection Equipment Reserve Fund	Criminal Court Fund
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Assets:				
Cash and Cash Equivalents	\$ 272,298	\$ 2,423,664	\$ 528,053	\$ 34,093
Investments	829,391	1,086,396	1,771,638	-
Receivables	283	83,736	-	26,126
Due From Other Governments	1,318	-	-	-
Due From Other Funds	8,506	5,673	450,000	7,150
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL ASSETS	<u>\$ 1,111,796</u>	<u>\$ 3,599,469</u>	<u>\$ 2,749,691</u>	<u>\$ 67,369</u>
Liabilities and Fund Equity:				
Liabilities:				
Accounts Payable	\$ 5,102	\$ 11,014	\$ -	\$ 65,981
Due to Other Governments	-	-	-	44
Due to Other Funds	126,208	62,124	-	5,847
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	131,310	73,138	-	71,872
Fund Equity:				
Fund Balances:				
Restricted	-	-	-	-
Assigned	980,486	3,526,331	2,749,691	(4,503)
Unassigned	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Fund Equity	980,486	3,526,331	2,749,691	(4,503)
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 1,111,796</u>	<u>\$ 3,599,469</u>	<u>\$ 2,749,691</u>	<u>\$ 67,369</u>

Law Enforcement Witness Fee Fund	Sewer Fund	Juvenile Assistance Fund	Health Unit Fund	Section 8 Housing Fund	Sewer Fund Equipment Replacement	Totals
\$ 33,308	\$ 91,556	\$ 3,642	\$ 89,921	\$ 483,586	\$ 92,340	\$ 4,052,461
-	-	-	-	-	-	3,687,425
487	7,394	-	-	-	-	118,026
87	389	-	-	-	-	1,794
-	14,220	-	37,000	-	-	522,549
<u>\$ 33,882</u>	<u>\$ 113,559</u>	<u>\$ 3,642</u>	<u>\$ 126,921</u>	<u>\$ 483,586</u>	<u>\$ 92,340</u>	<u>\$ 8,382,255</u>
\$ -	\$ 1,854	\$ -	\$ 40	\$ -	\$ -	\$ 83,991
-	-	-	-	8,821	-	8,865
4,710	515	-	515	-	11,159	211,078
4,710	2,369	-	555	8,821	11,159	303,934
-	-	-	-	474,765	-	474,765
29,172	111,190	3,642	126,366	-	81,181	7,603,556
-	-	-	-	-	-	-
<u>29,172</u>	<u>111,190</u>	<u>3,642</u>	<u>126,366</u>	<u>474,765</u>	<u>81,181</u>	<u>8,078,321</u>
<u>\$ 33,882</u>	<u>\$ 113,559</u>	<u>\$ 3,642</u>	<u>\$ 126,921</u>	<u>\$ 483,586</u>	<u>\$ 92,340</u>	<u>\$ 8,382,255</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, 2019

	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	554,391	-	-	-
Grants - Other Local Agencies	-	-	-	-
Fees, Charges and Commission for Services	-	74,860	-	-
Fines and Forfeitures	-	-	-	477,731
Use of Money and Property	-	-	-	-
Interest Earnings and Rents	-	35,992	79,494	78
Other Revenues	-	-	-	-
Total Revenues	<u>554,391</u>	<u>110,852</u>	<u>79,494</u>	<u>477,809</u>
Expenditures:				
General Government:				
Judicial	-	-	-	470,811
Public Works	284,192	809,574	1,325	-
Health and welfare	-	-	-	-
Capital Outlay	122,159	-	272,135	-
Total Expenditures	<u>406,351</u>	<u>809,574</u>	<u>273,460</u>	<u>470,811</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>148,040</u>	<u>(698,722)</u>	<u>(193,966)</u>	<u>6,998</u>
Other Financing Sources (Uses):				
Operating Transfers In	-	1,003,056	-	-
Operating Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>1,003,056</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	148,040	304,334	(193,966)	6,998
Fund Balances, Beginning (restated)	<u>832,446</u>	<u>3,221,997</u>	<u>2,943,657</u>	<u>(11,501)</u>
Fund Balances, Ending	<u>\$ 980,486</u>	<u>\$ 3,526,331</u>	<u>\$ 2,749,691</u>	<u>\$ (4,503)</u>

Law Enforcement Witness Fee Fund	Sewer Fund	Juvenile Assistance Fund	Health Unit Fund	Section 8 Housing Fund	Sewer Fund Equipment Replacement	Totals
\$ -	\$ -	\$ -	\$ -	\$ 575,338	\$ -	\$ 575,338
-	-	-	-	-	-	554,391
-	-	21,489	5,000	-	-	26,489
-	91,791	-	-	-	-	166,651
6,710	-	-	-	-	-	484,441
-	-	-	-	-	-	-
45	-	9	-	5,601	-	121,219
-	-	-	237	-	-	237
<u>6,755</u>	<u>91,791</u>	<u>21,498</u>	<u>5,237</u>	<u>580,939</u>	<u>-</u>	<u>1,928,766</u>
100	-	21,424	-	-	-	492,335
-	90,692	-	-	-	-	1,185,783
-	-	-	14,504	593,310	-	607,814
-	-	-	-	-	9,062	403,356
<u>100</u>	<u>90,692</u>	<u>21,424</u>	<u>14,504</u>	<u>593,310</u>	<u>9,062</u>	<u>2,689,288</u>
<u>6,655</u>	<u>1,099</u>	<u>74</u>	<u>(9,267)</u>	<u>(12,371)</u>	<u>(9,062)</u>	<u>(760,522)</u>
-	-	-	18,500	-	-	1,021,556
-	-	-	-	-	-	-
-	-	-	18,500	-	-	1,021,556
6,655	1,099	74	9,233	(12,371)	(9,062)	261,034
<u>22,517</u>	<u>110,091</u>	<u>3,568</u>	<u>117,133</u>	<u>487,136</u>	<u>90,243</u>	<u>7,817,287</u>
<u>\$ 29,172</u>	<u>\$ 111,190</u>	<u>\$ 3,642</u>	<u>\$ 126,366</u>	<u>\$ 474,765</u>	<u>\$ 81,181</u>	<u>\$ 8,078,321</u>

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
SUPPLEMENTAL INFORMATION
SCHEDULES DECEMBER 31, 2019

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 infrastructure repairs and improvements. 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, 2019

	Park and Recreation Fund	Courthouse Capital Project Fund	North Louisiana Exhibition Center Fund	Bridge Replacement Fund	Totals
Assets:					
Cash and Cash Equivalents	\$ 508,487	\$ 535,318	\$ 74,097	\$ -	\$ 1,117,902
Investments	18,182	-	-	-	18,182
Receivables	14,243	-	-	-	14,243
Due From Other Entities	-	13,272	-	224,500	237,772
Due From Other Funds	23,484	1,222,114	882	39,970	1,286,450
TOTAL ASSETS	\$ 564,396	\$ 1,770,704	\$ 74,979	\$ 264,470	\$ 2,674,549
Liabilities and Fund Equity:					
Liabilities:					
Accounts Payable	\$ 14,290	\$ 79,435	\$ 656	\$ 110,542	\$ 204,923
Due to Other Funds	27,565	1,227	7,737	249,557	286,086
Total Liabilities	41,855	80,662	8,393	360,099	491,009
Fund Equity:					
Fund Balances:					
Assigned	522,541	- 1,690,042	66,586	(95,629)	2,183,540
Total Fund Equity	522,541	1,690,042	66,586	(95,629)	2,183,540
TOTAL LIABILITIES AND FUND EQUITY	\$ 564,396	\$ 1,770,704	\$ 74,979	\$ 264,470	\$ 2,674,549

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, 2019

	Park and Recreation Fund	Courthouse Capital Project Fund	North Louisiana Exhibition Center Fund	Bridge Replacement Fund	Totals
Revenues:					
Grants	\$ -	\$ 441,804	\$ -	\$ -	\$ 441,804
Other Taxes, Penalties and Interest, etc.	152,127	-	-	-	152,127
Use of Money and Property -					
Interest and Rent	798	16,951	-	-	17,749
Other Fees and Charges	449,237	175,290	113,289	-	737,816
Total Revenues	602,162	634,045	113,289	-	1,349,496
Expenditures:					
Operating Services:					
General Government	-	3,474	-	701,548	705,022
Culture and Recreation	438,561	-	122,473	-	561,034
Capital Outlay	152,250	1,363,702	5,871	-	1,521,823
Total Expenditures	590,811	1,367,176	128,344	701,548	2,787,879
Excess (Deficiency) of Revenues Over Expenditures	11,351	(733,131)	(15,055)	(701,548)	(1,438,383)
Other Financing Sources (Uses):					
Operating Transfers In	50,000	-	-	-	50,000
Operating Transfers (Out)	-	-	-	-	-
Total Other Financing Sources (Uses)	50,000	-	-	-	50,000
Excess (Deficiency) of Revenues over Expenditures	61,351	(733,131)	(15,055)	(701,548)	(1,388,383)
Fund Balance, Beginning (restated)	461,190	2,423,173	81,641	605,919	3,571,923
Fund Balance, Ending	\$ 522,541	\$ 1,690,042	\$ 66,586	\$ (95,629)	\$ 2,183,540

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
DEBT SERVICE FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2019

	Library Bond Sinking Fund	LPPJ Complex II Bond Sinking Fund	Total
ASSETS			
Cash	\$ 111,945	\$ 76,515	\$ 188,460
Accounts Receivable	244,574	1,866	246,440
Due From Other funds	286	-	286
TOTAL ASSETS	<u>\$ 356,805</u>	<u>\$ 78,381</u>	<u>\$ 435,186</u>
LIABILITIES			
Liabilities			
Due to Other Funds	\$ -	\$ 47,682	\$ 47,682
FUND BALANCE			
Assigned	<u>356,805</u>	<u>30,699</u>	<u>387,504</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 356,805</u>	<u>\$ 78,381</u>	<u>\$ 435,186</u>

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
DEBT SERVICE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2019

	Library Bond Sinking Fund	LPPJ Complex II Bond Sinking Fund	Total
Revenues:			
Taxes:			
Ad Valorem	\$ 252,425	\$ -	\$ 252,425
Rent Income	-	169,835	169,835
Use of Money and Property			
Interest Earnings	224	194	418
Total Revenues	<u>252,649</u>	<u>170,029</u>	<u>422,678</u>
Expenditures:			
Principal Payments	386,000	190,000	576,000
Interest Payments	30,743	8,265	39,008
Miscellaneous	-	61,221	61,221
Paying Agent Fees	450	-	450
Total Expenditures	<u>417,193</u>	<u>259,486</u>	<u>676,679</u>
Excess (Deficiency) of Revenues Over Expenditures	(164,544)	(89,457)	(254,001)
Other Financing Sources			
Transfer In	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues and Other Sources over Expenditures	(164,544)	(89,457)	(254,001)
Fund Balance, Beginning	<u>521,349</u>	<u>120,156</u>	<u>641,505</u>
Fund Balance, Ending	<u>\$ 356,805</u>	<u>\$ 30,699</u>	<u>\$ 387,504</u>

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
SCHEDULE OF COMPENSATION, REIMBURSEMENTS, BENEFITS AND OTHER PAYMENTS
TO AGENCY HEAD, POLITICAL SUBDIVISION HEAD, OR CHIEF EXECUTIVE OFFICER
FOR THE YEAR ENDED DECEMBER 31, 2019

	Jody Backus Police Juror	Bobby Bennett Police Juror	David Hammons Police Juror	Joseph Henderson Police Juror	Hazel Hunter Police Juror
Purpose:					
Salary	\$ 10,500	\$ 10,500	\$ 10,500	\$ 10,500	\$ 10,500
Benefits - Insurance	-	-	-	-	-
Benefits - Retirement	-	-	-	-	-
Benefits - Dental	-	-	-	-	-
Travel Reimbursements	-	-	-	-	543
Registration Fees	-	-	-	-	-
Auto	-	-	-	-	-
Vehicle Provided by LPPJ	-	-	-	-	-
TOTAL	\$ 10,500	\$ 10,500	\$ 10,500	\$ 10,500	\$ 11,043

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	\$ 11,700	\$ 10,500	\$ 10,500	\$ 10,500
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
2,575	582	-	-	928	2,714
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 13,075</u>	<u>\$ 11,082</u>	<u>\$ 11,700</u>	<u>\$ 10,500</u>	<u>\$ 11,428</u>	<u>\$ 13,214</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, 2019

	Theresa Wyatt Police Juror	Courtney Hall Parish Administrator	Holly Lowry Parish Treasurer
Purpose:			
Salary	\$ 10,000	\$ 108,638	\$ 34,047
Benefits - Insurance	-	16,605	7,481
Benefits - Retirement	-	12,493	3,915
Benefits - Dental	-	825	334
Travel Reimbursements	407	-	-
Registration Fees	-	-	-
Auto	-	493	-
	-	-	
TOTAL	\$ 10,407	\$ 139,054	\$ 45,777

OTHER SUPPLEMENTAL INFORMATION –
COMPLIANCE REQUIREMENTS

MEMBER
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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, 2019, 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 August 5, 2020.

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 no instances of noncompliance or other matters that is required to be reported under *Government Auditing Standards*.

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



August 5, 2020

MEMBER
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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR
EACH MAJOR FEDERAL PROGRAM; AND
REPORT ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE

Lincoln Parish Police Jury
Ruston, Louisiana

Report on Compliance for Each Major Federal Program

I have audited the Lincoln Parish Police Jury's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Police Jury's major federal programs for the year ended December 31, 2019. The Police Jury's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

My responsibility is to express an opinion on compliance for each of the Police Jury's major federal programs based on my audit of the types of compliance requirements referred to above. I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Police Jury's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In my opinion, the Lincoln Parish Police Jury complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2019.

Report on Internal Control Over Compliance

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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of my testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Office of the Louisiana Legislative Auditor as a public document.

WILLIAM R. HULSEY (APAC)
Certified Public Accountant



Monroe, Louisiana
August 5, 2020

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2019

Financial Statement Audit

- i. The type of audit report was unmodified.
- ii. There were no significant deficiencies required to be disclosed by Government Auditing Standards issued by the Comptroller General of the United States of America.
- iii. There were no instances of noncompliance, as defined by the Government Auditing Standards, to the financial statements.

Audit of Federal Awards

- iv. There were no significant deficiencies required to be disclosed by the Uniform Guidance (2 CFR 200).
- v. The type of report the auditor issued on compliance for the major program was unmodified.
- vi. The audit disclosed no findings which the auditor is required to report under the Uniform Guidance.
- vii. The major federal programs were:

Homeland Security Generator Projects	CFDA #97.039
State Homeland Security Grant	CFDA #97.067
Emergency Management Performance Grant	CFDA #97.042
- viii. The dollar threshold used to identify between Type A and Type B programs as described in the Uniform Guidance was \$750,000.
- ix. The auditee does not qualify as a low-risk auditee under the Uniform Guidance.

Part II - Findings related to the financial statements which are required to be reported in accordance with Government Auditing Standards generally accepted in the United States of America

No findings were reported under this section.

Part III – Management Letter

No management letter was issued.

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2019

Source of Federal Assistance/ Agency Name(s)	Federal CFDA Number	Agency or Pass- Through Number	Expenditures
United States Department of Housing and Urban Development			
Public Indian Housing HAP - Vouchers	14.871	LA212	\$ 558,388
United States Department of Homeland Security			
FEMA Generator Project	97.039	HMGP#1786-022-0002	437,677 *
State Homeland Security Grant	97.067	EMW-2018-SS-00016	40,181
State Homeland Security Grant	97.067	EMW-2016-SS-00018	14,064
State Homeland Security Grant	97.067	EMW-2017-SS-00058	2,878
State Homeland Security Grant	97.067	EMW-2019-SS-00014	1,000
Total			<u>58,123 *</u>
Emergency Management Performance Grant	97.042	EMT-2018-EP-00003	28,519
Emergency Management Performance Grant	97.042	EMT-2019-EP-00006	16,219
			<u>44,738 *</u>
Total United States Department of Homeland Security			540,538
Total Expenditures of Federal Awards			<u><u>\$ 1,098,926</u></u>

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

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
NOTES TO SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31,2019

NOTE 1 - GENERAL The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs of the Lincoln Parish Police Jury for the year ended December 31, 2019. The Police Jury’s reporting entity is defined in Note 1 to the Police Jury's basic financial statements. Federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, are included on the schedule. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Police Jury, it is not intended to and does not present the financial position or change in net position of the Police Jury.

NOTE 2 - BASIS OF ACCOUNTING The accompanying Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting, which is described in Note 1 to the Police Jury's basic financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3 - RELATIONSHIP TO BASIC FINANCIAL STATEMENTS Federal awards revenues are reported in the Police Jury's basic financial statements as follows:

	<u>Federal Sources</u>
Funds:	
General Fund (FEMA)	\$ 540,538
Section 8 Housing	<u>558,388</u>
	<u>\$1,098,926</u>

NOTE 4 - RELATIONSHIP TO FEDERAL FINANCIAL REPORTS Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial reports except for changes made to reflect amounts in accordance with accounting principles generally accepted in the United States of America.

NOTE 5 - MATCHING REVENUES For those funds that have matching revenues and state funding, federal expenditures were determined by deducting matching revenues from total expenditures.

NOTE 6 - DE MINIMIS INDIRECT COST RATE The Police Jury has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2019

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.

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

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INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

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

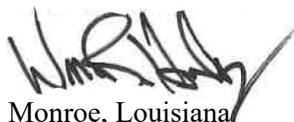
I have performed the procedures enumerated below, which were agreed to by the Lincoln Parish Police Jury (Entity) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2019 through December 31, 2019. 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 findings obtained are described in the attachment to this report.

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
August 5, 2020

SUPPLEMENT TO INDEPENDENT ACCOUNTANT'S REPORT ON
APPLYING AGREED-UPON PROCEDURES

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):
 - 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/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
 - 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 of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases)
 - 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) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
 - k) **Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

Exceptions

Currently, the Jury only has written policies and procedures addressing purchasing and travel. There are no other policies and procedures in place regarding the other areas noted above.

Board or Finance Committee

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds. *Alternately, for those entities reporting on the non-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
 - c) For governmental entities, obtain the prior year audit report and observe the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the general fund.

Exceptions

No exceptions were identified in the performance of the procedures listed above.

Bank Reconciliations

3. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:
 - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);
 - b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
 - c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Exceptions

Exceptions were identified in the performance of the procedures listed above. Bank accounts were reconciled more than 2 months from the Closing Date and Outstanding Items from prior years were still listed and not cleared from these accounts.

Management's Response

All administrative functions, including bank reconciliations, have recently been analyzed and many tasks have been reassigned. Administration understands the importance of reconciling cash accounts in a timely manner, and will make this a top priority.

Collections

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
 - a) Employees that are responsible for cash collections do not share cash drawers/registers.
 - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
 - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
 - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.
6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.
7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
 - a) Observe that receipts are sequentially pre-numbered.
 - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - c) Trace the deposit slip total to the actual deposit per the bank statement.
 - d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).
 - e) Trace the actual deposit per the bank statement to the general ledger.

Exceptions

No exceptions were identified in the performance of the procedures listed above.

Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
 - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
 - b) At least two employees are involved in processing and approving payments to vendors.
 - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
 - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.
10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:
 - a) Observe that the disbursement matched the related original invoice/billing statement.
 - b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

Exceptions

No exceptions were identified in the performance of the procedures listed above.

Credit Cards/Debit Cards/Fuel Cards/P-Cards

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, 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.
12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
 - a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain

public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.)]

- b) Observe that finance charges and late fees were not assessed on the selected statements.
13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

Exceptions

No exceptions were identified in the performance of the procedures listed above.

Travel and Travel-Related Expense Reimbursements (excluding card transactions)

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management’s representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
- a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
 - b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
 - c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
 - d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Exceptions

No exceptions were identified in the performance of the procedures listed above.

Contracts

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.*

Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
- b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).
- c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.
- d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

Exceptions

No exceptions were identified in the performance of the procedures listed above.

Payroll and Personnel

16. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
 - a) Observe that 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) Observe that supervisors approved the attendance and leave of the selected employees/officials.
 - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
18. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulate leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.
19. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

Exceptions

No exceptions were identified in the performance of the procedures listed above.

Ethics

20. Using the 5 randomly selected employees/officials from procedure #16 under “Payroll and Personnel” above, obtain ethics documentation from management, and:
 - a. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
 - b. Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity’s ethics policy during the fiscal period.

Exceptions

No exceptions were identified in the performance of the procedures listed above.

Debt Service

21. Obtain a listing of bonds/notes issued during the fiscal period and management’s representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.
22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management’s representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants.

Exceptions

No exceptions were identified in the performance of the procedures listed above.

Other

23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management’s representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.
24. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Exceptions

No exceptions were identified in the performance of the procedures listed above.