

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA

Primary Government Financial Statements
For the Year Ended December 31, 2022

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
PRIMARY GOVERNMENT FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

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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, 2022, 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 unmodified, qualified, and adverse 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. Management is unable to determine how this departure from accounting principles generally accepted in the United States of America, affected the assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, revenues, and expenses of the aggregate discretely presented component units. Neither can management determine how the assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balances, revenues, and expenditures of the aggregate remaining fund information would have been affected.

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, 2020, or the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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, 2020, and the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of the Lincoln Parish Police Jury, as of December 31, 2022, 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 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.

Management has omitted Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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 statement in an appropriate operational, economic, or historical context. My opinion on the basic financial statements is not affected by this missing information.

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.

Lincoln Parish Police Jury
Ruston, Louisiana

I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

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 June 21, 2023 on my consideration of the Police Jury's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of the testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Lincoln Parish Police Jury's internal control over financial reporting and compliance.

WILLIAM R. HULSEY, (APAC)
Certified Public Accountant



June 21, 2023

GOVERNMENT-WIDE FINANCIAL STATEMENTS

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
STATEMENT OF NET POSITION
DECEMBER 31, 2022

	<u>Governmental Activities</u>
<i>Assets</i>	
Cash	\$ 25,431,207
Investments	21,661,548
Accounts Receivable	7,348,623
Due From Other Entities	1,007,866
Inventory	11,582
Net Pension Asset	2,488,244
Capital Assets:	
Non-Depreciable	4,402,203
Depreciable	22,496,991
Right To Use Leased Assets, Net of Amortization	<u>580,387</u>
Total Assets	<u>85,428,651</u>
<i>Deferred Outflow of Resources</i>	
Pension Related	709,046
OPEB related	3,194,052
Prepaid Expenses	<u>8,216</u>
Total Deferred Outflow of Resources	3,911,314
<i>Liabilities</i>	
Accounts Payable	195,826
Accrued Interest Payable	1,989
Due To Other Entities	7,245,729
Deferred Revenues	8,882,681
Non-Current Liabilities	
Due Within One Year	
Bonds Payable	46,185
Lease Liability	255,856
Compensated Absences	154,207
Due in More Than One Year	
Bonds Payable	2,127,795
Lease Liability	334,615
Debt Service Reserve	5,943
Unfunded Postretirement Benefit Plan Obligations	<u>6,773,242</u>
Total Liabilities	<u>26,024,068</u>
<i>Deferred Inflow of Resources</i>	
OPEB related	3,178,457
Pension Related	<u>2,356,829</u>
Total Deferred Outflow of Resources	5,535,286
<i>Net Position</i>	
Net Investment in Capital Assets	27,479,581
Restricted For:	
Capital Projects	4,106,267
Debt Service	229,429
Unrestricted	<u>25,965,334</u>
Total Net Position	<u>\$ 57,780,611</u>

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

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022

		Program Revenues				Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	
Function/Program Activities						
Government Activities:						
General Government	\$ 4,685,357	\$ 27,630	\$ -	\$ -	\$ (4,657,727)	
Public Safety	1,462,533	439,293	101,844	-	(921,396)	
Public Works	11,330,111	338,578	564,902	-	(10,426,631)	
Health & Welfare	1,216,338		593,488	-	(622,850)	
Culture & Recreation	992,226	703,320	-	-	(288,906)	
Economic Development	35,417	-	-	-	(35,417)	
Interest on Long-Term Debt	100,740	-	-	-	(100,740)	
	<u>\$ 19,822,722</u>	<u>\$ 1,508,821</u>	<u>\$ 1,260,234</u>	<u>\$ -</u>	<u>(17,053,667)</u>	
Total Governmental Activities						

General Revenues:

Taxes:

Property Taxes	8,040,727
Sales Taxes	5,583,294
Other Taxes	352,911
Severance Taxes	1,285,377
Intergovernmental Revenues	-
Fire Insurance Rebate	325,922
Other Revenues	181,748
Interest Earned and Rents	806,258
Total General Revenues	<u>16,576,237</u>

Changes in Net Position (477,430)

Net Position - Beginning 58,258,041

Net Position - Ending \$ 57,780,611

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, 2022

	General Fund	Road Construction Fund	Road Maintenance Fund	Library Fund
Assets:				
Cash and Cash Equivalents	\$ 874,971	\$ 4,101,368	\$ 719,612	\$ 1,032,997
Investments	2,103,260	521,088	1,032,436	2,476,644
Receivables	1,279,504	1,956,781	1,956,781	1,947,743
Prepaid Expenses	8,216	-	-	-
Due From Other Funds	6,387,741	-	951,868	6,357
Due From Other Entities	934,162	-	-	-
Inventory	-	11,582	-	-
TOTAL ASSETS	\$ 11,587,854	\$ 6,590,819	\$ 4,660,697	\$ 5,463,741
Liabilities and fund equity:				
Liabilities:				
Accounts Payable	64,707	\$ -	\$ -	\$ 44,918
Due To Other Funds	2,334,559	4,255,800	4,174	1,501,421
Due To Other Entities	6,056,780	-	-	-
Debt Service Reserve	-	-	-	-
Unearned Revenue	-	-	-	-
Total Liabilities	8,456,046	4,255,800	4,174	1,546,339
Fund Balances:				
Nonspendable	8,216	11,582	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	2,323,437	4,656,523	3,917,402
Unassigned	3,123,592	-	-	-
Total Fund Equity	3,131,808	2,335,019	4,656,523	3,917,402
TOTAL LIABILITIES AND FUND EQUITY	\$ 11,587,854	\$ 6,590,819	\$ 4,660,697	\$ 5,463,741

American Rescue Plan Fund	Solid Waste Disposal Fund	Solid Waste Disposal Equipment Reserve Fund	Hospital Proceeds Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ 9,089,441	\$ 1,786,943	\$ 137,168	\$ 476,172	\$ 7,212,535	\$ 25,431,207
-	-	2,663,660	9,374,485	3,489,975	21,661,548
-	-	-	-	207,814	7,348,623
-	-	-	-	-	8,216
-	12,293	-	520,732	7,816,644	15,695,635
-	-	-	-	73,704	1,007,866
-	-	-	-	-	11,582
<u>\$ 9,089,441</u>	<u>\$ 1,799,236</u>	<u>\$ 2,800,828</u>	<u>\$ 10,371,389</u>	<u>\$ 18,800,672</u>	<u>\$ 71,164,677</u>
-	\$ -	\$ -	\$ 2,500	\$ 83,701	\$ 195,826
206,760	185,911	1,239	225,970	6,979,801	15,695,635
-	1,129,206	-	-	59,743	7,245,729
-	-	-	-	5,943	5,943
8,874,902	-	-	-	-	8,874,902
<u>9,081,662</u>	<u>1,315,117</u>	<u>1,239</u>	<u>228,470</u>	<u>7,129,188</u>	<u>32,018,035</u>
-	-	-	-	-	19,798
7,779	-	-	-	445,751	453,530
-	-	-	-	-	-
-	484,119	2,799,589	10,142,919	11,225,733	35,549,722
-	-	-	-	-	3,123,592
<u>7,779</u>	<u>484,119</u>	<u>2,799,589</u>	<u>10,142,919</u>	<u>11,671,484</u>	<u>39,146,642</u>
<u>\$ 9,089,441</u>	<u>\$ 1,799,236</u>	<u>\$ 2,800,828</u>	<u>\$ 10,371,389</u>	<u>\$ 18,800,672</u>	<u>\$ 71,164,677</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, 2022

Total Governmental Fund Balances	\$	39,146,642
 <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.		
		27,479,581
 Pension related items are not reported in the fund financial statements:		
Deferred Outflows		709,046
Deferred Inflows		(2,356,829)
Net Pension Asset		2,488,244
 Long-term obligations are not due and payable in the current period and therefore are not reported in the fund statements:		
Compensated absences payable		(154,207)
Lease Liability		(590,471)
Bonds payable		(2,173,980)
Net OPEB obligation		(6,767,415)
		(6,767,415)
 Net Position of Governmental Activities	 \$	 57,780,611
		57,780,611

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

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022

	General Fund	Road Construction Fund	Road Maintenance Fund	Library Fund
Revenues:				
Taxes:				
Ad Valorem	\$ 1,289,973	\$ 2,237,427	\$ 2,234,691	\$ 2,278,636
1/2 Cent Sales Tax	-	-	-	-
Other Taxes, Penalties and Interest, etc.	352,911	-	-	-
Intergovernmental Revenues:				
Federal Funds:				
Section 8 Housing	9,595	-	-	-
Other Federal Funds	105,965	-	-	-
State Funds:				
Parish Transportation Funds	-	-	-	-
State Revenue Sharing (net)	62,196	97,141	97,141	32,135
Grants - Other State Agencies	7,331	-	-	-
Severance Tax	1,285,377	-	-	-
Local Funds:				
Fees, Charges and Commission for Services	218,646	-	-	78,666
Fines and Forfeitures	-	-	-	-
Use of Money and Property				
Interest Earnings and Rents	136,352	5,586	5,891	25,559
Other Revenues	46,661	17,675	17,674	1,993
Total Revenues	3,515,007	2,357,829	2,355,397	2,416,989
Expenditures:				
General Government	2,186,528	-	-	-
Public Safety	1,192,065	-	-	-
Public Works	-	2,043,549	2,705,763	-
Health and Welfare	21,627	-	-	-
Culture and Recreation	13,030	-	-	-
Economic Development and Assistance	35,417	-	-	-
Capital Outlay	28,020	300,547	218,847	1,813,034
Debt Service:				
Principal Payments	-	28,123	28,123	-
Interest and Other	-	3,088	3,088	-
Total Expenditures	3,476,687	2,375,307	2,955,821	1,813,034
Excess (Deficiency) of Revenues Over Expenditures	38,320	(17,478)	(600,424)	603,955
Other Financing Sources (Uses):				
Proceeds from Borrowing	-	-	-	-
Operating Transfers In	-	-	-	-
Operating Transfers Out	(1,055,000)	(900,000)	-	-
Total Other Financing Sources (Uses)	(1,055,000)	(900,000)	-	-
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	(1,016,680)	(917,478)	(600,424)	603,955
Fund Balances, Beginning	4,148,488	3,252,497	5,256,947	3,313,447
Fund Balances, Ending	\$ 3,131,808	\$ 2,335,019	\$ 4,656,523	\$ 3,917,402

American Rescue Plan Fund	Solid Waste Disposal Fund	Solid Waste Disposal Equipment Reserve Fund	Hospital Proceeds Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,040,727
-	5,583,294	-	-	-	5,583,294
-	-	-	-	-	352,911
-	-	-	-	593,488	603,083
-	-	-	-	-	105,965
-	-	-	-	564,902	564,902
-	-	-	-	-	288,613
-	-	-	-	5,000	12,331
-	-	-	-	-	1,285,377
-	-	-	-	101,844	101,844
-	238,453	-	-	533,763	1,069,528
-	-	-	-	439,293	439,293
7,779	-	17,583	108,611	506,669	814,030
-	-	-	1,070	6,096	91,169
<u>7,779</u>	<u>5,821,747</u>	<u>17,583</u>	<u>109,681</u>	<u>2,751,055</u>	<u>19,353,067</u>
-	-	-	-	1,387,826	3,574,354
-	-	-	-	-	1,192,065
-	3,811,734	198,263	-	1,976,347	10,735,656
-	-	-	545,740	648,971	1,216,338
-	-	-	-	670,327	683,357
-	-	-	-	-	35,417
-	444,356	-	-	1,615,457	4,420,261
-	-	-	-	252,160	308,406
-	-	-	-	82,349	88,525
-	<u>4,256,090</u>	<u>198,263</u>	<u>545,740</u>	<u>6,633,437</u>	<u>22,254,379</u>
<u>7,779</u>	<u>1,565,657</u>	<u>(180,680)</u>	<u>(436,059)</u>	<u>(3,882,382)</u>	<u>(2,901,312)</u>
-	-	-	-	229,335	229,335
-	-	-	500,000	2,877,358	3,377,358
-	<u>(1,328,858)</u>	-	<u>(93,500)</u>	-	<u>(3,377,358)</u>
-	<u>(1,328,858)</u>	-	<u>406,500</u>	<u>3,106,693</u>	<u>229,335</u>
7,779	236,799	(180,680)	(29,559)	(775,689)	(2,671,977)
-	<u>247,320</u>	<u>2,980,269</u>	<u>10,172,478</u>	<u>12,447,173</u>	<u>41,818,619</u>
<u>\$ 7,779</u>	<u>\$ 484,119</u>	<u>\$ 2,799,589</u>	<u>\$ 10,142,919</u>	<u>\$ 11,671,484</u>	<u>\$ 39,146,642</u>

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

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022

Net Change in Fund Balances - Total Governmental Funds \$ (2,671,977)

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

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

Capital assets purchases capitalized	4,344,966
Capital assets disposed of less accumulated depreciation	(36,382)
Depreciation Expense	<u>(1,531,261)</u>
	2,777,323

Right to Use Leased Asset capital outlay expenditures which were capitalized	846,132
Amortization expense for intangible assets	(265,745)

Postretirement benefit plan expenditures (19,546)

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. (229,335)

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. 42,519

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	(19,833)
Pension expense	(893,271)
Other parties' contributions to pension plans	(43,697)

Change in Net Position in Governmental Activities	<u>\$ (477,430)</u>
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The accompanying notes are an integral part of this financial statement.

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
DECEMBER 31, 2022

ASSETS

Investments, at Fair Value	<u>\$ 1,133,136</u>
TOTAL ASSETS	<u><u>\$ 1,133,136</u></u>

LIABILITIES

Liabilities	\$ -
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NET POSITION

Held in Trust for Deferred Compensation Benefits	<u>1,133,136</u>
TOTAL NET POSITION	<u><u>\$ 1,133,136</u></u>

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

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
DECEMBER 31, 2022

Balances Held in Trust for Deferred Compensation Benefits - Beginning	<u>\$ 1,178,489</u>
Additions:	
Contributions from Plan Participants	10,025
Investment Income	<u>47,915</u>
Total Additions:	57,940
Reductions:	
Benefit Payments to Plan Participants	17,613
Loss on Investments	39,845
Investment Management Fee	<u>45,835</u>
Total Subtractions:	103,293
Balances Held in Trust for Deferred Compensation Benefits - Ending	<u><u>1,133,136</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, 2022

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 2024.

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. 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.

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

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, 2022

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, 2022 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, 2022

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, 2022

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, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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. In the process of aggregating data for the statements of net position and the statement of activities, some amounts reported as interfund activity were eliminated or reclassified. The timing difference between the payment of obligations from the pooled cash fund and the reimbursement of that fund from each respective fund creates a difference between the cash per books and the bank balance that is not attributed to outstanding items. These timing differences are reported as “due from other funds” and “due from other entities” on the fund financial statements. This process also largely explains the difference between the book balance of cash and the bank balance shown in Note 2.

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, 2022

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, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases

Lessee leases: The Government is a lessee under noncancellable lease agreements for vehicles and equipment. In accordance with GASB Statement No. 87, *Leases*, the Government recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the financial statements. Lease liabilities are recorded for lease contracts with an initial individual value of \$100,000 or more and with lease periods greater than one year.

At the commencement of a lease, the Government initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life. Key estimates and judgments related to leases include (1) the discount rate used to present value the expected lease payment, (2) lease term, and (3) lease payments.

- The Government uses the interest rate charged by the lessor as the discount rate, if provided. When the interest rate charged by the lessor is not provided, the Government uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease terms include the noncancellable period of the lease and optional renewal periods. Lease payments included in the measurement of the lease liability are composed of fixed payments through the noncancellable term of the lease and renewal periods that management considers reasonably certain to be exercised.

The Government monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability. Lease assets are reported with capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Accounting Changes and Standards Implemented

The Government has implemented GASB Statement No. 87, *Leases*. Under this Statement, lease contracts, as defined, are financings of the right to use an underlying asset. A lessor is required to recognize a lease receivable and a deferred inflow of resources, and a lessee recognizes a lease liability and intangible right-to-use asset, thereby enhancing the relevance and consistency of information about governments' leasing activities. Lease receivables as well as lease liabilities are measured at the present value of lease payments over the term of each respective contract. Options to renew the lease are included in the lease term if reasonably certain to be exercised.

While GASB 87 resulted in the recording of assets and liabilities (and deferred inflows if lessor lease) that were not previously recognized, changes to the accounting for lease payments and collections, there were no effects to beginning net position or fund balances as a result of this statement's implementation. Beginning with the implementation in the current fiscal year, lease payments are accounted for as repayment of debt principal and interest, and lease collections are accounted for Collection of receivables.

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

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, 2022. The Police Jury had cash and cash equivalents in demand deposits, totaling \$25,431,207 at December 31, 2022.

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, 2022, are secured, as follows:

Bank Balances	<u>\$ 19,183,856</u>
FDIC Insurance	1,250,000
Pledged Securities (uncollateralized)	<u>20,629,725</u>
Total	<u>\$ 21,879,725</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, 2022.

The Police Jury categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. All investment types are valued using Level 1 inputs.

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, 2022, the Police Jury had the following investments stated at cost, which approximates market:

Government Agency Bonds	\$ 19,719,561
Cash or Money Market Accounts	<u>1,941,987</u>
Total	<u>\$ 21,661,548</u>

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 3 – INVESTMENTS (Continued)

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

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

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 \$7,348,623 on December 31, 2022, are detailed as follows:

	<u>General</u>	<u>Special</u>	<u>Capital</u>	<u>Debt</u>	<u>Total</u>
<u>Class of</u>	<u>Fund</u>	<u>Revenue</u>	<u>Project</u>	<u>Service</u>	
<u>Receivables</u>		<u>Funds</u>	<u>Funds</u>	<u>Fund</u>	
Taxes					
Ad valorem	\$ 1,156,364	\$ 5,710,362	\$ -	\$ -	\$ 6,866,725
State revenue sharing	41,465	150,943	-	-	192,408
State reimbursements	-	46,397	-	-	46,397
Other	<u>81,675</u>	<u>148,918</u>	<u>12,500</u>	-	<u>243,093</u>
Totals	<u>\$ 1,279,504</u>	<u>\$ 6,056,620</u>	<u>\$12,500</u>	<u>\$ -</u>	<u>\$ 7,348,623</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.

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 5 – PROPERTY AND EQUIPMENT

Capital asset activity for the year ended December 31, 2022, is as follows:

	2021			2022
	<u>Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u>
Non-Depreciable Assets:				
Land	\$ 1,825,402	\$ 280,20	\$ -	\$ 1,853,422
Improvements - CIP	<u>2,548,781</u>	<u>955,277</u>	<u>(2,851,767)</u>	<u>652,291</u>
Total	<u>4,374,183</u>	<u>983,297</u>	<u>(2,851,767)</u>	<u>2,505,713</u>
Depreciable Assets				
Buildings	10,775,356	3,100,082	-	13,875,438
Infrastructure	27,221,678	127,909	-	27,349,587
Improvements	11,594,664	283,654	(15,884)	11,862,434
Vehicles	2,793,876	-	(175,933)	2,617,943
Furniture & Fixtures	1,210,963	5,292	-	1,216,255
Machinery & Equipment	<u>7,152,293</u>	<u>1,427,404</u>	<u>(271,200)</u>	<u>8,308,497</u>
Total	<u>60,748,830</u>	<u>4,944,341</u>	<u>(463,017)</u>	<u>65,230,154</u>
Less: Accumulated Depreciation:				
Buildings	(6,194,566)	(173,890)	-	(6,368,456)
Infrastructure	(20,527,980)	(223,529)	-	(20,751,509)
Improvements	(6,322,063)	(424,662)	14,296	(6,732,429)
Vehicles	(1,337,882)	(212,081)	153,060	(1,396,903)
Furniture & Fixtures	(1,120,720)	(12,732)	-	(1,133,452)
Machinery & Equipment	<u>(4,228,836)</u>	<u>(484,367)</u>	<u>259,279</u>	<u>(4,453,924)</u>
Total	<u>(39,732,047)</u>	<u>(1,531,261)</u>	<u>426,635</u>	<u>(40,836,673)</u>
Capital Assets, Net	<u>\$ 25,390,966</u>	<u>\$ 4,396,377</u>	<u>\$ (2,888,149)</u>	<u>\$ 26,899,194</u>
Right-to-Use Lease Assets	-	846,132	-	846,132
Less Accumulated Amortization	<u>-</u>	<u>(255,661)</u>	<u>-</u>	<u>(255,661)</u>
Total Right-to-Use Lease Assets	<u>\$ -</u>	<u>\$ 580,387</u>	<u>\$ -</u>	<u>\$ 580,387</u>

Depreciation and Amortization expense charged for \$1,786,922 is as follows:

General Government	\$ 318,002
Public Works	961,632
Public Safety	7,640
Culture and Recreation	<u>499,648</u>
Total	<u>\$ 1,786,922</u>

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

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 established by Act 205 of the 1952 regular session of the Legislature of the State of Louisiana to provide retirement benefits to all employees of any parish in the State of Louisiana or any governing body or a parish which employs and pays persons serving the parish.

Act 765 of the year 1979, established by the Legislature of the State of Louisiana, revised the System to create Plan A and Plan B to replace the "regular plan" and the "supplemental plan." Plan A was designated for employers out of Social Security. Plan B was designated for those employers that remained in Social Security on the revision date. The System is governed by Louisiana Revised Statutes, Title 11, Sections 1901 through 2025, specifically, and other general laws of the State of Louisiana.

Eligibility Requirements

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 7 years creditable service.

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 7 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, 2022, the Lincoln Parish Police Jury's total payroll for all employees was \$3,981,684. Total covered payroll was \$3,679,916. Covered payroll refers to all compensation paid by the Lincoln Parish Police Jury to active employees covered by the Plan.

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 6 – PENSION PLAN – Continued

Contributions

According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ended December 31, 2022, the actual employer contribution rate was 12.25% 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. The Lincoln Parish Police Jury's contributions to the System under Plan A for the year ending December 31, 2022 were \$423,190.

According to state statute, the System also receives $\frac{1}{4}$ of 1% of ad valorem taxes collected within the respective parishes, except for Orleans and East Baton Rouge parishes. The System also receives revenue sharing funds each year as appropriated by the legislature. Tax monies and revenue sharing monies are apportioned between Plan A and Plan B in proportion to the member's compensation. These additional sources of income are used as additional employer contributions and are considered support from non-employer contributing entities.

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.

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

For the year ended December 31, 2022, the Employer reported an asset of \$2,488,244 for its proportionate share of the Net Pension Liability/Asset. The Net Pension Liability/Asset was measured as of December 31, 2021 and the total pension liability/asset used to calculate the Net Pension Liability/Asset was determined by an actuarial valuation as of that date. The Lincoln Parish Police Jury's proportion of the Net Pension Liability/Asset was based on a projection of the Lincoln Parish 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, 2021, the Lincoln Parish Police Jury's proportion was .528241%, which was a decrease of .025671% from its proportion measured as of December 31, 2020.

For the year ended December 31, 2022, the Lincoln Parish Police Jury recognized pension expense of (\$420,924) plus employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, which was (\$428,657). Total pension expense for the Lincoln Parish Police Jury for the year ended December 31, 2022 was (\$849,581).

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 6 – PENSION PLAN – Continued

For the year ended December 31, 2022, 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	150,336	180,340
Changes in assumption	129,767	-
Net difference between projected and actual earnings on pension plan investments	-	2,152,289
Changes in employer’s portion of beginning net pension liability	5,753	21,709
Differences between employer contributions and proportionate share of employer contributions	-	2,491
Subsequent measurement contributions	423,190	-
Total	709,046	2,356,829

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,	
2023	(413,132)
2024	(851,874)
2025	(575,091)
2026	(230,696)

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of December 31, 2021, are as follows:

Valuation Date	December 31, 2021
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Investment Rate of Return	6.40% (net of investment expense, including inflation)
Expected remaining service lives	4 years
Projected salary increases	4.75%
Inflation Rate	2.30%
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.
Inflation Rate	2.30%

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 6 – PENSION PLAN – Continued

The discount rate used to measure the total pension liability was 6.40% for Plan A. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers and non-employer contributing entities will be made at the actuarially determined contribution rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems’ Actuarial Committee. Based on those assumptions, the System’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the capital asset pricing model (top-down), a treasury yield curve approach (bottom-up) and an equity building-block model (bottom-up). Risk return and correlations are projected on a forward-looking basis in equilibrium, in which best estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.10% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 7.00% for the year ended December 31, 2021.

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, 2021 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed Income	33%	0.85%
Equity	51%	3.23%
Alternatives	14%	0.71%
Real Assets	2%	0.11%
Totals	<u>100%</u>	<u>5.00%</u>
Inflation		<u>2.10%</u>
Expected Arithmetic Nominal Return		<u>7.00%</u>

The mortality rate assumption used was set based upon an experience study performed on plan data for the period January 1, 2013 through December 31, 2017. The data was assigned credibility weighting and combined with a standard table to produce current levels of mortality. As a result of this study, mortality for employees was set equal to the Pub-2010 Public Retirement Plans Mortality Table for General Employees multiplied by 130% for males and 125% for females, each with full generational projection using the MP2018 scale. In addition, mortality for annuitants and beneficiaries was set equal to the Pub-2010 Public Retirement plans Mortality Table for Healthy Retirees multiplied by 130% for males and 125% for females, each with full generational projection using the MP2018 scale. For Disabled annuitants mortality was set equal to the Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 130% for males and 125% for females, each with full generational projection using the MP2018 scale.

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 6 – PENSION PLAN – Continued

Sensitivity to Changes in the Discount Rate

The following presents the net pension liability/asset of the Lincoln Parish Police Jury’s as of December 31, 2021 calculated using the discount rate of 6.40%, as well as what the Lincoln Parish Police Jury’s net pension liability/asset would be if it were calculated using a discount rate that is one percentage point lower 5.40% or one percentage point higher 7.40% than the current rate:

	Changes in Discount Rate		
	1%	Current	1%
	Decrease	Discount Rate	Increase
	5.40%	6.40%	7.40%
Net Pension Liability/(Asset)	\$443,606	(\$2,488,244)	(\$4,944,206)

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, 2022. This amount is recorded in accrued expenses.

Retirement System Audit Report

The Parochial Employees’ Retirement System of Louisiana issued a stand-alone audit report on its financial statements for the year ended December 31, 2021. Access to the audit report can be found on the System’s website: www.persla.org or on the Office of Louisiana Legislative Auditor’s official website: www.lla.state.la.us.

NOTE 7 – LEASES

Operating Leases (Lessor)

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 \$121,435 for the year ended December 31, 2022. Future minimum lease payments for these leases extend through December 31, 2024 and are as follows:

<u>Year Ended</u> <u>December 31,</u>	<u>LPPJ Complex</u> <u>Lease</u>
2023	66,000
2024	36,250
Total	<u>\$ 102,250</u>

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 7 – LEASES – Continued

Operating Leases (Lessee)

The Government leases vehicles and equipment. These leases range in terms from 3 to 40 years, with various renewal options available, and payment terms vary in both frequency and amounts. In accordance with GASB Statement No. 87, *Leases*, a liability has been recorded for the present value of lease payments over the lease term for each agreement. As of June 30, 2022, the combined value of the lease liabilities was \$590,471. In determining the present values, a discount rate of 4.960% was applied, based on the duration of the lease agreement and other factors. The recorded value of the right-to-use assets as of the end of the current fiscal year was \$846,132 and accumulated amortization of these asset was \$255,661. The future principal and interest lease payments as of June 30, 2022, are as follows:

Fiscal Year	Principal	Interest	Total
2023	\$ 255,856	\$ 19,040	\$ 274,896
2024	199,763	9,563	209,326
2025	<u>134,852</u>	<u>2,431</u>	<u>137,283</u>
	\$ 590,471	\$ 31,034	\$ 621,505

The lease agreements have non-appropriation exculpatory clauses that allow lease cancellation if the Government does not make an appropriation for its continuation during any future fiscal period. However, such clauses were disregarded in determining the term of the lease for the purpose of measuring the lease assets and liabilities. The following is a schedule of the recorded amounts and accumulated amortization of leased assets by underlying asset class:

	Recorded Amount	Accumulated Amortization	Net right-to-use Asset	2022 Amortization
Right-to-Use Assets:				
Vehicles and Equipment	\$ 846,132	\$ (265,745)	\$ 580,387	\$ 265,745

There are no residual value guarantees or payments made that are not included in the liability. Likewise, there are not termination penalties or variable payments made during the year that were not included in measurement of the lease liability. There are no lease commitments prior to the commencement date.

NOTE 8 – DUE TO/FROM OTHER FUNDS

Individual fund balances due to/from other funds at December 31, 2022, are as follows:

<u>Fund</u>	<u>Due To Other Funds</u>	<u>Due From Other Funds</u>
Major Funds:		
General Fund	\$2,334,559	\$6,387,741
Special Revenue Funds:		
Road Construction Fund	4,255,800	-
Road Maintenance Fund	4,174	951,868
Library Fund	1,501,421	6,357
Solid Waste Disposal Fund	187,150	12,293
Hospital Proceeds Fund	225,970	520,732

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 8 – DUE TO/FROM OTHER FUNDS - Continued

Non-Major Funds:		
Special Revenue Funds	1,838,410	434,131
Capital Projects Funds	5,026,752	7,382,513
Debt Service Funds	<u>114,639</u>	<u>-</u>
Totals	<u>\$15,695,635</u>	<u>\$15,695,635</u>

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

NOTE 9 – RESERVED FUND BALANCE – WITNESS FEES

Louisiana Revised Statute 15:255 provides for the payment of witness fees to off-duty law enforcement officers who, in their official capacity, are required to be present as a witness in criminal cases. Witness fees are paid from special court costs levied in criminal cases. Court costs and witness fees are accounted for in the Criminal Court Special Revenue Fund. The following schedule provides a detail of changes in the fund balance of the Law Enforcement Witness Fee Fund for the year ended December 31, 2022:

Balance at January 1, 2021	\$ 39,038
Court costs collected	4,680
Interest	22
Witness fees paid	<u>(2,824)</u>
Balance at December 31, 2022	<u>\$ 40,916</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, 2022.

	<u>Collection</u> <u>Equipment</u>	<u>Disposal</u> <u>Equipment</u>	<u>Total</u>
Balance at January 1, 2021	\$ 2,420,619	\$ 2,980,269	\$ 5,400,888
Transfers in (out)	-	-	-
Other revenues	16,009	17,583	38,497
Expenditures	<u>(606,317)</u>	<u>(198,263)</u>	<u>(301,305)</u>
Balance at December 31, 2022	<u>\$ 1,830,311</u>	<u>\$ 2,799,589</u>	<u>\$ 5,400,888</u>

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 10 – DESIGNATED FUND BALANCE – EQUIPMENT REPLACEMENT – Continued

The total Solid Waste Equipment Reserve as of December 31, 2022, is as follows:

Solid Waste Equipment Reserve	\$ 5,400,888
Sewer Fund Equipment Replacement	<u>81,182</u>
Total Fund Equity Designated for Equipment Replacement	<u>\$ 5,482,070</u>

NOTE 11 – CRIMINAL COURT FUND SURPLUS

Louisiana Revised Statute 15:571.11 requires that one-half of any surplus remaining in the Criminal Court Special Revenue Fund at year end be transferred to the parish General Fund. During the year ended December 31, 2022, \$0 was to be transferred.

NOTE 12 – LITIGATION AND CLAIMS

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

NOTE 13 – 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
Levy Date	June 30
Tax Bills Mailed	December 13
Total Taxes Are Due	December 31
Penalties and Interest are Added	January 29
Tax Sales – 2021 Delinquent Property	June 3 of ensuing year

	<u>Authorized</u> <u>Millage</u>	<u>Levied</u> <u>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	4.49

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

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, 2022, the following governmental funds had variances greater than 5%:

	<u>Budget</u>	<u>Actual</u>	<u>Variances</u> <u>(Unfavorable)</u>
General Fund			
State Revenue Sharing	69,170	62,196	(6,974)
General Government	1,642,814	2,186,528	(543,714)
Public Safety	865,894	1,192,065	(326,171)
Culture and Recreation	6,040	13,030	(6,990)
Economic Development	30,000	35,417	(5,417)
Solid Waste Disposal Fund			
Capital Outlay	240,000	444,356	(204,356)
Hospital Proceeds Fund			
Health and Welfare	200,000	545,740	(345,740)

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).

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 16 – POST EMPLOYMENT HEALTH CARE BENEFITS AND LIFE INSURANCE BENEFITS – Continued

Benefits Provided – Medical and life insurance benefits are provided through comprehensive plans and are made available to employees upon actual retirement. Employees are covered by Plan A of 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. Employees hired on and after January 1, 2008 are not eligible for any retiree health coverage. Life insurance coverage is provided to retirees for 50% of the active level and 100% of the rate is paid by the employer.

Employees covered by benefit terms – As of the measurement date December 31, 2021, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	37
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	63
	100

Total OPEB Liability

The Police Jury's total OPEB liability is \$6,773,242 as of the measurement date December 31, 2022, the end of the fiscal year.

Actuarial Assumptions and other inputs – The total OPEB liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	3.0%
Salary increases	3.0%, including inflation
Discount rate	2.06% annually (Beginning of Year to Determine ADC) 3.72%, annually (As of End of Year Measurement Date)
Healthcare cost trend rates	Medical: 5.5% annually for 5 years, decreasing to 4.14% after 52 years
Mortality	Pub-2010/2021

The discount rate was based on the Bond Buyers' 20 Year General Obligation municipal bond index as of December 31, 2022, the end of the applicable measurement period.

The actuarial assumptions used in the December 31, 2022 valuation were based on the results of ongoing evaluations of the assumptions from January 1, 2009 to December 31, 2022.

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 16 – POST EMPLOYMENT HEALTH CARE BENEFITS AND LIFE INSURANCE BENEFITS –
Continued

Changes in the Total OPEB Liability

Balance at December 31, 2021	\$ 7,998,954
Changes for the year:	
Service cost	148,190
Interest	166,305
Differences between expected and actual experience	644,746
Changes in assumptions	(1,970,991)
Benefit payments and net transfers	(213,962)
Net changes	<u>(1,225,712)</u>
Balance at December 31, 2022	<u>\$ 6,773,242</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 (2.72%) or 1-percentage-point higher (4.72%) than the current discount rate:

	1.0% Decrease (2.72%)	Current Discount Rate (3.72%)	1.0% Increase (4.72%)
Total OPEB liability	\$ 7,737,543	\$ 6,773,242	\$ 5,992,090

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	\$ 6,013,537	\$ 6,773,242	\$ 7,399,041

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

For the year ended December 31, 2022, the Police Jury recognized OPEB expense of \$194,418. At December 31, 2022, 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	\$ 800,283	\$ (1,365,864)
Changes in assumptions	2,393,768	(1,812,592)
Total	<u>\$ 3,194,052</u>	<u>\$ (3,178,457)</u>

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 16 – POST EMPLOYMENT HEALTH CARE BENEFITS AND LIFE INSURANCE BENEFITS – Continued

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

<u>Years ending December 31:</u>	
2023	(120,077)
2024	(120,077)
2025	(120,077)
2026	(120,077)
2027	145,172
Thereafter	350,729

NOTE 17 – BONDS PAYABLE

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 bonds were fully repaid during 2021.

On March 13, 2020, bond anticipation notes were authorized in the amount of \$2,677,000 for the purpose of construction of an inmate dormitory for the Lincoln Parish Detention Center. Origin Bank offered a construction line of credit in the amount of \$1,607,000, and Louisiana Public Facilities Authority (LPFA) offered a line of credit for \$1,070,000, with interest only payable quarterly for 12 months. In June 2021, the construction of the dormitory was considered substantially complete and the loan with Rural Development was closed, effectively repaying the interim construction loans with Origin Bank and LPFA.

On June 11, 2021 sales tax bonds were issued in the amount of \$2,677,000 for the purpose of closing the interim construction loans with Origin Bank and LPFA. Monthly payments in the amount of \$8,487 will retire the debt in 40 years.

The following is the future principal and interest requirements:

	<u>Beginning</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending</u>	<u>Due</u>
	<u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u>	<u>Within One</u>
	<u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u>	<u>Year</u>
Government Activities:					
Bonds Payable:					
Bond Anticipation Notes	66,164	-	66,164	-	-
Sales Tax Bond Series 2021	1,920,999	295,500	42,519	2,173,980	46,185
Lease Liability	-	590,471	-	590,471	255,856
Accrued Vacation and Sick Time	<u>134,374</u>	<u>19,833</u>	<u>-</u>	<u>154,207</u>	<u>154,207</u>
Total Governmental Activities					
Long-Term Debt	<u>\$2,121,537</u>	<u>\$ 905,804</u>	<u>\$ 108,683</u>	<u>\$2,918,658</u>	<u>\$456,248</u>

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 17 – BONDS PAYABLE – Continued

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

Year Ended December 31,	Certificates of Indebtedness <u>Series 2021</u>	
	Principal	Interest
2023	46,185	55,659
2024	44,474	57,370
2025	45,485	56,359
2026	46,519	55,325
2027	47,575	54,269
2028-2032	254,635	254,585
2033-2037	284,882	224,338
2038-2042	344,258	164,962
2043-2047	362,922	146,298
2048-2052	399,132	110,088
2053-2057	<u>297,913</u>	<u>211,307</u>
	2,173,980	1,390,560

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

NOTE 18 – INTERFUND OPERATING TRANSFERS IN AND OUT

Fund	<u>Operating Transfers</u>	
	<u>In</u>	<u>Out</u>
Major Funds:		
General Fund	\$ -	\$ 1,055,000
Road Construction Fund	-	900,000
Special Revenue Funds:		
Solid Waste Disposal Fund	-	1,328,858
Hospital Proceeds Fund	500,000	93,500
Non-Major Funds:		
Special Revenue Funds	1,347,358	-
Capital Projects Funds	<u>1,530,000</u>	<u>-</u>
Totals	<u>\$ 3,377,358</u>	<u>\$ 3,377,358</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.

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 19 – SUBSEQUENT EVENTS

Subsequent events have been evaluated through June 21, 2023, which is the day the financial statements were available to be issued, and it has been determined that there are no significant events that require disclosure.

NOTE 20: 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 wood waste 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, 2022 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, 2022, investments of \$2,663,660 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
BUDGETARY COMPARISON SCHEDULES

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>				
Taxes:				
Ad Valorem	\$ 1,290,610	\$ 1,290,610	\$ 1,289,973	\$ (637)
Other Taxes, Penalties and Interest, etc.	182,885	182,885	352,911	170,026
Intergovernmental Revenues:				
Federal Funds:				
Section 8 Housing	5,450	5,450	9,595	4,145
Other Federal Funds	-	-	105,965	105,965
State Funds:				
State Revenue Sharing (net)	69,170	69,170	62,196	(6,974)
Grants - Other State Agencies		-	7,331	7,331
Severance Tax	1,000,000	1,000,000	1,285,377	285,377
Fees, Charges and Commission for Services	225,400	225,400	218,646	(6,754)
Use of Money and Property				
Interest Earnings and Rents	90,500	90,500	136,352	45,852
Other Revenues	52,500	52,500	46,661	(5,839)
	<u>2,916,515</u>	<u>2,916,515</u>	<u>3,515,007</u>	<u>598,492</u>
<u>Expenditures (Outflows):</u>				
General Government	1,600,014	1,642,814	2,186,528	(543,714)
Public Safety	865,894	865,894	1,192,065	(326,171)
Health and Welfare	27,000	27,000	21,627	5,373
Culture and Recreation	6,040	6,040	13,030	(6,990)
Economic Development	30,000	30,000	35,417	(5,417)
Capital Outlay	-	-	28,020	(28,020)
	<u>2,528,948</u>	<u>2,571,748</u>	<u>3,476,687</u>	<u>(361,225)</u>
<u>Excess (Deficiency) of Revenues</u>				
<u>Over Expenditures</u>	387,567	344,767	38,320	(315,373)
<u>Other Financing Uses:</u>				
Operating Transfers In	-	35,000	-	35,000
Operating Transfers Out	(1,055,000)	(1,055,000)	(1,055,000)	-
<u>Excess (Deficiency) of Revenues Over</u>				
<u>Expenditures and Other Uses</u>	(667,433)	(675,233)	(1,016,680)	(280,373)
<u>Fund Balance at Beginning of Year</u>	<u>3,618,824</u>	<u>4,148,488</u>	<u>4,148,488</u>	<u>-</u>
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ 2,951,391</u>	<u>\$ 3,473,255</u>	<u>\$ 3,131,808</u>	<u>\$ (280,373)</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, 2022

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance With
	<u>Original</u>	<u>Final</u>		Final Budget Favorable (Unfavorable)
<u>Revenues (Inflows):</u>				
Taxes				
Ad Valorem	\$ 2,129,117	\$ 2,129,117	\$ 2,237,427	\$ 108,310
Intergovernmental Revenues:				
State Funds:				
State Revenue Sharing	97,125	97,125	97,141	16
Use of Money and Property, Interest Earnings and Rent	8,940	8,940	23,261	14,321
Total Revenues	<u>2,235,182</u>	<u>2,235,182</u>	<u>2,357,829</u>	<u>122,647</u>
<u>Expenditures (Outflows):</u>				
Public Works	1,785,679	2,074,547	2,074,760	(213)
Capital Outlay	192,400	312,400	300,547	11,853
Total Expenditures	<u>1,978,079</u>	<u>2,386,947</u>	<u>2,375,307</u>	<u>11,640</u>
<u>Excess of Revenues Over Expenditures</u>	257,103	(151,765)	(17,478)	134,287
<u>Other Financing Uses:</u>				
Transfers Out	(900,000)	(900,000)	(900,000)	-
<u>Fund Balance at Beginning of Year</u>	<u>4,681,957</u>	<u>3,252,497</u>	<u>3,252,497</u>	<u>-</u>
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ 4,039,060</u>	<u>\$ 2,200,732</u>	<u>\$ 2,335,019</u>	<u>\$ 134,287</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, 2022

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance With Final Budget Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
<u>Revenues (Inflows):</u>				
Taxes				
Ad Valorem	\$ 2,129,117	\$ 2,129,117	\$ 2,234,691	\$ 105,574
Intergovernmental Revenues:				
State Funds:				
State Revenue Sharing	97,125	97,125	97,141	16
Use of Money and Property, Interest Earnings and Rent	23,870	23,870	23,565	(305)
Total Revenues	<u>2,250,112</u>	<u>2,250,112</u>	<u>2,355,397</u>	<u>105,285</u>
<u>Expenditures (Outflows):</u>				
Public Works	2,604,879	2,767,229	2,736,974	30,255
Capital Outlay	192,400	312,400	218,847	93,553
Total Expenditures	<u>2,797,279</u>	<u>3,079,629</u>	<u>2,955,821</u>	<u>123,808</u>
<u>Excess of Revenues Over Expenditures</u>	(547,167)	(829,517)	(600,424)	229,093
<u>Fund Balance at Beginning of Year</u>	<u>5,517,796</u>	<u>5,256,947</u>	<u>5,256,947</u>	<u>-</u>
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ 4,970,629</u>	<u>\$ 4,427,430</u>	<u>\$ 4,656,523</u>	<u>\$ 229,093</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, 2022

	<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	\$ 2,157,772	\$ 2,157,772	\$ 2,278,636	\$ 120,864
Intergovernmental Revenues:				
State Funds:				
State Revenue Sharing	25,000	25,000	32,135	7,135
Fees, Charges & Commission for Services	28,000	28,000	78,666	50,666
Other Revenues	15,000	15,000	27,552	12,552
Total Revenues	<u>2,225,772</u>	<u>2,225,772</u>	<u>2,416,989</u>	<u>191,217</u>
<u>Expenditures (Outflows):</u>				
Culture and Recreation	2,006,975	1,918,662	1,813,034	105,628
Total Expenditures	<u>2,006,975</u>	<u>1,918,662</u>	<u>1,813,034</u>	<u>105,628</u>
<u>Excess (Deficit) of Revenues</u> <u>Over Expenditures</u>	218,797	307,110	603,955	296,845
<u>Fund Balance at Beginning of Year</u>	<u>2,337,149</u>	<u>3,313,447</u>	<u>3,313,447</u>	<u>-</u>
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ 2,555,946</u>	<u>\$ 3,620,557</u>	<u>\$ 3,917,402</u>	<u>\$ 296,845</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, 2022

	<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	\$ 5,300,000	\$ 5,585,795	\$ 5,583,294	\$ (2,501)
Fees, Charges & Commission for Services	168,000	168,000	238,453	70,453
Use of Money and Property, Interest Earnings and Rent	5,000	5,000	-	(5,000)
Total Revenues	<u>5,473,000</u>	<u>5,758,795</u>	<u>5,821,747</u>	<u>62,952</u>
<u>Expenditures (Outflows):</u>				
Public Works	4,256,698	4,293,136	3,811,734	481,402
Capital Outlay	155,000	240,000	444,356	(204,356)
Total Expenditures	<u>4,411,698</u>	<u>4,533,136</u>	<u>4,256,090</u>	<u>481,402</u>
<u>Excess of Revenues Over Expenditures</u>	1,061,302	1,225,659	1,565,657	544,354
<u>Other Financing Uses:</u>				
Transfers Out	(780,292)	(1,286,066)	(1,328,858)	(42,792)
<u>Fund Balance at Beginning of Year</u>	<u>182,988</u>	<u>247,320</u>	<u>247,320</u>	<u>-</u>
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ 463,998</u>	<u>\$ 186,913</u>	<u>\$ 484,119</u>	<u>\$ 501,562</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, 2022

	<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	\$ 10,000	\$ 6,850	\$ 17,583	\$ 10,733
Total Revenues	10,000	6,850	17,583	10,733
<u>Expenditures (Outflows):</u>				
Public Works	-	500,000	198,263	301,737
Capital Outlay	-	-	-	-
Total Expenditures	-	500,000	198,263	301,737
<u>Excess (Deficiency) of Revenues Over Expenditures</u>	10,000	(493,150)	(180,680)	312,470
<u>Fund Balance at Beginning of Year</u>	2,998,831	2,998,831	2,980,269	(18,562)
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ 3,008,831</u>	<u>\$ 2,505,681</u>	<u>\$ 2,799,589</u>	<u>\$ 293,908</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, 2022

	<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	\$ 75,000	\$ 75,000	\$ 109,681	\$ 34,681
Total Revenues	75,000	75,000	109,681	34,681
<u>Expenditures (Outflows):</u>				
Health and Welfare	115,000	200,000	545,740	(345,740)
<u>Excess of Revenues Over Expenditures</u>	(40,000)	(125,000)	(436,059)	(311,059)
<u>Other Financing Uses</u>				
Operating Transfers In	-	500,000	500,000	-
Operating Transfers Out	(266,770)	(93,500)	(93,500)	-
<u>Fund Balance at Beginning of Year</u>	10,291,800	10,172,478	10,172,478	-
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ 9,985,030</u>	<u>\$ 10,453,978</u>	<u>\$ 10,142,919</u>	<u>\$ (311,059)</u>

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

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
BUDGETARY COMPARISON SCHEDULE -
AMERICAN RESCUE PLAN ACT
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues (Inflows):</u>				
Intergovernmental Revenues:				
Federal Funds:	-	-	-	-
Interest Earnings and Rent	5,000	5,000	7,779	2,779
Total Revenues	5,000	5,000	7,779	2,779
<u>Expenditures (Outflows):</u>				
General Government Expenditures	-	200,000	-	200,000
Total Expenditures	-	200,000	-	200,000
<u>Excess (Deficit) of Revenues</u>				
<u>Over Expenditures</u>	5,000	(195,000)	7,779	202,779
<u>Other Financing Uses:</u>				
Operating Transfers Out	-	-	-	-
<u>Fund Balance at Beginning of Year</u>	-	-	-	-
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ 5,000</u>	<u>\$ (195,000)</u>	<u>\$ 7,779</u>	<u>\$ 202,779</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, 2022

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, 2022, 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, 2022

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	-12.06%	101.98%
2019	0.55967%	\$ 2,484,021	\$ 3,440,638	72.20%	88.86%
2020	0.54660%	\$ 25,731	\$ 3,465,937	0.74%	99.89%
2021	0.55391%	\$ (971,237)	\$ 3,524,744	-27.55%	104.00%
2022	0.52824%	\$ (2,488,244)	\$ 3,679,916	-67.62%	110.46%

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, 2022

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%
2020	\$ 453,201	\$ 453,201	\$ -	\$ 3,699,598	12.25%
2021	\$ 431,781	\$ 431,781	\$ -	\$ 3,524,744	12.25%
2022	\$ 423,190	\$ 423,190	\$ -	\$ 3,679,916	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
CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED DECEMBER 31, 2022

	2018	2019	2020	2021	2022
Total OPEB Liability					
Service cost	\$ 107,025	\$ 86,290	\$ 199,192	\$ 141,591	\$ 148,190
Interest	214,806	235,069	194,589	166,878	166,305
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience	(123,539)	352,534	(1,731,306)	89,181	644,746
Changes of assumptions	(432,299)	919,309	2,386,131	64,270	(1,970,991)
Benefit payments	(266,603)	(281,266)	(250,002)	(263,752)	(213,962)
Net change in total OPEB liability	(500,610)	1,311,935	798,604	198,168	(1,225,712)
Total OPEB liability - beginning	7,159,403	6,658,793	7,002,183	7,800,787	7,998,955
Total OPEB liability - ending (a)	\$ 6,658,793	\$ 7,970,728	\$ 7,800,787	\$ 7,998,955	\$ 6,773,243
Covered-employee payroll	\$ 3,217,251	\$ 3,313,769	\$ 3,188,556	\$ 3,284,213	\$ 2,714,211
Net OPEB liability as a percentage of covered-employee payroll	206.97%	240.53%	244.65%	243.56%	249.55%
Notes to Schedule:					
<i>Benefit Changes:</i>	None	None	None	None	None
<i>Changes of Assumptions:</i>					
<i>Discount Rate:</i>	4.10%	2.74%	2.12%	2.06%	3.72%
			RP-2014	RP-2014	Pub-2010/2021
			4.5% to 5.5%	4.5% to 5.5%	Getzen Model

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, 2022

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, 2022

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, 2022

	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	\$ 1,155,746	\$ 3,105,243	\$ 35,225	\$ 145,863
Investments	792,182	989,423	1,690,188	-
Receivables	46,397	5,035	-	29,133
Due From Other Governments	1,511	-	-	-
Due From Other Funds	15,654	9,864	104,898	192,565
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL ASSETS	<u>\$ 2,011,490</u>	<u>\$ 4,109,565</u>	<u>\$ 1,830,311</u>	<u>\$ 367,561</u>
Liabilities and Fund Equity:				
Liabilities:				
Accounts Payable	\$ 5,574	\$ 2,795	\$ -	\$ 7,789
Due to Other Governments	-	-	-	-
Due to Other Funds	1,138,757	205,318	-	356,893
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	1,144,331	208,113	-	364,682
Fund Equity:				
Fund Balances:				
Restricted	-	-	-	-
Assigned	867,159	3,901,452	1,830,311	2,879
Unassigned	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Fund Equity	867,159	3,901,452	1,830,311	2,879
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 2,011,490</u>	<u>\$ 4,109,565</u>	<u>\$ 1,830,311</u>	<u>\$ 367,561</u>

Law Enforcement Witness Fee Fund	Sewer Fund	Juvenile Assistance Fund	Health Unit Fund	Section 8 Housing Fund	Sewer Fund Equipment Replacement	Totals
\$ 45,540	\$ -	\$ -	\$ 62,414	\$ 454,572	\$ 92,340	\$ 5,096,943
-	-	-	-	-	-	3,471,793
-	114,749	-	-	-	-	195,314
86	-	-	-	-	-	1,597
-	15,003	3,647	92,500	-	-	434,131
<u>\$ 45,626</u>	<u>\$ 129,752</u>	<u>\$ 3,647</u>	<u>\$ 154,914</u>	<u>\$ 454,572</u>	<u>\$ 92,340</u>	<u>\$ 9,199,778</u>
\$ -	\$ -	\$ -	\$ 601	\$ -	\$ -	\$ 16,759
-	-	-	-	8,821	-	8,821
4,710	111,170	-	10,404	-	11,158	1,838,410
4,710	111,170	-	11,005	8,821	11,158	1,863,990
-	-	-	-	445,751	-	445,751
40,916	18,582	3,647	143,909	-	81,182	6,890,037
-	-	-	-	-	-	-
<u>40,916</u>	<u>18,582</u>	<u>3,647</u>	<u>143,909</u>	<u>445,751</u>	<u>81,182</u>	<u>7,335,788</u>
<u>\$ 45,626</u>	<u>\$ 129,752</u>	<u>\$ 3,647</u>	<u>\$ 154,914</u>	<u>\$ 454,572</u>	<u>\$ 92,340</u>	<u>\$ 9,199,778</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, 2022

	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	564,902	-	-	-
Grants - Other Local Agencies	-	-	-	-
Fees, Charges and Commission for Services	-	76,459	-	-
Fines and Forfeitures	-	-	-	434,613
Use of Money and Property				
Interest Earnings and Rents	4,802	7,557	16,009	127
Other Revenues	1,337	4,759	-	-
Total Revenues	<u>571,041</u>	<u>88,775</u>	<u>16,009</u>	<u>434,740</u>
Expenditures:				
General Government:				
Judicial	-	-	-	480,375
Public Works	400,525	1,268,871	186,490	-
Health and welfare	-	-	-	-
Capital Outlay	499,102	184,089	187,162	-
Debt Service:				
Principal Payments	-	-	209,641	-
Interest and Other	-	-	23,024	-
Total Expenditures	<u>899,627</u>	<u>1,452,960</u>	<u>606,317</u>	<u>480,375</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(328,586)</u>	<u>(1,364,185)</u>	<u>(590,308)</u>	<u>(45,635)</u>
Other Financing Sources (Uses):				
Operating Transfers In	-	1,328,858	-	-
Operating Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>1,328,858</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	<u>(328,586)</u>	<u>(35,327)</u>	<u>(590,308)</u>	<u>(45,635)</u>
Fund Balances, Beginning	<u>1,195,745</u>	<u>3,936,779</u>	<u>2,420,619</u>	<u>48,514</u>
Fund Balances, Ending	<u>\$ 867,159</u>	<u>\$ 3,901,452</u>	<u>\$ 1,830,311</u>	<u>\$ 2,879</u>

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2022

Law Enforcement Witness Fee Fund	Sewer Fund	Juvenile Assistance Fund	Health Unit Fund	Section 8 Housing Fund	Sewer Fund Equipment Replacement	Totals
\$ -	\$ -	\$ -	\$ -	\$ 593,488	\$ -	\$ 593,488
-	-	-	-	-	-	564,902
-	-	-	5,000	-	-	5,000
-	100,125	-	-	-	-	176,584
4,680	-	-	-	-	-	439,293
22	-	-	41	2,693	-	31,251
-	-	-	-	-	-	6,096
<u>4,702</u>	<u>100,125</u>	<u>-</u>	<u>5,041</u>	<u>596,181</u>	<u>-</u>	<u>1,816,614</u>
2,824	-	-	-	-	-	483,199
-	120,461	-	-	-	-	1,976,347
-	-	-	20,541	628,430	-	648,971
-	12,712	-	-	-	-	883,065
-	-	-	-	-	-	209,641
-	-	-	-	-	-	23,024
<u>2,824</u>	<u>133,173</u>	<u>-</u>	<u>20,541</u>	<u>628,430</u>	<u>-</u>	<u>4,224,247</u>
<u>1,878</u>	<u>(33,048)</u>	<u>-</u>	<u>(15,500)</u>	<u>(32,249)</u>	<u>-</u>	<u>(2,407,633)</u>
-	-	-	18,500	-	-	1,347,358
-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>18,500</u>	<u>-</u>	<u>-</u>	<u>1,347,358</u>
1,878	(33,048)	-	3,000	(32,249)	-	(1,060,275)
<u>39,038</u>	<u>51,630</u>	<u>3,647</u>	<u>140,909</u>	<u>478,000</u>	<u>81,182</u>	<u>8,396,063</u>
<u>\$ 40,916</u>	<u>\$ 18,582</u>	<u>\$ 3,647</u>	<u>\$ 143,909</u>	<u>\$ 445,751</u>	<u>\$ 81,182</u>	<u>\$ 7,335,788</u>

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
SUPPLEMENTAL INFORMATION
SCHEDULES DECEMBER 31, 2022

NONMAJOR CAPITAL PROJECTS FUNDS

Park and Recreation Fund

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

Courthouse Capital Projects Fund

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

North Louisiana Exhibition Center Fund

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

Bridge Replacement and Road Improvement Fund

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

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
NONMAJOR CAPITAL PROJECT FUNDS
COMBINING BALANCE SHEET
FOR THE YEAR ENDED DECEMBER 31, 2022

	Park and Recreation Fund	Courthouse Capital Project Fund	North Louisiana Exhibition Center Fund	Detention Center Dormitory Expansion Fund	Bridge Replacement Fund	Totals
Assets:						
Cash and Cash Equivalents	\$ 656,784	\$ 18,938	\$ 204,727	\$ 840,153	\$ -	\$ 1,720,602
Investments	18,182	-	-	-	-	18,182
Receivables	12,500	-	-	-	-	12,500
Due From Other Entities	-	-	-	66,164	-	66,164
Due From Other Funds	337,685	2,538,667	13,191	-	4,492,970	7,382,513
TOTAL ASSETS	\$ 1,025,151	\$ 2,557,605	\$ 217,918	\$ 906,317	\$ 4,492,970	\$ 9,199,961
Liabilities and Fund Equity:						
Liabilities:						
Accounts Payable	\$ 23,988	\$ 39,375	\$ 3,579	\$ -	\$ -	\$ 66,942
Due to Other Funds	490,196	1,028,828	58,334	789,216	2,660,178	5,026,752
Total Liabilities	514,184	1,068,203	61,913	789,216	2,660,178	5,093,694
Fund Equity:						
Fund Balances:						
Assigned	510,967	1,489,402	156,005	117,101	1,832,792	4,106,267
Total Fund Equity	510,967	1,489,402	156,005	117,101	1,832,792	4,106,267
TOTAL LIABILITIES AND FUND EQUITY	\$ 1,025,151	\$ 2,557,605	\$ 217,918	\$ 906,317	\$ 4,492,970	\$ 9,199,961

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, 2022

	Park and Recreation Fund	Courthouse Capital Project Fund	North Louisiana Exhibition Center Fund	Detention Center Dormitory Expansion Fund	Bridge Replacement Fund	Totals
Revenues:						
Grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Taxes, Penalties and Interest, etc.	-	-	-	-	-	-
Use of Money and Property - Interest and Rent	475,086	55	105	-	-	475,246
Other Fees and Charges	4,806	-	230,938	-	-	235,744
Total Revenues	<u>479,892</u>	<u>55</u>	<u>231,043</u>	<u>-</u>	<u>-</u>	<u>710,990</u>
Expenditures:						
Operating Services:						
General Government	-	181,002	-	-	718,318	899,320
Culture and Recreation	472,867	-	197,460	-	-	670,327
Capital Outlay	118,118	537,260	-	77,014	-	732,392
Total Expenditures	<u>590,985</u>	<u>718,262</u>	<u>197,460</u>	<u>77,014</u>	<u>718,318</u>	<u>2,302,039</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(111,093)</u>	<u>(718,207)</u>	<u>33,583</u>	<u>(77,014)</u>	<u>(718,318)</u>	<u>(1,591,049)</u>
Other Financing Sources (Uses):						
Proceeds from Borrowing	-	-	-	229,335	-	229,335
Operating Transfers In	55,000	500,000	-	-	975,000	1,530,000
Operating Transfers (Out)	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>55,000</u>	<u>500,000</u>	<u>-</u>	<u>229,335</u>	<u>975,000</u>	<u>1,759,335</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(56,093)</u>	<u>(218,207)</u>	<u>33,583</u>	<u>152,321</u>	<u>256,682</u>	<u>168,286</u>
Fund Balance, Beginning	<u>567,060</u>	<u>1,707,609</u>	<u>122,422</u>	<u>(35,220)</u>	<u>1,576,110</u>	<u>3,937,981</u>
Fund Balance, Ending	<u>\$ 510,967</u>	<u>\$ 1,489,402</u>	<u>\$ 156,005</u>	<u>\$ 117,101</u>	<u>\$ 1,832,792</u>	<u>\$ 4,106,267</u>

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
SUPPLEMENTAL INFORMATION SCHEDULES
DECEMBER 31, 2022

NONMAJOR DEBT SERVICE FUNDS

LPPJ Complex II Bond Sinking Fund

The Jury issued bonds on September 16, 2009 for the purpose of acquiring the Old County Market building. This fund accounts for the rent revenue assessed to lease tenants and the debt service on the bond issue. The debt was repaid during the year ended December 31, 2019.

Rural Development Debt Service Fund

The Jury issued bonds on June 11, 2021 for the purpose of constructing a dormitory for the Lincoln Parish Detention Center. This fund accounts for monthly escrow payments required by the terms of the bond issuance.

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
DEBT SERVICE FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2022

	<u>LPPJ</u> <u>Complex II</u> <u>Bond Sinking</u> <u>Fund</u>	<u>Rural</u> <u>Development</u> <u>Debt Service</u> <u>Fund</u>	<u>Total</u>
ASSETS			
Cash	\$ 394,990	\$ -	\$ 394,990
Cash - Debt Service Reserve Fund	-	-	-
Accounts Receivable	-	-	-
Due From Other Entities	-	5,943	5,943
Due From Other funds	-	-	-
	-	-	-
TOTAL ASSETS	\$ 394,990	\$ 5,943	\$ 400,933
LIABILITIES			
Liabilities			
Debt Service Reserve	\$ -	\$ 5,943	\$ 5,943
Due to Other Entities	-	50,922	50,922
Due to Other Funds	114,639	-	114,639
	114,639	-	114,639
TOTAL LIABILITIES	\$ 114,639	\$ 56,865	\$ 171,504
FUND BALANCE			
Assigned	280,351	(50,922)	229,429
TOTAL LIABILITIES AND FUND BALANCE	\$ 394,990	\$ 5,943	\$ 400,933

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, 2022

	LPPJ Complex II Bond Sinking Fund	Rural Development Debt Service Fund	Total
Revenues:			
Taxes:			
Ad Valorem	\$ -	\$ -	\$ -
Intergovernmental			
Local Agencies	-	101,844	101,844
Rent Income	121,435	-	121,435
Use of Money and Property			
Interest Earnings	172	-	172
Total Revenues	<u>121,607</u>	<u>101,844</u>	<u>223,451</u>
Expenditures:			
Principal Payments	-	42,519	42,519
Interest Payments	-	59,325	59,325
Miscellaneous	3,950	-	3,950
Improvements and Development	1,357	-	1,357
Total Expenditures	<u>5,307</u>	<u>101,844</u>	<u>107,151</u>
Excess (Deficiency) of Revenues Over Expenditures	116,300	-	116,300
Other Financing Sources			
Transfer In	-	-	-
Excess of Revenues and Other Sources over Expenditures	116,300	-	116,300
Fund Balance, Beginning	<u>164,051</u>	<u>(50,922)</u>	<u>113,129</u>
Fund Balance, Ending	<u>\$ 280,351</u>	<u>\$ (50,922)</u>	<u>\$ 229,429</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, 2022

	Richard Durrett Police Juror President	Joseph Henderson Police Juror	Thomas Cranford Police Juror	Hazel Hunter Police Juror	Sharyon Mayfield Police Juror	Skip Russell Police Juror	Annette Straughter Police Juror
Purpose:							
Salary	\$ 11,700	\$ 10,500	\$ 10,500	\$ 10,500	\$ 10,500	\$ 10,500	\$ 10,500
Benefits - Insurance	-	-	-	-	-	-	-
Benefits - Retirement	-	-	-	-	-	-	-
Benefits - Dental	-	-	-	-	-	-	-
Travel Reimbursement	225			120	197		
TOTAL	\$ 11,925	\$ 10,500	\$ 10,500	\$ 10,620	\$ 10,697	\$ 10,500	\$ 10,500

	Theresa Wyatt Police Juror	Logan Hunt Police Juror	Matthew Pullin Police Juror	Glenn Scriber Police Juror	Milton Melton Police Juror	Doug Postel Parish Administrator
Purpose:						
Salary	\$ 10,500	\$ 10,500	\$ 10,500	\$ 10,500	\$ 10,500	\$ 98,696
Benefits - Insurance	-	-	-	-	-	11,419
Benefits - Retirement	-	-	-	-	-	12,090
Benefits - Dental	-	-	-	-	-	356
Travel Reimbursement		282		336	42	599
TOTAL	\$ 10,500	\$ 10,782	\$ 10,500	\$ 10,836	\$ 10,542	\$ 123,161

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
JUSTICE SYSTEM FUNDING SCHEDULE - RECEIVING ENTITY
AS REQUIRED BY ACT 87 OF THE 2020 REGULAR LEGISLATIVE SESSION
DECEMBER 31, 2022

	First Six Month Period Ended <u>6/30/2022</u>	Second Six Month Period Ended <u>12/31/2022</u>
Receipts From:		
Lincoln Parish Sheriff - Criminal Fines	222,438	205,105
Lincoln Parish Sheriff - Bond Forfeitures	5,370	1,699
Lincoln Parish Sheriff - Court Cost - Witness Fee	2,520	2,537
Interest on Collected Balances	33	94
Total Receipts	<u>\$ 230,361</u>	<u>\$ 209,436</u>

OTHER SUPPLEMENTAL INFORMATION –
COMPLIANCE REQUIREMENTS

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

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INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To The 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, 2022, and the related notes to the financial statements, which collectively comprise the Police Jury’s primary government financial statements, and have issued my report thereon dated June 21, 2023.

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.

To the Board of Commissioners,
The 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 instance of noncompliance or other matters that are 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.

A handwritten signature in black ink, appearing to be 'W. R. [unclear]', written in a cursive style.

Monroe, Louisiana
June 21, 2023

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2022

Lincoln Parish Police Jury
Ruston, Louisiana

I have audited the financial statements of the Lincoln Parish Police Jury (the Jury) as of and for the year ended December 31, 2022 and have issued my report thereon dated June 21, 2023. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. My audit of the financial statements as of December 31, 2022, resulted in an unqualified opinion.

SECTION I - Summary of Auditor’s Results

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

Internal Control

Material Weakness ___ yes X no

Significant Deficiencies not considered to be

Material Weaknesses ___ yes X no

Compliance

Compliance Material to Financial Statements ___ yes X no

B. Federal Awards

Material Weakness Identified ___ yes X no

Significant Deficiencies not considered to be

Material Weaknesses ___ yes X no

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

Unqualified ___ Qualified ___

Disclaimer ___ Adverse ___

Are their findings required to be reported in accordance with Uniform Guidance?

N/A

C. Identification of Major Programs: N/A

Name of Federal Program (or cluster)

CFDA Number(s)

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

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

SECTION II - Financial Statement Findings

No matters were reported.

SECTION III - Federal Award Findings and Questioned Costs

No matters were reported.

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2022

Internal Control and Compliance Material to Federal Awards

There were no findings for this category.

Internal Control and Compliance Material to the Financial Statements

2021-01 Financial Statements Issued After Due Date

Condition: The audit report was submitted after the statutory due date.

Criteria: LSA-R.S.24.513 states that all engagements must be completed and transmitted to the Legislative Auditor within six months of the close of the auditee fiscal year.

Cause: The records were not complete to be able to complete the audit within the required time frame.

Effect: When an entity is late filing its report, the entity is placed on the LLA's noncompliance list. Being placed on the list results in an entity receiving no funds from the State until the entity is removed from the list. Management cannot work in a timely manner to resolve internal control deficiencies and noncompliance with laws, regulations, contracts, and grants identified by the auditor.

Management's Response: Lincoln Parish Police Jury is working to resolve this issue.

Status: This finding has been resolved as of the December 31, 2022 audit submission.

2021-02 Rural Development Debt Service Fund Transfers Were Not Made

Condition: Monthly transfers to fund the debt service fund and the reserve fund were not made.

Criteria: Per the terms and conditions of the debt issuance, a monthly transfer from the operating account into a debt service fund and into a reserve fund are required.

Cause: Although the payment for debt service is automatically drafted, Management did not separate the monthly transfer into an isolated account.

Effect: Without the required separate funds, management cannot show compliance with funding the reserve or debt service fund.

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2022

Management's Response: All monthly payments have been made as required and in a timely manner. Management will setup the two separate funds to clearly show the transfers have been made effective immediately.

Status: This finding has been resolved.

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:

We have performed the procedures enumerated below, which were agreed to by the Lincoln Parish Police Jury (the 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, 2022 through December 31, 2022. The Entity's management is responsible for those C/C areas identified in the SAUPs.

Lincoln Parish Police Jury has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period January 1, 2022 through December 31, 2022. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and related exceptions obtained are described in the attachment to this report.

We were engaged by the Lincoln Parish Police Jury to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Lincoln Parish Police Jury and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

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



Monroe, Louisiana
June 21, 2023

1) *Written Policies and Procedures*

- A. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
- i. ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
 - ii. ***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.
 - iii. ***Disbursements***, including processing, reviewing, and approving.
 - iv. ***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).
 - v. ***Payroll/Personnel***, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.
 - vi. ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
 - vii. ***Travel and Expense Reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
 - viii. ***Credit Cards (and debit cards, fuel cards, purchase 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).
 - ix. ***Ethics***, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
 - x. ***Debt Service***, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
 - xi. ***Information Technology 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.
 - xii. ***Prevention of Sexual Harassment***, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

No exceptions noted.

2) Board or Finance Committee

- A. 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
- i. 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.
 - ii. For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternatively, for those entities reporting on the not-for-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.*
 - iii. For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned 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 unassigned fund balance in the general fund.
 - iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

No exceptions noted.

3) Bank Reconciliations

- A. Obtain a listing of entity 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 each selected account, and observe that:
- i. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);
 - ii. Bank reconciliations include written evidence that a member of management or a 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
 - iii. Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

For the month selected, bank reconciliations were not prepared within 2 months of the related statement closing date. Also, there was no written evidence that a member of management reviewed the reconciliation. But as of year end, both of these instances had been corrected.

4) Collections (excluding electronic funds transfers)

- A. 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).
- B. 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 (e.g., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then 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
 - i. Employees responsible for cash collections do not share cash drawers/registers;
 - ii. Each employee responsible for collecting cash is not also responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit;
 - iii. Each employee responsible for collecting cash is not also 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; and
 - iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, is (are) not also responsible for collecting cash, unless another employee/official verifies the reconciliation.
- C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was in force during the fiscal period.
- D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (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). *Alternatively, 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:
 - i. Observe that receipts are sequentially pre-numbered.
 - ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - iii. Trace the deposit slip total to the actual deposit per the bank statement.
 - iv. 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 and the cash is stored securely in a locked safe or drawer).
 - v. Trace the actual deposit per the bank statement to the general ledger.

No exceptions noted.

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

- A. 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).
- B. For each location selected under procedure #5A 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, then inquire of employees about their job duties), and observe that job duties are properly segregated such that
 - i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;
 - ii. At least two employees are involved in processing and approving payments to vendors;
 - iii. 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;
 - iv. 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; and
 - v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

[Note: Findings related to controls that constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality) should not be reported.]

- C. For each location selected under procedure #5A 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
 - i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity, and
 - ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.
- D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

No exceptions noted.

6) Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards)

- A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase 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.
- B. 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
 - i. Observe whether 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) were reviewed and approved, in writing (or electronically approved) by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and
 - ii. Observe that finance charges and late fees were not assessed on the selected statements.
- C. Using the monthly statements or combined statements selected under procedure #7B 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 (e.g., each card should have 10 transactions subject to inspection). 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 observe whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

No exceptions noted.

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

- A. 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 and 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
 - i. If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov);
 - ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;
 - iii. 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 Policies and Procedures procedure #1A(vii); and

- iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

No exceptions noted.

8) Contracts

- A. 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. *Alternatively, 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
 - i. Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law;
 - ii. Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter);
 - iii. If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, the documented approval); and
 - iv. 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.

No exceptions noted.

9) Payroll and Personnel

- A. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
- B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and
 - i. Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);
 - ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;
 - iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and
 - iv. Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.

- C. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials and obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee's or official's cumulative leave records, agree the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to entity policy.
- D. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

No exceptions noted.

10) Ethics

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and
 - i. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and
 - ii. Observe whether the entity maintains documentation which demonstrates that each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.
- B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

No exceptions noted.

11) Debt Service

- A. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.
- B. 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 (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

This section not applicable.

12) Fraud Notice

- A. 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 as required by R.S. 24:523.
- B. 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.

No exceptions noted.

13) Information Technology Disaster Recovery/Business Continuity

- A. Perform the following procedures, **verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."**
 - i. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.
 - ii. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
 - iii. Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.
- B. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.

We performed the procedures and discussed the results with management.

14) Prevention of Sexual Harassment

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.
- B. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

- C. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that the report includes the applicable requirements of R.S. 42:344:
- i. Number and percentage of public servants in the agency who have completed the training requirements;
 - ii. Number of sexual harassment complaints received by the agency;
 - iii. Number of complaints which resulted in a finding that sexual harassment occurred;
 - iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
 - v. Amount of time it took to resolve each complaint.

No exceptions noted.