

2010

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA

*Primary Government Financial Statements
For the Year Ended December 31, 2009*

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

Release Date 7/7/10

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
PRIMARY GOVERNMENT FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

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PRIMARY GOVERNMENT FINANCIAL STATEMENTS
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INDEPENDENT AUDITOR'S REPORT

Lincoln Parish Police Jury
Ruston, Louisiana

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, 2009, which collectively comprise the basic financial statements of the Police Jury's primary government as listed in the table of contents. These financial statements are the responsibility of the Police Jury's management. My responsibility is to express an opinion 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinions.

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

In my opinion, because of the omission of the discretely presented component units, as discussed previously, the financial statements referred to previously do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the aggregate discretely presented component units of the Lincoln Parish Police Jury as of December 31, 2009, or the changes in financial position thereof for the year then ended.

In addition, in my opinion, except for the effects of omitting blended component units as discussed previously, the financial statements referred to above present fairly, in all material respects, the financial position of the aggregate remaining fund information for the Lincoln Parish Police Jury as of December 31, 2009, and the changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Further, in my opinion, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Lincoln Parish Police Jury as of December 31, 2009, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

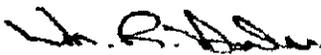
In accordance with *Government Auditing Standards*, I have also issued my report dated May 21, 2010, on my consideration of the Lincoln Parish Police Jury's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of my audit.

Management's discussion and analysis and budgetary comparison information on pages 3 through 9 and 36 through 42, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, I did not audit the information and express no opinion on it.

My audit was conducted for the purpose of forming an opinion on the primary government financial statements of the Lincoln Parish Police Jury taken as a whole. The accompanying financial information listed as "Schedules" and "Supplementary Information" in the table of contents, including the Schedule of Expenditures of Federal Awards, is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements of the Lincoln Parish Police Jury. Such information has been subjected to the auditing procedures applied in the audit of the Lincoln Parish Police Jury, and, in my opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Police Jury's primary government financial statements. The introductory section, combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements have been subjected to the auditing procedures applied in the audit of the primary government financial statements and, in my opinion, are fairly stated in all material respects in relation to the primary government financial statements taken as a whole. The introductory section has not been subjected to the auditing procedures applied in the audit of the primary government financial statements and, accordingly, I express no opinion on it.

WILLIAM R. HULSEY, APAC
Certified Public Accountant



May 21, 2010

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

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

We offer the readers of the Lincoln Parish Police Jury's financial statements this narrative overview and analysis of the financial activities of the Lincoln Parish Police Jury for the fiscal year ended on December 31, 2009.

FINANCIAL HIGHLIGHTS

Our financial statements provide the following key financial highlights for the 2009 fiscal year:

- General Government Activities report total costs of \$14,689,007 and total revenues of \$15,261,227.
- Public Works accounted for the most significant portion of expenditures in General Government Activities.

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

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

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

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

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

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

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

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

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

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

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

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

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

THE JURY AS A WHOLE

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

**Table 1
Net Assets
December 31, 2009 and 2008**

	Governmental Activities 2009	Governmental Activities 2008
Current and other assets	37,600,228	36,593,432
Capital assets	23,974,401	22,900,858
Total assets	61,574,629	59,494,290
Current and other liabilities	691,368	984,552
Long-term liabilities	6,654,232	4,852,929
Total liabilities	7,345,600	5,837,481
Net assets		
Invested in capital assets, net of debt	18,504,401	18,700,858
Restricted	18,386,737	18,229,256
Unrestricted	17,337,891	16,726,695
Total net assets	54,229,029	53,656,809

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

**Table 2
Changes in Net Assets
For the Years Ended December 31, 2009 and 2008**

	Governmental Activities 2009	Governmental Activities 2008
Revenues		
Program Revenues		
Section 8 housing	604,463	520,011
Parish transportation funds	547,992	597,136
General revenues		
Property taxes	6,392,304	5,675,168
Sales tax	3,498,105	4,613,252
Other taxes	177,460	88,253
State revenue sharing	276,092	290,747
Local grants	453,127	555,324
Federal revenue	216,512	27,718
Severance tax	1,056,875	1,087,020
Fees, charges and commissions	686,098	439,227
Fines and forfeitures	363,722	350,064
Earnings on investments	735,180	1,231,337
Miscellaneous	253,297	590,296
Total Revenues	15,261,227	16,065,553
Functions/Program Expenses		
Governmental Activities		
General and administrative	2,939,891	3,335,437
Public safety	340,455	294,541
Public works	7,902,209	7,723,770
Health and welfare	833,209	612,173
Operating services		
Culture and recreation	2,435,171	2,347,269
Economic development	43,148	46,058
Debt service	194,924	206,059
Total Functions/Program Expenses	14,689,007	14,565,307
Increase (decrease) in net assets	572,220	1,500,246
Net assets – beginning of year(*Restated)	*53,656,809	51,993,813
Net assets – ending of year	54,229,029	53,494,059

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

Governmental Activities

The cost of all governmental activities this year was \$14,689,007. As indicated in the Statement of Activities, the amount that our taxpayers financed for these activities through property and sales taxes was \$10,067,869 with an additional \$1,056,875 from severance taxes. The rest of these costs were paid by those who directly benefited from the programs or by other governments and organizations that subsidized certain programs with grants and contributions.

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

**Table 3
Governmental Activities
For the Years Ended December 31, 2009 and 2008**

	Total Cost Of Services 2009	Total Cost Of Services 2008
Governmental Activities		
General government	2,939,891	3,335,437
Public safety	340,455	294,541
Public works	7,902,209	7,723,770
Health and welfare	833,209	612,173
Culture and recreation	2,435,171	2,347,269
Economic development	43,148	46,058
Interest on long-term debt	194,924	206,059
Total Functions/Program Expenses	14,689,007	14,565,307

The Police Jury's Funds

As the Police Jury completed the year, its governmental funds reported a combined net asset balance of \$54,229,029 indicating an increase of \$572,220 when compared to the beginning net assets.

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

GENERAL FUND BUDGETARY HIGHLIGHTS

The excess of revenue over expenditures in the General Fund was \$448,064. This enabled the Jury to transfer additional funds to a capital fund for renovations and maintenance of parish buildings. Severance taxes exceeded \$1 million dollars for the fifth year in a row.

Actual expenditures in the General Fund exceeded the final budgeted amount by \$97,854 but the revenues showed a positive variance of \$176,910.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The Police Jury had invested in the following capital assets (net of depreciation) at the end of fiscal years 2009 and 2008:

	Governmental Activities 2009	Governmental Activities 2008
Land	\$1,713,686	\$1,702,915
Buildings	6,639,914	5,339,365
Building improvements	4,359,233	4,521,921
Machinery and equipment	1,881,667	1,814,310
Furniture and fixtures	496,959	559,575
Vehicles	495,353	504,106
Non-depreciable improvements	67,100	58,500
Construction in progress	291,925	33,338
Infrastructure	8,028,564	8,366,828
Totals	\$23,974,401	\$22,900,858

Debt Administration

The Lincoln Parish Police Jury had \$ 5,470,000 in long-term debt instruments at year-end compared to \$4,200,000 in the prior year.

	2009	2008
Library Bonds payable	\$ 3,970,000	\$ 4,200,000
Certificates of Indebtedness	\$1,500,000	-0-
Total	\$5,470,000	\$4,200,000

Certificates of indebtedness were issued in 2009 for the acquisition of the Old County Market building in the amount of \$1,500,000 at a rate of 4.35%. The building is adjacent to the Lincoln Parish Courthouse on Arizona Street.

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

OTHER POST-EMPLOYMENT BENEFITS

In the year ended December 31, 2009, the Lincoln Parish Police Jury has complied with requirements of Government Accounting Standards Board Statement Number 45, *Accounting and Financial Reporting by Employers for Post Employment Benefits Other than Pensions*. This statement requires that employers disclose the *Annual Required Contribution* and *Net Post-employment Benefit Obligation* as determined by actuarial computations. The disclosure of these amounts is presented in more detail in the Notes to the *Financial Statements*.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

The primary funding source for the General Fund of the parish is taxation. Approximately 75.96% of revenue is provided by Ad Valorem and Sales Tax. The elected and appointed officials consider many factors when developing the parish's budget and authorizing millage rates. Input by the citizens of the parish is a vital part of this consideration. Severance taxes are difficult to project but there is pending legislation that could possibly increase the amount received without any cost to the citizens of the parish. Sales tax revenues showed a significant decrease in 2009 due to lingering effects of an economic downturn. The Lincoln Parish Police Jury will continue to strive for optimum use of parish resources.

CONTACTING THE POLICE JURY'S FINANCIAL MANAGEMENT

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
STATEMENT OF NET ASSETS
DECEMBER 31, 2009

	Governmental Activities
ASSETS	
Cash	\$ 9,333,686
Investments	20,997,634
Accounts Receivable	7,106,678
Prepaid Expenses	127,741
Due From Other Entities	22,907
Inventory	11,582
Capital Assets:	
Non-Depreciable	2,112,255
Depreciable	21,862,146
TOTAL ASSETS	\$ 61,574,629
LIABILITIES	
Current Liabilities	
Accounts Payable	\$ 564,310
Deferred Revenues	35,500
Due To Other Entities	91,558
Total Current Liabilities	691,368
Non-Current Liabilities	
Due Within One Year	
Bonds Payable	360,000
Due in More Than One Year	
Compensated Absences	98,028
Bonds Payable	5,110,000
Unfunded Postretirement	
Benefit Plan Obligations	1,086,204
Total Non-Current Liabilities	6,654,232
Total Liabilities	7,345,600
NET ASSETS	
Invested in Capital Assets,	
Net of Related Debt	18,504,401
Unrestricted For:	
Capital Projects	17,692,148
Debt Service	694,589
Undesignated	17,337,891
Total Net Assets	54,229,029
TOTAL LIABILITIES AND NET ASSETS	\$ 61,574,629

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, 2009

Function/Program Activities	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Assets
Government Activities:					
General Government	\$ 2,939,891	\$ 26,374	\$ 431,029	\$ -	\$ (2,482,488)
Public Safety	340,455	421,262	32,236	-	113,043
Public Works	7,902,209	240,352	547,992	216,512	(6,897,353)
Health & Welfare	833,209	-	504,463	-	(328,746)
Culture & Recreation	2,435,171	361,832	-	19,514	(2,053,825)
Economic Development	43,148	-	-	-	(43,148)
Interest on Long-Term Debt	194,924	-	-	-	(194,924)
Total Governmental Activities	\$ 14,689,007	\$ 1,049,820	\$ 1,515,720	\$ 236,026	(11,887,441)

General Revenues:

<i>Taxes:</i>	
Property Taxes	6,392,304
Sales Taxes	3,498,105
Other Taxes	177,460
Severance Taxes	1,056,875
Intergovernmental Revenues	276,092
Fire Insurance Rebate	148,948
Rents and Royalties	50,325
Miscellaneous	124,372
Interest Earned	735,180
Total General Revenues	12,459,661
Changes in Net Assets	572,220
Net Assets - Beginning (Restated)	53,656,809
Net Assets - Ending	\$ 54,229,029

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, 2009

	<u>General Fund</u>	<u>Library Fund</u>	<u>Solid Waste Disposal Fund</u>	<u>Solid Waste Collection Fund</u>
Assets:				
Cash and Cash Equivalents	\$ 1,187,331	\$ 2,026,490	\$ -	\$ 567,224
Investments	821,624	1,521,100	-	814,950
Receivables	1,034,476	1,774,983	352,935	55,702
Prepaid Expenses	14,880	112,861	-	-
Due From Other Funds	152,602	635,132	2,623	371
Due From Other Entities	22,907	-	-	-
Inventory	-	-	-	-
TOTAL ASSETS	<u>\$ 3,233,820</u>	<u>\$ 6,070,566</u>	<u>\$ 355,558</u>	<u>\$ 1,438,247</u>
Liabilities and fund equity:				
Liabilities:				
Accounts Payable	180,645	\$ 75,953	\$ 126,224	\$ -
Due To Other Funds	460,806	-	178,579	-
Due To Other Entities	91,558	-	-	-
Deferred Revenue	-	-	-	-
Total Liabilities	<u>733,009</u>	<u>75,953</u>	<u>304,803</u>	<u>-</u>
Fund Balances:				
Reserved For:				
Witness Fees	-	-	-	-
Inventories	-	-	-	-
Debt Service	-	-	-	-
Unreserved, Reported In:				
General Fund	2,500,811	-	-	-
Special Revenue Funds	-	5,994,613	50,755	1,438,247
Capital Project Funds	-	-	-	-
Total Fund Equity	<u>2,500,811</u>	<u>5,994,613</u>	<u>50,755</u>	<u>1,438,247</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 3,233,820</u>	<u>\$ 6,070,566</u>	<u>\$ 355,558</u>	<u>\$ 1,438,247</u>

Solid Waste Disposal Equipment Reserve Fund	Hospital Proceeds Fund	LPPJ Complex Bond Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ 98,382	\$ 659,551	\$ 81,894	\$ 4,712,814	\$ 9,333,686
4,988,742	9,876,222	-	2,974,996	20,997,634
14,338	100,322	13,000	3,760,922	7,106,678
-	-	-	-	127,741
-	-	-	1,107,736	1,898,464
-	-	-	-	22,907
-	-	-	11,582	11,582
<u>\$ 5,101,462</u>	<u>\$ 10,636,095</u>	<u>\$ 94,894</u>	<u>\$ 12,568,050</u>	<u>\$ 39,498,692</u>
\$ -	\$ -	\$ 12,336	\$ 169,152	\$ 564,310
-	636,095	-	622,984	1,898,464
-	-	-	-	91,558
-	-	-	35,500	35,500
-	636,095	12,336	827,636	2,589,832
-	-	-	9,131	9,131
-	-	-	11,582	11,582
-	-	-	694,589	694,589
-	-	82,558	-	2,583,369
-	-	-	8,434,426	15,918,041
5,101,462	10,000,000	-	2,590,686	17,692,148
<u>5,101,462</u>	<u>10,000,000</u>	<u>82,558</u>	<u>11,740,414</u>	<u>36,908,860</u>
<u>\$ 5,101,462</u>	<u>\$ 10,636,095</u>	<u>\$ 94,894</u>	<u>\$ 12,568,050</u>	<u>\$ 39,498,692</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 ASSETS OF
GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2009

Total Governmental Fund Balances \$ 36,908,860

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

Capital assets used in governmental activities
are not financial resources and therefore
are not reported in the funds. 23,974,401

Unfunded postretirement benefit plan obligations are
not financial resources and therefore are not reported
in the funds (1,086,204)

Long-term liabilities, including compensated
absences payable, are not due and payable in
the current period and therefore are not
reported in the funds. (5,568,028)

Net Assets of Governmental Activities \$ 54,229,029

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, 2009

	General Fund	Library Fund	Solid Waste Disposal Fund	Solid Waste Collection Fund
Revenues:				
Taxes:				
Ad Valorem	\$ 977,076	\$ 2,003,534	\$ -	\$ -
1/2 Cent Sales Tax	-	-	3,498,105	-
Other Taxes, Penalties and Interest, etc.	97,460	-	-	-
Intergovernmental Revenues:				
Federal Funds:				
Section 8 Housing	7,528	-	-	-
Other Federal Funds	216,512	-	-	-
State Funds:				
Parish Transportation Funds	-	-	-	-
State Revenue Sharing (net)	58,861	39,493	-	-
Grants - Other Local Agencies	-	19,514	10,627	-
Severance Tax	1,056,875	-	-	-
Fees, Charges and Commission for Services	26,374	41,996	116,153	-
Fines and Forfeitures	-	-	-	-
Use of Money and Property				
Interest Earnings and Rents	69,996	46,740	57	18,146
Other Revenues	166,994	2,220	-	84,083
Total Revenues	2,677,676	2,153,497	3,624,942	102,229
Expenditures:				
General Government	1,828,791	-	-	-
Public Safety	317,247	-	-	-
Public Works	-	-	3,071,274	626,873
Health and Welfare	22,005	-	-	-
Culture and Recreation	30,026	1,736,929	-	-
Economic Development and Assistance	31,543	-	-	-
Capital Outlay	-	-	15,602	63,051
Debt Service:				
Principal Payments	-	-	-	-
Interest and Other	-	-	-	-
Total Expenditures	2,229,612	1,736,929	3,086,876	689,924
Excess (Deficiency) of Revenues Over Expenditures	448,064	416,568	538,066	(587,695)
Other Financing Sources (Uses):				
Proceeds From Bond Issuance	-	-	-	-
Operating Transfers In	-	-	-	637,412
Operating Transfers Out	(450,000)	-	(538,066)	-
Total Other Financing Sources (Uses)	(450,000)	-	(538,066)	637,412
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	(1,936)	416,568	-	49,717
Fund Balances, Beginning (Restated)	2,502,747	5,578,045	50,755	1,388,530
Fund Balances, Ending	\$ 2,500,811	\$ 5,994,613	\$ 50,755	\$ 1,438,247

Solid Waste Disposal Equipment Reserve Fund	Hospital Proceeds Fund	LPPJ Complex Bond Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ -	\$ 3,411,694	\$ 6,392,304
-	-	-	-	3,498,105
-	-	-	80,000	177,460
-	-	-	596,935	604,463
-	-	-	-	216,512
-	-	-	547,992	547,992
-	-	-	177,738	276,092
-	-	-	422,986	453,127
-	-	-	-	1,056,875
-	-	-	501,575	686,098
-	-	-	363,722	363,722
128,566	302,093	56,102	113,480	735,180
-	-	-	-	253,297
<u>128,566</u>	<u>302,093</u>	<u>56,102</u>	<u>6,216,122</u>	<u>15,261,227</u>
-	-	22,629	426,507	2,277,927
-	-	-	-	317,247
178,390	-	-	3,375,845	7,252,382
-	46,355	-	695,225	763,585
-	-	-	470,947	2,237,902
-	-	-	-	31,543
27,104	-	1,450,915	577,352	2,134,024
-	-	-	230,000	230,000
-	-	-	194,924	194,924
<u>205,494</u>	<u>46,355</u>	<u>1,473,544</u>	<u>5,970,800</u>	<u>15,439,534</u>
<u>(76,928)</u>	<u>255,738</u>	<u>(1,417,442)</u>	<u>245,322</u>	<u>(178,307)</u>
-	-	1,500,000	-	1,500,000
-	-	-	705,738	1,343,150
<u>(99,346)</u>	<u>(255,738)</u>	<u>-</u>	<u>-</u>	<u>(1,343,150)</u>
<u>(99,346)</u>	<u>(255,738)</u>	<u>1,500,000</u>	<u>705,738</u>	<u>1,500,000</u>
(176,274)	-	82,558	951,060	1,321,693
<u>5,277,736</u>	<u>10,000,000</u>	<u>-</u>	<u>10,789,354</u>	<u>35,587,167</u>
<u>\$ 5,101,462</u>	<u>\$ 10,000,000</u>	<u>\$ 82,558</u>	<u>\$ 11,740,414</u>	<u>\$ 36,908,860</u>

The accompanying notes are an integral part of this financial statement 14

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, 2009

Net Change in Fund Balances - Total Governmental Funds \$ 1,321,693

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	2,233,949
Depreciation Expense	(1,160,406)
	1,073,543

Postretirement benefit plan expenditures (543,102)

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 assets (1,500,000)

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term debt liabilities in the statement of net assets. 230,000

The increase in compensated absences liability does not require the use of current financial resources but is recorded as an expense in the statement of activities. (9,914)

Change in Net Assets in Governmental Activities \$ 572,220

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

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
DECEMBER 31, 2009

ASSETS

Investments, at Fair Value	<u>\$ 965,514</u>
TOTAL ASSETS	<u>\$ 965,514</u>

LIABILITIES

Liabilities	\$ -
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NET ASSETS

Held in Trust for Deferred Compensation Benefits	<u>965,514</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 965,514</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, 2009

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 2012.

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Basis of Presentation

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

Reporting Entity

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

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

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

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 Systems	1&2
Lincoln General Hospital	1&2
Fire Protection District No. 1 of Lincoln Parish	1&2
Lincoln Parish 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

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

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

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

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reporting Entity (Continued)

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

Measurement Focus, Basis of Accounting and Financial Statement Position

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

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

Principle 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, 2009 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, 2009

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting and Financial Statement Position (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, 2009

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

Equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- b. Restricted net assets – Consists of net assets with constraints placed on their use either by (1) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets – All other net assets that do not meet the definitions of “restricted” or “invested in capital assets, net of related debt.”

Receivables

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

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Interfund Receivables and Payables

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

Fixed Assets

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

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

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.

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Sales and Use Tax

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

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

Inventories

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

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, 2009. The Police Jury had cash and cash equivalents in demand deposits, totaling \$9,333,686 at December 31, 2009.

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, 2009, are secured, as follows:

Bank Balances	<u>\$ 7,105,103</u>
FDIC Insurance	1,000,000
Pledged Securities (uncollateralized)	<u>16,393,939</u>
Total	<u>\$ 17,393,939</u>

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

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, 2009.

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, 2009, the Center had the following investments stated at cost, which approximates market:

Government Agency Bonds	\$ 18,060,056
Equities	10,376
Cash or Money Market Accounts	<u>4,733,957</u>
Total	<u>\$ 22,804,389</u>

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

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

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 \$7,109,544 on December 31, 2009, are detailed as follows:

	<u>Class of</u> <u>Receivables</u>	<u>General</u> <u>Fund</u>	<u>Special</u> <u>Revenue</u> <u>Funds</u>	<u>Capital</u> <u>Project</u> <u>Funds</u>	<u>Debt</u> <u>Service</u> <u>Fund</u>	<u>Total</u>
Taxes:						
Ad valorem		\$ 902,064	\$ 4,798,229	\$ -	\$ 520,242	\$ 6,220,535
Other		44,147	328,461	-	-	372,608
State revenue sharing		51,000	203,612	-	-	254,612
State reimbursements		-	137,247	-	-	137,247
Other		<u>37,265</u>	<u>64,578</u>	<u>19,833</u>	<u>-</u>	<u>121,676</u>
Totals		<u>\$ 1,034,476</u>	<u>\$ 5,532,127</u>	<u>\$ 19,833</u>	<u>\$ 520,242</u>	<u>\$ 7,106,678</u>

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

NOTE 4 – RECEIVABLES (continued)

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

NOTE 5 – PROPERTY AND EQUIPMENT

Capital asset activity for the year ended December 31, 2009, is as follows:

	<u>2008</u>			<u>2009</u>
	<u>Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u>
Non-Depreciable Assets:				
Land	\$ 1,702,915	\$ 10,771	\$ -	\$ 1,713,686
CIP	33,338	258,587	-	291,925
Infrastructure	-	39,544	-	39,544
Improvements	<u>58,500</u>	<u>8,600</u>	-	<u>67,100</u>
Total	<u>1,794,753</u>	<u>317,502</u>	-	<u>2,112,255</u>
Depreciable Assets:				
Buildings	9,353,896	1,450,915	-	10,804,811
Infrastructure	25,094,029	-	-	25,094,029
Improvements	6,339,156	85,134	-	6,424,290
Vehicles	1,460,043	72,754	-	1,532,797
Furniture & Fixtures	1,256,464	20,782	-	1,277,246
Machinery & Equipment	<u>3,106,596</u>	<u>286,862</u>	-	<u>3,393,458</u>
Total	<u>46,610,184</u>	<u>1,916,447</u>	-	<u>48,526,631</u>
Less: Accumulated Depreciation:				
Buildings	(4,014,531)	(150,366)	-	(4,164,897)
Infrastructure	(16,727,201)	(377,808)	-	(17,105,009)
Improvements	(1,817,235)	(247,822)	-	(2,065,057)
Vehicles	(955,937)	(81,507)	-	(1,037,444)
Furniture & Fixtures	(696,889)	(83,398)	-	(780,287)
Machinery & Equipment	<u>(1,292,286)</u>	<u>(218,505)</u>	-	<u>(1,511,791)</u>
Total	<u>(25,504,079)</u>	<u>(1,160,406)</u>	-	<u>(26,664,485)</u>
Capital Assets, Net	<u>\$ 22,900,858</u>	<u>\$ 1,073,543</u>	<u>\$ -</u>	<u>\$ 23,974,401</u>

Depreciation expense charged for \$1,160,406 is as follows:

General Government	\$ 208,873
Public Safety	23,208
Public Works	649,827
Health & Welfare	69,624
Economic Development	11,605
Culture and Recreation	<u>197,269</u>
Total	<u>\$ 1,160,406</u>

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

NOTE 6 – PENSION PLAN

Plan Description

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

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

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

Funding Policy

Under Plan A, members are required by state statute to contribute 9.5% of their annual covered salary and the Lincoln Parish Police Jury is required to contribute at an actuarially determined rate. The current rate is 12.25% of annual covered payroll. Contributions to the System also include one-fourth of 1% (except Orleans and East Baton Rouge Parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the Lincoln Parish Police Jury are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year.

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

NOTE 6 – PENSION PLAN (Continued)

The Lincoln Parish Police Jury's contributions to the System under Plan A for the years ending December 31, 2009, 2008, and 2007 were \$378,424, \$356,923, and \$328,999, respectively, equal to the required contributions for each year.

NOTE 7 – LEASES

Operating Leases (Lessee). The Lincoln Parish Police Jury leases space under noncancelable operating leases in the building the Police Jury purchased in September 2009. Total costs for such leases were \$44,936 for the year ended December 31, 2009. Future minimum lease payments for these leases are as follows:

<u>Year Ended</u> <u>December 31,</u>	<u>LPPJ Complex</u> <u>Lease</u>
2010	\$ 141,208
2011	147,608
2012	147,608
2013	147,608
2014	<u>147,608</u>
Total	<u>\$ 731,640</u>

NOTE 8 – DUE TO/FROM OTHER FUNDS

Individual fund balances due to/from other funds at December 31, 2009, are as follows:

<u>Fund</u>	<u>Due From</u> <u>Other Funds</u>	<u>Due To</u> <u>Other Funds</u>
Major Funds:		
General Fund	\$ 152,602	\$ 460,806
Special Revenue Funds:		
Library Fund	635,132	-
Solid Waste Disposal Fund	2,623	178,579
Solid Waste Collection Fund	371	-
Hospital Proceeds Fund	-	636,095
Non-Major Funds:		
Special Revenue Funds	69,476	571,144
Capital Projects Funds	<u>1,038,260</u>	<u>51,840</u>
Totals	<u>\$ 1,898,464</u>	<u>\$ 1,898,464</u>

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

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

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, 2009:

Balance at January 1, 2009	\$ 27,215
Court costs collected	9,876
Interest	90
Witness fees paid	<u>(28,050)</u>
Balance at December 31, 2009	<u>\$ 9,131</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, 2009.

	<u>Collection Equipment</u>	<u>Disposal Equipment</u>	<u>Total</u>
Balance at January 1, 2009	\$ 2,530,520	\$ 5,277,736	\$ 7,808,256
Transfers in (out)	-	(99,346)	(99,346)
Sale of assets	-	-	-
Other revenues	34,453	128,566	163,019
Equipment replacement costs	-	(27,104)	(27,104)
Expenditures	<u>(27)</u>	<u>(178,390)</u>	<u>(178,417)</u>
Balance at December 31, 2009	<u>\$ 2,564,946</u>	<u>\$ 5,101,462</u>	<u>\$ 7,666,408</u>

The total Solid Waste Equipment Reserve as of December 31, 2009, is as follows:

Solid Waste Equipment Reserve	\$ 7,666,408
Sewer Fund Equipment Replacement	<u>197,561</u>
Total Fund Equity Designated for Equipment Replacement	<u>\$ 7,863,969</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, 2009, \$25,049 was to be transferred.

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

NOTE 12 – LITIGATION AND CLAIMS

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

NOTE 13 – TAXES

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

Property Tax Calendar

Assessment Date	January 1, 2009
Levy Date	July 14, 2009
Tax Bills Mailed	November 16, 2009
Total Taxes Are Due	January 30, 2010
Penalties and Interest are Added	January 31, 2010
Tax Sales – 2009 Delinquent Property	May 12, 2010

	<u>Authorized Millage</u>	<u>Levied Millage</u>
Parish Taxes:		
General Fund inside Ruston	1.82	1.82
General Fund outside Ruston	3.64	3.64
Road Maintenance	4.41	4.41
Construction Improvement	4.41	4.41
Library Operation	5.99	5.99
Library Bond Fund	1.38	1.38

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, 2009, the following governmental funds had variances greater than 5%:

	<u>Budget</u>	<u>Actual</u>	<u>Variances (Unfavorable)</u>
General Fund			
Finance & Administration	\$ 599,795	\$ 696,283	\$ (96,488)
Other General Government	\$ 586,840	\$ 633,910	\$ (47,070)
Hospital Proceeds Fund			
Interest Earnings & Rent	\$ 430,000	\$ 302,093	\$ (127,907)

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).

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

NOTE 15 – DEFERRED COMPENSATION PLAN (continued)

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

NOTE 16 – POST EMPLOYMENT HEALTH CARE BENEFITS

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

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

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

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

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

Fund Policy. Until 2008, the Lincoln Parish Police Jury recognized the cost of providing post-employment medical and life benefits (Lincoln Parish Police Jury's portion of the retiree medical, dental, and life benefit premiums) as an expense when the benefit premiums were due and thus financed the cost of the post-employment benefits on a pay-as-you-go basis. In 2008, Lincoln Parish Police Jury's portion of health care funding cost for retired employees totaled \$172,218, the dental totaled \$6,921, and the life insurance totaled \$565.

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

NOTE 16 – POST EMPLOYMENT HEALTH CARE BENEFITS (continued)

Effective with the Fiscal Year beginning January 1, 2008, Lincoln Parish Police Jury implemented Government Accounting Standards Board Statement Number 45, *Accounting and Financial Reporting by Employers for Post employment Benefits Other than Pensions* (GASB 45).

Annual Required Contribution. Lincoln Parish Police Jury's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB 45. The Annual Required Contribution (ARC) is the sum of the Normal Cost plus the contribution to amortize the Actuarial Accrued Liability (AAL). A level dollar, closed amortization period of 30 years (the maximum amortization period allowed by GASB 43/45) has been used for the post-employment benefits. The total ARC for the fiscal year beginning January 1, 2009 and 2008 is \$708,216 for medical, \$9,489 for dental, and \$5,101 for life, as set forth below:

	Medical	Dental	Life
Normal Cost	\$ 310,571	\$ 5,287	\$ 1,676
30-year UAL amortization amount	397,645	8,961	3,425
<hr/>			
Annual required contribution (ARC)	\$ 708,216	\$ 9,489	\$ 5,101

Net Post-employment Benefit Obligation (Asset). The table below shows Lincoln Parish Police Jury's Net Other Post-employment Benefit (OPEB) Obligation (Asset) for fiscal year ending December 31, 2009:

	Medical	Dental	Life
Beginning Net OPEB Obligation (Asset) 1/1/2009	\$535,998	\$2,568	\$4,536
Annual required contribution	+708,216	+9,489	+5,101
Interest on Net OPEB Obligation (Asset)	-0	-0	-0
ARC Adjustment	+0	+0	+0
<hr/>			
OPEB Cost	1,244,214	12,057	9,637
Contribution	0	0	0
Current year retiree premium	-172,218	-6,921	-565
<hr/>			
Ending Net OPEB Obligation (Asset) 12/31/2009	\$1,071,996	\$5,136	\$9,072
Change in Net OPEB Obligation	+535,998	+2,568	+4,536

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

Post Employment Benefit	Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual Cost Contributed	Net PEB Liability (Asset)
Medical	December 31, 2009	\$708,216	24.32%	\$1,071,996
Dental	December 31, 2009	\$9,489	72.94%	\$5,136
Life	December 31, 2009	\$5,101	11.08%	\$4,536

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

NOTE 16 – POST EMPLOYMENT HEALTH CARE BENEFITS (continued)

Funded Status and Funding Progress. In the fiscal year ending December 31, 2009, Lincoln Parish Police Jury made no contributions to its post employment benefits plan. The plan was not funded at all, has no assets, and hence has a funded ratio of zero. As of January 1, 2008, the first and most recent actuarial valuation, the Actuarial Accrued Liability (AAL) was \$6,876,002 (medical), \$154,920 (dental), and \$59,279 (life), which is defined as that portion, as determined by a particular actuarial cost method (Lincoln Parish Police Jury uses the Unit Credit Cost Method), of the actuarial present value of post employment plan benefits and expenses which is not provided by normal cost. Since the plan was not funded in fiscal year 2009 and 2008, the entire actuarial accrued liability of \$6,876,002 (medical), \$154,920 (dental), and \$59,279 (life) was unfunded.

	Medical	Dental	Life
Actuarial Accrued Liability (AAL)	\$ 6,876,002	\$ 154,920	\$ 59,279
Actuarial Value of Plan Assets	0	0	0
Unfunded Act. Accrued Liability (UAAL)	<u>6,876,002</u>	<u>154,920</u>	<u>59,279</u>
Funded Ratio (Act. Val. Assets/AAL)	0%	0%	0%
Covered Payroll (active plan members)			
UAAL as a percentage of covered payroll	0%		0%

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

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

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

NOTE 16 – POST EMPLOYMENT HEALTH CARE BENEFITS (continued)

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

Actuarial Value of Plan Assets. Since this is the first actuarial valuation, there are not any assets. It is anticipated that in future valuations a smoothed market value consistent with Actuarial Standards Board ASOP 6, as provided in paragraph number 125 of GASB Statement 45.

Turnover Rate. An age-related turnover scale based on actual experience as described by administrative staff has been used. The rates, when applied to the active employee census, produce an annual turnover of approximately 5%. The rates for each age are below:

Age	Percent Turnover
18 - 25	8.0%
26 - 40	6.0%
41 - 54	5.0%
55+	4.0%

Post employment Benefit Plan Eligibility Requirements. It is assumed that entitlement to benefits will commence three years after satisfaction of the minimum retirement/D.R.O.P. entry eligibility requirements described above under "Plan Terms". Medical benefits are provided to employees upon actual retirement. Employees are covered by Parochial Employees' Retirement System of Louisiana, whose retirement eligibility (D.R.O.P. entry) provisions are as follows: 30 years of service at any age; age 55 and 25 years of service; age 60 and 10 years of service; or, age 65 and 7 years of service. For employees hired on and after January 1, 2007. Retirement eligibility (D.R.O.P. entry) provisions are as follows: age 55 and 30 years of service; age 62 and 10 years of service; or, age 67 and 7 years of service. Entitlement to benefits continue through Medicare to death.

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

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

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

NOTE 16 – POST EMPLOYMENT HEALTH CARE BENEFITS (continued)

Zero trend has been assumed for valuing life insurance.

Mortality Rate. The 1994 Group Annuity Reserving (94GAR) table, projected to 2002, based on a fixed blend of 50% of the unloaded male mortality rate and 50% of the unloaded female mortality rates, was used. This is the mortality table which the Internal Revenue Service requires to be used in determining the value of accrued benefits in defined benefit pension plans. Since GASB 45 requires the use of "unblended" rates, we have used the 94GAR mortality table described above to "unblend" the rates so as to reproduce the composite blended rate overall as the rate structure to calculate the actuarial valuation results for life insurance.

Method of Determining Value of Benefits. The "value of benefits" has been assumed to be the portion of the premium after retirement date expected to be paid by the employer for each retiree and has been used as the basis for calculating the actuarial present value of OPEB benefits to be paid. The employer pays 90 to 95% of the cost of the medical insurance (depending on the plan) for the retiree and 50% for dependents. The rates provided are "blended" rates. Since GASB 45 mandates that "unblended" rates be used, we have estimated the "unblended" rates for three broad groups: active, retired before Medicare eligibility, and retired after Medicare eligibility. It has been assumed that the retiree rate before Medicare eligibility is 130% of the blended rate and after Medicare, 80% of the blended rate.

NOTE 17 – BONDS PAYABLE

Certificates of indebtedness were issued in the amount of \$1,500,000 on September 16, 2009 for the purpose of acquiring the Old County Market Building and paying the costs incurred in connection with the issuance of the Certificates. The bonds carry a net interest rate of 4.35%. On March 1, 2001, General obligation bonds were issued in the amount of \$5,300,000 for the purpose of library renovations. The bonds are to be repaid by March 2021 by Ad Valorem taxes with the first interest only payment due March 1, 2002. Principal payments commenced on March 1, 2003. The bonds carry a net interest rate of 4.76%. The following is the future principal and interest requirements:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Government Activities:					
Bonds Payable:					
General Obligation Refunding Bond, Series 2001	\$ 4,200,000	\$ -	\$ 230,000	\$ 3,970,000	\$ 245,000
Certificates of Indebtedness, Series 2009	-	1,500,000	-	1,500,000	115,000
Accrued Vacation and Sick Time	<u>88,114</u>	<u>9,914</u>	<u>-</u>	<u>98,028</u>	<u>98,028</u>
Total Governmental Activities					
Long-Term Debt	<u>\$ 4,288,114</u>	<u>\$ 1,509,914</u>	<u>\$ 230,000</u>	<u>\$ 5,568,028</u>	<u>\$ 458,028</u>

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

NOTE 17 – BONDS PAYABLE (continued)

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

Year Ended December 31,	Certificates of Indebtedness Series 2009		Certificates of Indebtedness Series 2001	
	Principal	Interest	Principal	Interest
2010	\$ 115,000	\$ 62,531	\$ 245,000	\$ 182,608
2011	120,000	60,248	255,000	170,358
2012	130,000	55,028	270,000	158,305
2013	135,000	49,373	285,000	146,230
2014	145,000	43,500	300,000	133,210
2015-2019	855,000	115,493	1,445,000	433,890
2020-2021	-	-	1,170,000	43,375
Total	<u>\$1,500,000</u>	<u>\$ 386,171</u>	<u>\$ 3,970,000</u>	<u>\$ 1,267,976</u>

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

NOTE 18 – INTERFUND OPERATING TRANSFERS IN AND OUT

Fund	Operating Transfers	
	In	Out
Major Funds:		
General Fund	\$ -	\$ 450,000
Special Revenue Funds:		
Solid Waste Disposal Fund	-	538,066
Solid Waste Collection Fund	637,412	99,346
Hospital Proceeds Fund	-	255,738
Non-Major Funds:		
Special Revenue Funds	60,000	-
Capital Projects Funds	<u>645,738</u>	<u>-</u>
Totals	<u>\$ 1,343,150</u>	<u>\$ 1,343,150</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, 2009

NOTE 19 – PRIOR PERIOD ADJUSTMENT FUND FINANCIAL STATEMENTS

The police jury wrote off old accounts payable in the IT Director and GIS Mapping funds during the year ended December 31, 2009. The adjustment resulted in a decrease of beginning net assets of \$21,713. Prior years are not presented on the statement of activities; therefore the adjustment for the cumulative effect of the prior period adjustment is presented as an adjustment to opening net assets on the statement of activities.

NOTE 20 – PRIOR PERIOD ADJUSTMENT GOVERNMENT-WIDE FINANCIAL STATEMENTS

Beginning net assets is being restated due to the fact that the unfunded postretirement benefit plan obligations were overstated in year ending December 31, 2008. The unfunded amount was originally recorded at \$727,565, which was the Gross ARC amount but should have been recorded at the net amount, which takes into account the premiums paid by retirees, of \$543,102. The adjustment resulted in a increase in beginning net assets of \$184,463. Prior years are not presented on the statement of activities; therefore the adjustment for the cumulative effect of the prior period adjustment is presented as an adjustment to beginning net assets on the statement of activities

NOTE 21 – SUBSEQUENT EVENTS

Subsequent events have been evaluated through May 21, 2010, which is the day the financial statements were available to be issued, and it has been determined that no significant events have occurred for disclosure.

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

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

	<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	\$ 848,986	\$ 977,076	\$ 977,076	\$ -
Licenses & Permits	81,000	99,200	97,460	(1,740)
Intergovernmental Revenues:				
Federal Funds:				
Section 8 Housing	6,500	7,350	7,528	178
FEMA	-	-	216,512	216,512
State Funds:				
State Revenue Sharing	51,000	51,000	58,861	7,861
Severance Tax	1,120,000	1,120,000	1,056,875	(63,125)
Fees, Charges & Commission for Services	22,500	25,700	26,374	674
Use of Money and Property, Interest Earnings and Rent	80,000	57,000	69,996	12,996
Other Revenues	159,328	163,440	166,994	3,554
Total Revenues	2,369,314	2,500,766	2,677,676	176,910
<u>Expenditures (Outflows):</u>				
General Government				
Legislative	175,850	177,080	178,486	(1,406)
Judicial	292,185	295,015	294,931	84
Elections	36,339	25,677	25,181	496
Finance and Administration	525,100	599,795	696,283	(96,488)
Other General Government	470,620	586,840	633,910	(47,070)
Public Safety	315,741	313,061	317,247	(4,186)
Health and Welfare	21,530	23,530	22,005	1,525
Culture and Recreation	77,900	79,820	30,026	49,794
Economic Development	30,940	30,940	31,543	(603)
Total Expenditures	1,946,205	2,131,758	2,229,612	(97,854)
<u>Excess (Deficiency) of Revenues Over Expenditures</u>	423,109	369,008	448,064	79,056
<u>Other Financing Uses:</u>				
Operating Transfers Out	(385,500)	(359,000)	(450,000)	91,000
<u>Excess (Deficiency) of Revenues Over Expenditures and Other Uses</u>	37,609	10,008	(1,936)	(11,944)
<u>Fund Balance at Beginning of Year</u>	2,502,747	2,502,747	2,502,747	-
<u>FUND BALANCE AT END OF YEAR</u>	\$ 2,540,356	\$ 2,512,755	\$ 2,500,811	\$ (11,944)

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, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues (Inflows):</u>				
Taxes				
Ad Valorem	\$ 1,881,700	\$ 2,003,534	\$ 2,003,534	\$ -
Intergovernmental Revenues:				
State Funds:				
State Revenue Sharing	-	-	39,493	39,493
Grants - Other Local Agencies	-	-	19,514	19,514
Fees, Charges & Commission for Services	-	-	41,996	41,996
Use of Money and Property, Interest Earnings and Rent	-	-	46,740	46,740
Other Revenues	188,000	131,056	2,220	(128,836)
Total Revenues	2,069,700	2,134,590	2,153,497	18,907
<u>Expenditures (Outflows):</u>				
Culture and Recreation	1,774,316	1,722,878	1,736,929	(14,051)
Total Expenditures	1,774,316	1,722,878	1,736,929	(14,051)
<u>Excess of Revenues Over Expenditures</u>	295,384	411,712	416,568	4,856
<u>Fund Balance at Beginning of Year</u>	5,578,045	5,578,045	5,578,045	-
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ 5,873,429</u>	<u>\$ 5,989,757</u>	<u>\$ 5,994,613</u>	<u>\$ 4,856</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, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues (Inflows):</u>				
Taxes				
1/2 Cent Sales Tax	\$ 4,300,000	\$ 3,600,000	\$ 3,498,105	\$ (101,895)
Grants - Other Local Agencies			10,627	(10,627)
Fees, Charges & Commission for Services	<u>125,000</u>	<u>110,500</u>	<u>116,210</u>	<u>5,710</u>
Total Revenues	<u>4,425,000</u>	<u>3,710,500</u>	<u>3,624,942</u>	<u>(106,812)</u>
<u>Expenditures (Outflows):</u>				
Public Works	3,895,000	3,180,500	3,071,274	109,226
Capital Outlay	-	-	15,602	(15,602)
Total Expenditures	<u>3,895,000</u>	<u>3,180,500</u>	<u>3,086,876</u>	<u>93,624</u>
<u>Excess of Revenues Over Expenditures</u>	530,000	530,000	538,066	(13,188)
<u>Other Financing Uses:</u>				
Transfers Out	(530,000)	(530,000)	(538,066)	(8,066)
<u>Fund Balance at Beginning of Year</u>	<u>50,755</u>	<u>50,755</u>	<u>50,755</u>	<u>-</u>
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ 50,755</u>	<u>\$ 50,755</u>	<u>\$ 50,755</u>	<u>\$ (21,254)</u>

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

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
BUDGETARY COMPARISON SCHEDULE -
SOLID WASTE COLLECTION FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

	<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 Rents	\$ 110,000	\$ 98,000	\$ 102,229	\$ 4,229
<u>Expenditures (Outflows):</u>				
Public Works	725,320	703,540	626,873	76,667
Capital Outlay	-	-	63,051	(63,051)
Total Expenditures	725,320	703,540	689,924	13,616
<u>Excess of Revenues Over Expenditures</u>	(615,320)	(605,540)	(587,695)	17,845
<u>Other Financing Uses:</u>				
Transfers In	729,565	651,789	637,412	(14,377)
Transfers Out	-	-	-	-
Total Other Financing Sources	729,565	651,789	637,412	(14,377)
<u>Excess of Revenues and Other Sources Over Expenditures and Other Uses</u>	114,245	46,249	49,717	3,468
<u>Fund Balance at Beginning of Year</u>	1,388,530	1,388,530	1,388,530	-
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ 1,502,775</u>	<u>\$ 1,434,779</u>	<u>\$ 1,438,247</u>	<u>\$ 3,468</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, 2009

	<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	\$ 200,000	\$ 138,000	\$ 128,566	\$ (9,434)
Total Revenues	200,000	138,000	128,566	(9,434)
<u>Expenditures (Outflows):</u>				
Public Works	25,000	204,840	178,390	(26,450)
Capital Outlay	-	-	27,104	(27,104)
Total Expenditures	25,000	204,840	205,494	(654)
<u>Excess (Deficiency) of Revenues Over Expenditures</u>	175,000	(66,840)	(76,928)	(10,088)
<u>Other Financing Uses:</u>				
Transfers In			-	-
Transfers Out	-	(100,000)	(99,346)	654
Total Other Financing Sources	-	(100,000)	(99,346)	654
<u>Fund Balance at Beginning of Year</u>	5,277,736	5,277,736	5,277,736	-
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ 5,452,736</u>	<u>\$ 5,110,896</u>	<u>\$ 5,101,462</u>	<u>\$ (9,434)</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, 2009

	<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	\$ 400,000	\$ 430,000	\$ 302,093	\$ (127,907)
Total Revenues	400,000	430,000	302,093	(127,907)
<u>Expenditures (Outflows):</u>				
Operating Services	14,500	46,000	46,355	(355)
<u>Excess of Revenues Over Expenditures</u>	385,500	384,000	255,738	(128,262)
<u>Other Financing Uses</u>				
Operating Transfers Out	(385,500)	(384,000)	(255,738)	128,262
<u>Fund Balance at Beginning of Year</u>	10,000,000	10,000,000	10,000,000	-
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ 10,000,000</u>	<u>\$ 10,000,000</u>	<u>\$ 10,000,000</u>	<u>\$ -</u>

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

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
BUDGETARY COMPARISON SCHEDULE -
COMPLEX BOND FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

	<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	\$ -	\$ 50,050	\$ 56,102	\$ 6,052
Total Revenues	-	50,050	56,102	6,052
<u>Expenditures (Outflows):</u>				
General Government	-	21,804	22,629	(825)
Capital Outlay	-	1,438,579	1,450,915	(12,336)
Total Expenditures	-	1,460,383	1,473,544	(13,161)
<u>Excess (Deficiency) of Revenues Over Expenditures</u>	-	(1,410,333)	(1,417,442)	(7,109)
<u>Other Financing Uses:</u>				
Proceeds From Bond Issuance	-	1,500,000	1,500,000	-
Total Other Financing Sources	-	1,500,000	1,500,000	-
<u>Fund Balance at Beginning of Year</u>	-	-	-	-
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ -</u>	<u>\$ 89,667</u>	<u>\$ 82,558</u>	<u>\$ (7,109)</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, 2009

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, 2009, the following governmental funds had variances greater than 5%:

	<u>Budget</u>	<u>Actual</u>	<u>Variances Favorable (Unfavorable)</u>
General Fund			
Finance & Administration	\$ 599,795	\$ 696,283	\$(96,488)
Other General Government	\$ 586,840	\$ 633,910	\$(47,070)
Hospital Proceeds Fund			
Interest Earnings & Rent	\$ 430,000	\$ 302,093	\$(127,907)

OTHER SUPPLEMENTAL INFORMATION

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
SUPPLEMENTAL INFORMATION SCHEDULES
DECEMBER 31, 2009

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.

Road Construction Fund

The Road Construction Fund accounts for major improvements, including hard-surfacing of parish highways and streets. Financing is provided primarily by a parish-wide ad valorem tax, state revenue sharing funds, interest earned and on time deposits and operating transfers from the General Fund and other road funds.

Road Maintenance Fund

The Road Maintenance Fund accounts for maintenance of parish highways, streets and bridges. Financing is provided by a parish-wide ad valorem tax, state revenue sharing funds, interest earned on time deposits and operating transfers from the General Fund and 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.

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
SUPPLEMENTAL INFORMATION SCHEDULES (CONTINUED)
DECEMBER 31, 2009

NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)

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.

GIS Mapping Fund

The GIS Mapping Fund is used to account for revenues and expenses of the GIS Mapping.

GIS Project Reserve

The GIS Project Reserve Fund accumulates funds for capital outlay expenditures for the replacement and purchase of new equipment and other capital outlay expenditures for the GIS Mapping Fund.

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.

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
SUPPLEMENTAL INFORMATION SCHEDULES (CONTINUED)
DECEMBER 31, 2009
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)

IT Director Fund

The IT Director Fund is used to account for the operations of the Information Technology system. Funding is primarily provided by contracts and fees for services. As of January 1, 2006 the operations of this fund have been combined with the GIS Mapping Fund.

Mosquito Control Fund

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

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2009

	<u>Special Road Fund</u>	<u>Road Construction Fund</u>	<u>Road Maintenance Fund</u>	<u>Solid Waste Recycling Fund</u>	<u>Solid Waste Collection Equipment Reserve Fund</u>
Assets:					
Cash and Cash Equivalents	\$ -	\$ 402,898	\$ 765,544	\$ 26,219	\$ 854,665
Investments	774,433	512,673	14,535	-	1,655,162
Receivables	159,069	1,446,008	1,444,707	4,346	55,119
Prepaid Expenses	-	-	-	-	-
Inventory	-	11,582	-	-	-
Due From Other Funds	-	1,473	1,479	62	-
TOTAL ASSETS	<u>\$ 933,502</u>	<u>\$ 2,374,634</u>	<u>\$ 2,226,265</u>	<u>\$ 30,627</u>	<u>\$ 2,564,946</u>
Liabilities and Fund Equity:					
Liabilities:					
Accounts Payable	\$ 1,680	\$ 43,608	\$ 43,595	\$ -	\$ -
Deferred Revenue	-	35,500	-	-	-
Due to Other Funds	385,248	-	-	-	-
Total Liabilities	386,928	79,108	43,595	-	-
Fund Equity:					
Fund Balances:					
Reserve for Witness Fees	-	-	-	-	-
Reserve for Inventory	-	11,582	-	-	-
Unreserved:					
Designated for Equipment Replacement	-	-	-	-	2,564,946
Undesignated	546,574	2,283,944	2,182,670	30,627	-
Total Fund Equity	<u>546,574</u>	<u>2,295,526</u>	<u>2,182,670</u>	<u>30,627</u>	<u>2,564,946</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 933,502</u>	<u>\$ 2,374,634</u>	<u>\$ 2,226,265</u>	<u>\$ 30,627</u>	<u>\$ 2,564,946</u>

Criminal Court Fund	Law Enforcement Witness Fee Fund	GIS Project Reserve Fund	Juvenile Assistance Fund	Health Unit Fund	Section 8 Housing Fund
\$ 36,833	\$ 6,462	\$ 19,646	\$ 2,553	\$ 82,505	\$ 475,762
-	-	-	-	-	-
34,073	3,119	-	-	-	427
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	35,000	-
<u>\$ 70,906</u>	<u>\$ 9,581</u>	<u>\$ 19,646</u>	<u>\$ 2,553</u>	<u>\$ 117,505</u>	<u>\$ 476,189</u>
\$ 61,830	\$ 400	\$ -	\$ -	\$ 1	\$ -
-	-	-	-	-	-
9,076	50	5,016	-	84,676	465
70,906	450	5,016	-	84,677	465
-	9,131	-	-	-	-
-	-	-	-	-	-
-	-	14,630	2,553	32,828	475,724
-	9,131	14,630	2,553	32,828	475,724
<u>\$ 70,906</u>	<u>\$ 9,581</u>	<u>\$ 19,646</u>	<u>\$ 2,553</u>	<u>\$ 117,505</u>	<u>\$ 476,189</u>

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LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2009

	<u>Sewer Fund</u>	<u>Sewer Fund Equipment Replacement</u>	<u>I T Director Fund</u>	<u>GIS Mapping Fund</u>
Assets:				
Cash and Cash Equivalents	\$ 52,919	\$ 197,561	\$ 20,277	\$ -
Investments	-	-	-	-
Receivables	7,176	-	-	71,280
Prepaid Expenses	-	-	-	-
Inventory	-	-	-	-
Due From Other Funds	-	-	-	6,462
TOTAL ASSETS	<u>\$ 60,095</u>	<u>\$ 197,561</u>	<u>\$ 20,277</u>	<u>\$ 77,742</u>
Liabilities and Fund Equity:				
Liabilities:				
Accounts Payable	\$ 737	\$ -	\$ -	\$ 1,918
Deferred Revenue	-	-	-	-
Due to Other Funds	-	-	-	53,090
Total Liabilities	737	-	-	55,008
Fund Equity:				
Fund Balances:				
Reserve for Witness Fees	-	-	-	-
Reserve for Inventory	-	-	-	-
Unreserved:				
Designated for Equipment Replacement	-	197,561	-	-
Undesignated	59,358	-	20,277	22,734
Total Fund Equity	<u>59,358</u>	<u>197,561</u>	<u>20,277</u>	<u>22,734</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 60,095</u>	<u>\$ 197,561</u>	<u>\$ 20,277</u>	<u>\$ 77,742</u>

Mosquito Control Fund	Totals
\$ -	\$ 2,943,844
-	2,956,803
8,523	3,233,847
-	-
-	11,582
<u>25,000</u>	<u>69,476</u>
<u>\$ 33,523</u>	<u>\$ 9,215,552</u>
\$ -	\$ 153,769
-	35,500
<u>33,523</u>	<u>571,144</u>
33,523	760,413
-	9,131
-	11,582
-	2,762,507
-	<u>5,671,919</u>
-	<u>8,455,139</u>
<u>\$ 33,523</u>	<u>\$ 9,215,552</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, 2009

	Special Road Fund	Road Construction Fund	Road Maintenance Fund	Solid Waste Recycling Fund	Solid Waste Collection Equipment Reserve Fund
Revenues:					
Taxes:					
Ad Valorem	\$ -	\$ 1,475,056	\$ 1,475,056	\$ -	\$ -
Intergovernmental Revenues:					
Federal Funds:					
Federal Grants	-	-	-	-	-
State Funds:					
Parish Transportation Funds	547,992	-	-	-	-
State Revenue Sharing (net)	-	88,869	88,869	-	-
Grants - Other Local Agencies	-	-	-	-	-
Fees, Charges and Commission for Services	-	-	-	35,236	-
Fines and Forfeitures	-	-	-	-	-
Use of Money and Property					
Interest Earnings and Rents	21,057	11,250	11,777	251	34,453
Other Revenues	-	-	-	-	-
Total Revenues	<u>569,049</u>	<u>1,575,175</u>	<u>1,575,702</u>	<u>35,487</u>	<u>34,453</u>
Expenditures:					
General Government:					
Judicial	-	-	-	-	-
Public Works	481,509	1,201,454	1,166,610	52,631	27
Health and welfare	-	-	-	-	-
Other	-	-	-	-	-
Capital Outlay	269,127	-	-	-	-
Total Expenditures	<u>750,636</u>	<u>1,201,454</u>	<u>1,166,610</u>	<u>52,631</u>	<u>27</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(181,587)</u>	<u>373,721</u>	<u>409,092</u>	<u>(17,144)</u>	<u>34,426</u>
Other Financing Sources (Uses):					
Operating Transfers In	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	<u>(181,587)</u>	<u>373,721</u>	<u>409,092</u>	<u>(17,144)</u>	<u>34,426</u>
Fund Balances, Beginning (Restated)	<u>728,161</u>	<u>1,921,805</u>	<u>1,773,578</u>	<u>47,771</u>	<u>2,530,520</u>
Fund Balances, Ending	<u>\$ 546,574</u>	<u>\$ 2,295,526</u>	<u>\$ 2,182,670</u>	<u>\$ 30,627</u>	<u>\$ 2,564,946</u>

Criminal Cour Fund	Law Enforcement Witness Fee Fund	GIS Project Reserve Fund	Juvenile Assistance Fund	Health Unit Fund	Section 8 Housing Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	596.935
-	-	-	-	-	-
-	-	-	32,236	5,000	-
2,385	9,876	-	-	-	-
363,722	-	-	-	-	-
214	90	1,255	35	64	400
-	-	-	-	-	-
<u>366,321</u>	<u>9,966</u>	<u>1,255</u>	<u>32,271</u>	<u>5,064</u>	<u>597,335</u>
366,321	28,050	-	32,136	-	-
-	-	-	-	-	-
-	-	-	-	140,408	529,817
-	-	-	-	-	-
-	-	-	-	-	-
<u>366,321</u>	<u>28,050</u>	<u>-</u>	<u>32,136</u>	<u>140,408</u>	<u>529,817</u>
-	(18,084)	1,255	135	(135,344)	67,518
-	-	-	-	35,000	-
-	-	-	-	-	-
-	-	-	-	35,000	-
-	(18,084)	1,255	135	(100,344)	67,518
-	27,215	13,375	2,418	133,172	408,206
<u>\$ -</u>	<u>\$ 9,131</u>	<u>\$ 14,630</u>	<u>\$ 2,553</u>	<u>\$ 32,828</u>	<u>\$ 475,724</u>

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LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2009

	Sewer Fund	Sewer Fund Equipment Replacement	IT Director Fund	GIS Mapping Fund
Revenues:				
Taxes:				
Ad Valorem	\$ -	\$ -	\$ -	\$ -
Intergovernmental Revenues:				
Federal Funds:				
Federal Grants	-	-	-	-
State Funds:				
Parish Transportation Funds	-	-	-	-
State Revenue Sharing (net)	-	-	-	-
Grants - Other Local Agencies	-	-	-	385,750
Fees, Charges and Commission for Services	88,963	-	-	45,279
Fines and Forfeitures	-	-	-	-
Use of Money and Property				
Interest Earnings and Rents	375	1,559	-	-
Other Revenues	-	-	-	-
Total Revenues	<u>89,338</u>	<u>1,559</u>	<u>-</u>	<u>431,029</u>
Expenditures:				
General Government:				
Judicial	-	-	-	-
Public Works	67,707	-	-	405,907
Health and welfare	-	-	-	-
Other	-	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>67,707</u>	<u>-</u>	<u>-</u>	<u>405,907</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>21,631</u>	<u>1,559</u>	<u>-</u>	<u>25,122</u>
Other Financing Sources (Uses):				
Operating Transfers In	-	-	-	-
Operating Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	21,631	1,559	-	25,122
Fund Balances, Beginning (Restated)	<u>37,727</u>	<u>196,002</u>	<u>20,277</u>	<u>(2,388)</u>
Fund Balances, Ending	<u>\$ 59,358</u>	<u>\$ 197,561</u>	<u>\$ 20,277</u>	<u>\$ 22,734</u>

Mosquito Control Fund	Totals
\$ -	\$ 2,950,112
-	596,935
-	547,992
-	177,738
-	422,986
-	181,739
-	363,722
-	82,780
-	-
-	<u>5,324,004</u>
-	426,507
-	3,375,845
25,000	695,225
-	-
-	<u>269,127</u>
<u>25,000</u>	<u>4,766,704</u>
<u>(25,000)</u>	<u>557,300</u>
25,000	60,000
-	-
<u>25,000</u>	<u>60,000</u>
-	617,300
-	<u>7,837,839</u>
<u>\$ -</u>	<u>\$ 8,455,139</u>

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
SUPPLEMENTAL INFORMATION SCHEDULES (CONTINUED)
DECEMBER 31, 2009

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.

Library Construction Fund

The Library Construction Fund is used to account for the renovations of the library. Funding is provided primarily from ad valorem tax revenues.

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
NONMAJOR CAPITAL PROJECTS FUND
COMBINING BALANCE SHEET
DECEMBER 31, 2009

	Park and Recreation Fund	Courthouse Capital Project Fund	North Louisiana Exhibition Center Fund	Bridge Replacement Fund
Assets:				
Cash and Cash Equivalents	\$ 233,462	\$ 865,179	\$ 2,458	\$ 434,276
Investments	18,193	-	-	-
Receivables	6,667	-	13,166	-
Due From Other Funds	190	400,000	1,975	636,095
TOTAL ASSETS	\$ 258,512	\$ 1,265,179	\$ 17,599	\$ 1,070,371
Liabilities and Fund Equity:				
Liabilities:				
Accounts Payable	\$ 7,092	\$ 7,265	\$ 300	\$ 726
Due to Other Funds	41,447	-	10,393	-
Total Liabilities	48,539	7,265	10,693	726
Fund Equity:				
Fund Balances:				
Unreserved:				
Designated for Future Expenditures	209,973	1,257,914	6,906	1,069,645
Total Fund Equity	209,973	1,257,914	6,906	1,069,645
TOTAL LIABILITIES AND FUND EQUITY	\$ 258,512	\$ 1,265,179	\$ 17,599	\$ 1,070,371

Library Construction Fund	Totals
\$ 46,248	\$ 1,581,623
-	18,193
-	19,833
-	1,038,260
<u>46,248</u>	<u>\$ 2,657,909</u>
\$ -	\$ 15,383
-	51,840
-	67,223
<u>46,248</u>	<u>2,590,686</u>
<u>46,248</u>	<u>2,590,686</u>
<u>\$ 46,248</u>	<u>\$ 2,657,909</u>

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
NONMAJOR CAPITAL PROJECT FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2009

	Park and Recreation Fund	Courthouse Capital Project Fund	North Louisiana Exhibition Center Fund	Bridge Replacement Fund
Revenues:				
Grants	\$ -	\$ -	\$ -	\$ -
Other Taxes, Penalties and Interest, etc.	80,000	-	-	-
Use of Money and Property -				
Interest and Rent	-	3,894	24,562	-
Fees and Charges	196,768	-	123,068	-
Total Revenues	<u>276,768</u>	<u>3,894</u>	<u>147,630</u>	<u>-</u>
Expenditures:				
Operating Services:				
Culture and Recreation	300,012	-	170,935	-
Capital Outlay	19,685	93,112	-	49,702
Total Expenditures	<u>319,697</u>	<u>93,112</u>	<u>170,935</u>	<u>49,702</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(42,929)</u>	<u>(89,218)</u>	<u>(23,305)</u>	<u>(49,702)</u>
Other Financing Sources (Uses):				
Operating Transfers In	50,000	400,000	-	195,738
Proceeds From Sale of Assets	-	-	-	-
Total Other Financing Sources (Uses)	<u>50,000</u>	<u>400,000</u>	<u>-</u>	<u>195,738</u>
Excess (Deficiency) of Revenues and Other and Other Sources Over Expenditures and Other Uses	<u>7,071</u>	<u>310,782</u>	<u>(23,305)</u>	<u>146,036</u>
Fund Balance, Beginning	<u>202,902</u>	<u>947,132</u>	<u>30,211</u>	<u>923,609</u>
Fund Balance, Ending	<u>\$ 209,973</u>	<u>\$ 1,257,914</u>	<u>\$ 6,906</u>	<u>\$ 1,069,645</u>

Library Construction Fund	Totals
\$ -	\$ -
-	80,000
600	29,056
-	319,836
<u>600</u>	<u>428,892</u>
-	470,947
<u>145,726</u>	<u>308,225</u>
<u>145,726</u>	<u>779,172</u>
<u>(145,126)</u>	<u>(350,280)</u>
-	645,738
-	-
<u>-</u>	<u>645,738</u>
(145,126)	295,458
<u>191,374</u>	<u>2,295,228</u>
<u>\$ 46,248</u>	<u>\$ 2,590,686</u>

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
LIBRARY BONDING SINKING FUND - DEBT SERVICE FUND
BALANCE SHEET
DECEMBER 31, 2009

ASSETS

Cash	\$ 187,347
Accounts Receivable	<u>507,242</u>
TOTAL ASSETS	<u>\$ 694,589</u>

LIABILITIES

Liabilities	\$ -
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FUND BALANCE

Unrestricted	<u>694,589</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 694,589</u>

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
LIBRARY BONDING SINKING FUND - DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2009

Revenues:	
Taxes:	
Ad Valorem	\$ 461,582
Use of Money and Property	
Interest Earnings	<u>1,644</u>
Total Revenues	<u>463,226</u>
 Expenditures:	
Principal Payments	230,000
Interest Payments	<u>194,924</u>
Total Expenditures	<u>424,924</u>
 Excess of Revenues Over Expenditures	 38,302
 Fund Balance, Beginning	 <u>656,287</u>
 Fund Balance, Ending	 <u><u>\$ 694,589</u></u>

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
SCHEDULE OF COMPENSATION PAID POLICE JURORS
FOR THE YEAR ENDED DECEMBER 31, 2009

POLICE JURORS:

Backus, Joe C.	10,500
Bennett, Bobby	10,500
Brown, Annie	10,500
Franklin, Albert	10,500
Glover, Roy	10,500
Hammons, Charles	10,500
Henderson, Joseph	10,500
Hunter, Hazel	10,500
Mayfield, Sharyon	10,500
Mays, Robert	10,544
Russell, R.G. "Skip"	11,656
Wyatt, Theresa	10,500
Total	<u>\$ 127,200</u>

OTHER SUPPLEMENTAL INFORMATION –
GRANT INFORMATION

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

Lincoln Parish Police Jury
Ruston, Louisiana

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, 2009, which collectively comprise the basic financial statements of the Police Jury's primary government as listed in the table of contents. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States

Internal Control Over Financial Reporting

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

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

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above. However, I identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs as 09-1 that I consider to be significant deficiencies in internal control over financial reporting. 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.

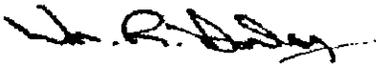
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Lincoln Parish Police Jury's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed one instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 09-1.

Lincoln Parish Police Jury's response to the finding identified in my audit is described in the accompanying schedule of findings and questioned costs. I did not audit Lincoln Parish Police Jury's response and, accordingly, I express no opinion on it.

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

WILLIAM R. HULSEY
Certified Public Accountant



May 21, 2010

MEMBER
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SOCIETY OF LOUISIANA
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**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH OMB CIRCULAR A-133**

Lincoln Parish Police Jury
Ruston, Louisiana

Compliance

I have audited the compliance of Lincoln Parish Police Jury with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2009. Lincoln Parish Police Jury's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Lincoln Parish Police Jury's management. My responsibility is to express an opinion on Lincoln Parish Police Jury's compliance based on my audit.

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

In my opinion, the Lincoln Parish Police Jury complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2009. However, the results of my auditing procedures disclosed an instance of noncompliance with those requirements, which is required to be reported in accordance with *OMB Circular A-133* and which is described in the accompanying schedule of findings and questioned costs as item 09-1.

Internal Control Over Compliance

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

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

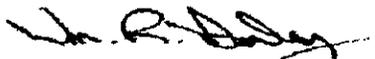
A deficiency in internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of a federal program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

My consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over compliance that I consider to be material weaknesses, as defined above. However, I identified certain deficiencies in internal control over compliance that I consider to be significant deficiencies as described in the accompanying schedule of findings and questioned costs as item 09-1. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Lincoln Parish Police Jury's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. I did not audit Lincoln Parish Police Jury's response and, accordingly, I express no opinion on the response.

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

WILLIAM R. HULSEY
Certified Public Accountant



May 21, 2010

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2009

SUMMARY OF AUDIT RESULTS

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

1. An unqualified opinion was issued on the primary government financial statements of the Lincoln Parish Police Jury as of and for the year ended December 31, 2009.
2. The audit disclosed no significant deficiencies in internal control.
3. The audit disclosed one instance of noncompliance that is required to be reported under *Government Auditing Standards*.
4. The audit did disclose one significant deficiency in internal control over major programs.
5. An unqualified opinion was issued on compliance for major programs.
6. Audit findings that are required to be reported in accordance with Sections 510(a) of OMB Circular A-133 are reported in this schedule.
7. The following program was considered major for the year ended December 31, 2009:

Low Income Housing Assistance Program (CFDA #14.871)
8. \$300,000 was the threshold used to distinguish Type A from Type B programs.
9. The Lincoln Parish Police Jury did not qualify as a low-risk auditee.

FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

09-1 PHA Must Require Correction

Condition:

No copy of notice or other proof that Lincoln Parish Section 8 Housing Department required correction of deficiencies when a property did not meet HUD's housing quality standards.

Criteria:

Per HUD's housing quality standards (HQS), for units under HAP contract that fail to meet HQS, the PHA must require the owner to correct any life threatening HQS deficiencies within 24 hours after the inspections and all other HQS deficiencies within 30 calendar days or within a specified PHA-approved extension.

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2009 (CONTINUED)

09-1 PHA Must Require Correction (Continued)

Effect:

If HQS deficiencies are not corrected and housing assistance is continued without abatement, Lincoln Parish Section 8 Housing is in violation of HUD requirements for the Housing Choice Voucher Program.

Recommendation:

Lincoln Parish Section 8 should keep copies of all notices of deficiency sent to owners and tenants.

Response:

Holly Smith began role of Lincoln Parish Section 8 manager in March 2010 and stated she noticed the need for keeping copies of communication with owners and has since began to do so.

FINDINGS – FINANCIAL STATEMENT AUDIT

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

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2009

<u>Source of Federal Assistance/ Agency Name(s)</u>	<u>Federal CFDA Number</u>	<u>Agency or Pass- Through Number</u>	<u>Expenditures</u>
United States Department of Housing and Urban Development			
Public Indian Housing			
HAP - Vouchers	14.871	2008	\$ 529,353 *
United States Department of Homeland Security			
State Domestic Preparedness Equipment Support Program	97.067	2008-GE-T8-0069 2006-GE-T6-0069	64,340 39,805
Total			<u>104,145</u>
United States Department of Commerce			
Louisiana Governor's Office of Homeland Security and Emergency Preparedness			
Public Safety Interoperable Communications Grant	11.555	2007-GS-H7-0014	65,492
Total Expenditures of Federal Awards			<u><u>\$ 698,990</u></u>

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

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
NOTES TO SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2009

1. General

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

2. Basis of Accounting

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

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2009

Internal Control and Compliance Material to Federal Awards

There were no findings for this category.

Internal Control and Compliance Material to the Financial Statements

There were no findings for this category.

Management Letter

There were no findings for this category.