

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA

Primary Government Financial Statements
For the Year Ended December 31, 2021

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
PRIMARY GOVERNMENT FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

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LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
PRIMARY GOVERNMENT FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

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INDEPENDENT AUDITOR'S REPORT

Lincoln Parish Police Jury
Ruston, Louisiana

Report on the Audit of the Financial Statements

Opinions

I have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Lincoln Parish Police Jury, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Police Jury's basic financial statements as listed in the table of contents.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Lincoln Parish Police Jury (Police Jury), as of December 31, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of the Police Jury and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Police Jury's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Lincoln Parish Police Jury
Ruston, Louisiana

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, I:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the Police Jury's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Police Jury's ability to continue as a going concern for a reasonable period of time.

I am required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters the I identified during the audit.

Lincoln Parish Police Jury
Ruston, Louisiana

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Schedule of Proportionate Share of the Net Pension Liability, Schedule of Employer Contributions to Pension Plan, Schedule of Changes in Net OPEB Liability and Related Ratios, and the Budgetary Comparison Schedules, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during the audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurances.

Management has omitted Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. My opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Police Jury's basic financial statements. The accompanying schedule of compensation, reimbursements, benefits and other payments to agency head, political subdivision head or chief executive officer and schedule of expenditures of federal awards, as required by Title 23 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived directly from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the schedule of compensation, reimbursements, benefits and other payments to agency head, political subdivision head or chief executive officer and the schedule of expenditures of federal awards are fairly stated in all material respects, in relation to the basic financial statements as a whole.

Lincoln Parish Police Jury
Ruston, Louisiana

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated September 30, 2022 on my consideration of the Police Jury's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of the Police Jury's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* in considering the Police Jury's internal control over financial reporting and compliance.

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

Monroe, Louisiana
September 30, 2022

GOVERNMENT-WIDE FINANCIAL STATEMENTS

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
STATEMENT OF NET POSITION
DECEMBER 31, 2021

	Governmental Activities
<i>Assets</i>	
Cash	\$ 19,376,346
Investments	22,918,382
Accounts Receivable	7,835,214
Due From Other Entities	7,668,482
Inventory	11,582
Net Pension Asset	971,237
Capital Assets:	
Non-Depreciable	4,374,183
Depreciable	21,016,783
Total Assets	84,172,209
 <i>Deferred Outflow of Resources</i>	
Pension Related	997,401
OPEB related	3,018,233
Prepaid Expenses	2,389
Total Deferred Outflow of Resources	4,018,023
 <i>Liabilities</i>	
Accounts Payable	822,641
Due To Other Entities	10,829,833
Deferred Revenues	4,335,359
Non-Current Liabilities	
Due Within One Year	
Bonds Payable	108,683
Compensated Absences	134,374
Due in More Than One Year	
Bonds Payable	1,878,480
Debt Service Reserve	5,943
Unfunded Postretirement	
Benefit Plan Obligations	7,998,954
Total Liabilities	26,114,267
 <i>Deferred Inflow of Resources</i>	
OPEB related	1,796,470
Pension Related	2,021,454
Total Deferred Outflow of Resources	3,817,924
 <i>Net Position</i>	
Net Investment in Capital Assets	25,390,966
Restricted For:	
Capital Projects	3,937,981
Debt Service	113,129
Unrestricted	28,815,965
Total Net Position	\$ 58,258,041

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, 2021

Function/Program Activities	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions		Capital Grants and Contributions
Government Activities:					
General Government	\$ 3,569,439	\$ 162,221	\$ -	\$ 206,759	\$ (3,200,459)
Public Safety	746,476	540,016	5,000	-	(201,460)
Public Works	10,567,783	307,941	537,698	-	(9,722,144)
Health & Welfare	807,449	-	613,246	-	(194,203)
Culture & Recreation	2,945,326	781,948	-	-	(2,163,378)
Economic Development	29,750	-	-	-	(29,750)
Interest on Long-Term Debt	75,727	-	-	-	(75,727)
Total Governmental Activities	\$ 18,741,950	\$ 1,792,126	\$ 1,155,944	\$ 206,759	(15,587,121)

General Revenues:

Taxes:

Property Taxes	7,848,483
Sales Taxes	5,334,391
Other Taxes	10,560
Severance Taxes	1,281,334
Intergovernmental Revenues	951,942
Fire Insurance Rebate	204,272
Other Revenues	441,776
Interest Earned and Rents	318,874
Total General Revenues	16,391,632

Changes in Net Position 804,511

Net Position - Beginning, Restated 57,453,530

Net Position - Ending \$ 58,258,041

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, 2021

	General Fund	Road Construction Fund	Road Maintenance Fund	Library Fund
Assets:				
Cash and Cash Equivalents	\$ 443,677	\$ 2,109,063	\$ 2,001,810	\$ -
Investments	2,253,239	570,049	1,109,842	2,617,486
Receivables	1,346,871	2,128,941	2,128,941	2,123,143
Prepaid Expenses	1,874	-	-	-
Due From Other Funds	4,301,288	15,836	37,020	6,357
Due From Other Entities	7,645,501	116	117	-
Inventory	-	11,582	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL ASSETS	<u>\$ 15,992,450</u>	<u>\$ 4,835,587</u>	<u>\$ 5,277,730</u>	<u>\$ 4,746,986</u>
Liabilities and fund equity:				
Liabilities:				
Accounts Payable	119,346	\$ 18,136	\$ 20,783	\$ 34,963
Due To Other Funds	2,285,657	1,564,954	-	1,398,576
Due To Other Entities	9,438,959	-	-	-
Debt Service Reserve	-	-	-	-
Unearned Revenue	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities	<u>11,843,962</u>	<u>1,583,090</u>	<u>20,783</u>	<u>1,433,539 -</u>
Fund Balances:				
Nonspendable	1,874	11,582	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	3,240,915	5,256,947	3,313,447
Unassigned	4,146,614	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Fund Equity	<u>4,148,488</u>	<u>3,252,497</u>	<u>5,256,947</u>	<u>3,313,447 -</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 15,992,450</u>	<u>\$ 4,835,587</u>	<u>\$ 5,277,730</u>	<u>\$ 4,746,986</u>

American Rescue Plan Fund	Solid Waste Disposal Fund	Solid Waste Disposal Equipment Reserve Fund	Hospital Proceeds Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ 4,542,119	\$ 2,342,926	\$ 135,826	\$ 532,208	\$ 7,268,717	\$ 19,376,346
-	-	2,844,443	9,788,536	3,734,787	22,918,382
-	-	-	-	107,318	7,835,214
-	515	-	-	-	2,389
-	8,873	-	19,734	5,298,287	9,687,395
-	1,086	-	-	21,662	7,668,482
-	-	-	-	-	11,582
<u>\$ 4,542,119</u>	<u>\$ 2,353,400</u>	<u>\$ 2,980,269</u>	<u>\$ 10,340,478</u>	<u>\$ 16,430,771</u>	<u>\$ 67,499,790</u>
5,843	\$ 493,481	\$ -	\$ 2,500	\$ 127,589	\$ 822,641
-	482,385	-	165,500	3,790,323	9,687,395
200,917	1,130,214	-	-	59,743	10,829,833
-	-	-	-	5,943	5,943
4,335,359	-	-	-	-	4,335,359
<u>4,542,119</u>	<u>2,106,080</u>	<u>-</u>	<u>168,000</u>	<u>3,983,598</u>	<u>25,681,171</u>
-	-	-	-	-	13,456
-	-	-	-	478,000	478,000
-	-	-	-	-	-
-	247,320	2,980,269	10,172,478	11,969,173	37,180,549
-	-	-	-	-	4,146,614
-	247,320	2,980,269	10,172,478	12,447,173	41,818,619
<u>\$ 4,542,119</u>	<u>\$ 2,353,400</u>	<u>\$ 2,980,269</u>	<u>\$ 10,340,478</u>	<u>\$ 16,430,771</u>	<u>\$ 67,499,790</u>

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

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
RECONCILIATION OF TOTAL GOVERNMENTAL
FUND BALANCES TO NET POSITION OF
GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2021

Total Governmental Fund Balances	\$	41,818,619
 <i>Amounts reported for governmental activities in the statement of net position are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		25,390,966
 Pension related items are not reported in the fund financial statements:		
Deferred Outflows		4,015,633
Deferred Inflows		(3,817,923)
Net Pension Asset		971,237
 Long-term obligations are not due and payable in the current period and therefore are not reported in the fund statements:		
Compensated absences payable		(134,374)
Bonds payable		(1,987,163)
Net OPEB obligation		(7,998,954)
		(9,010,490)
Net Position of Governmental Activities	\$	58,258,041

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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, 2021

	General Fund	Road Construction Fund	Road Maintenance Fund	Library Fund
Revenues:				
Taxes:				
Ad Valorem	\$ 1,328,179	\$ 2,133,469	\$ 2,155,486	\$ 2,231,349
1/2 Cent Sales Tax	-	-	-	-
Other Taxes, Penalties and Interest, etc.	10,560	-	-	-
Intergovernmental Revenues:				
Federal Funds:				
Section 8 Housing	7,323	-	-	-
Other Federal Funds	-	-	-	47,065
State Funds:				
Parish Transportation Funds	-	-	-	-
State Revenue Sharing (net)	61,807	96,972	96,972	32,056
Grants - Other State Agencies	288,431	-	-	-
Severance Tax	1,281,334	-	-	-
Fees, Charges and Commission for Services	342,578	-	-	27,427
Fines and Forfeitures	1,408	-	-	-
Use of Money and Property				
Interest Earnings and Rents	129,395	5,363	10,494	36,408
Other Revenues	419,649	2,989	2,989	-
Total Revenues	3,870,664	2,238,793	2,265,941	2,374,305
Expenditures:				
General Government	1,782,758	-	-	-
Public Safety	740,061	-	-	-
Public Works	-	1,918,766	2,091,225	-
Health and Welfare	25,610	-	-	-
Culture and Recreation	11,246	-	-	1,833,454
Economic Development and Assistance	19,350	-	-	-
Capital Outlay	5,418	174,487	435,565	-
Debt Service:				
Principal Payments	-	-	-	-
Interest and Other	-	-	-	-
Total Expenditures	2,584,443	2,093,253	2,526,790	1,833,454
Excess (Deficiency) of Revenues Over Expenditures	1,286,221	145,540	(260,849)	540,851
Other Financing Sources (Uses):				
Proceeds from Borrowing	-	-	-	-
Operating Transfers In	-	-	-	-
Operating Transfers Out	(756,557)	(1,575,000)	-	(235,749)
Total Other Financing Sources (Uses)	(756,557)	(1,575,000)	-	(235,749)
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	529,664	(1,429,460)	(260,849)	305,102
Fund Balances, Beginning (restated)	3,618,824	4,681,957	5,517,796	3,008,345
Fund Balances, Ending	\$ 4,148,488	\$ 3,252,497	\$ 5,256,947	\$ 3,313,447

American Rescue Plan Fund	Solid Waste Disposal Fund	Solid Waste Disposal Equipment Reserve Fund	Hospital Proceeds Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,848,483
-	5,334,391	-	-	-	5,334,391
-	-	-	-	-	10,560
	-	-	-	613,246	620,569
206,759	-	-	-	-	253,824
-	-	-	-	537,698	537,698
-	-	-	-	-	287,807
-	-	-	-	5,000	293,431
-	-	-	-	-	1,281,334
-	214,635	-	-	643,385	1,228,025
-	-	-	-	540,016	541,424
-	-	23,139	85,714	600,322	890,835
-	-	-	-	16,149	441,776
<u>206,759</u>	<u>5,549,026</u>	<u>23,139</u>	<u>85,714</u>	<u>2,955,816</u>	<u>19,570,157</u>
-	-	-	-	1,619,538	3,402,296
-	-	-	-	-	740,061
-	4,031,017	41,701	-	1,865,442	9,948,151
-	-	-	168,036	613,803	807,449
-	-	-	-	670,696	2,515,396
-	-	-	-	-	19,350
206,759	220,552	-	-	1,639,342	2,682,123
-	-	-	-	441,904	441,904
-	-	-	-	54,823	54,823
<u>206,759</u>	<u>4,251,569</u>	<u>41,701</u>	<u>168,036</u>	<u>6,905,548</u>	<u>20,611,553</u>
-	1,297,457	(18,562)	(82,322)	(3,949,732)	(1,041,396)
-	-	-	-	1,987,163	1,987,163
-	-	-	-	3,837,431	3,837,431
-	(1,233,125)	-	(37,000)	-	(3,837,431)
-	(1,233,125)	-	(37,000)	5,824,594	1,987,163
-	64,332	(18,562)	(119,322)	1,874,862	945,767
-	182,988	2,998,831	10,291,800	10,572,311	40,872,852
<u>\$ -</u>	<u>\$ 247,320</u>	<u>\$ 2,980,269</u>	<u>\$ 10,172,478</u>	<u>\$ 12,447,173</u>	<u>\$ 41,818,619</u>

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

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021

Net Change in Fund Balances - Total Governmental Funds	\$	945,767
 <i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
 Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:		
Capital assets purchases capitalized		2,780,067
Capital assets disposed of less accumulated depreciation		-
Depreciation Expense		(1,500,393)
		1,279,674
 Postretirement benefit plan expenditures		 (198,167)
 The issuance of long-term debt (e.g. capital leases, bonds) provides current financial resources to governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		 (1,987,163)
 Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term debt liabilities in the statement of net position.		 421,000
 Payments of long-term debt, including contributions to the OPEB obligation, are reported as expenditures in governmental funds. However, these amounts are a reduction of long-term liabilities in the Statement of Net Position and are not reflected in the Statement of Activities:		
Change in compensated absences payable		(21,512)
Pension expense		364,912
Other parties' contributions to pension plans		-
		343,399
 Change in Net Position in Governmental Activities	 \$	 <u>804,511</u>

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

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
DECEMBER 31, 2021

ASSETS

Investments, at Fair Value	<u>\$ 1,178,489</u>
TOTAL ASSETS	<u><u>\$ 1,178,489</u></u>

LIABILITIES

Liabilities	\$ -
-------------	------

NET POSITION

Held in Trust for Deferred Compensation Benefits	<u>1,178,489</u>
TOTAL NET POSITION	<u><u>\$ 1,178,489</u></u>

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

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
DECEMBER 31, 2021

Balances Held in Trust for Deferred Compensation Benefits - Beginning	<u>\$ 1,087,152</u>
Additions:	
Contributions from Plan Participants	36,864
Investment Income	<u>75,925</u>
Total Additions:	112,789
Reductions:	
Benefit Payments to Plan Participants	21,363
Investment Management Fee	<u>89</u>
Total Subtractions:	21,452
Balances Held in Trust for Deferred Compensation Benefits - Ending	<u><u>1,178,489</u></u>

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

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

INTRODUCTION

The Lincoln Parish Police Jury (the Jury) is the governing authority for Lincoln Parish and is a political subdivision of the State of Louisiana. The Police Jury is governed by 12 jurors representing the various districts within the parish. The jurors serve four-year terms that expire in January of 2024.

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Basis of Presentation

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

Reporting Entity

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

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

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reporting Entity (Continued)

The GASB has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization’s governing body and (1) the ability of the Jury to impose its will on that organization or (2) the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the Jury. Organizations for which the Jury does not appoint a voting majority but are fiscally dependent on the Jury. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Based on the previous criteria, the police jury has determined that the following component units are part of the reporting entity:

<u>Component Units</u>	<u>Criteria Used</u>
Lincoln Parish Tax Assessor	2
Lincoln Parish District Attorney	2
Lincoln Parish Sheriff	2
Lincoln Parish Detention Center	2
Humanitarian Enterprises of Lincoln Parish	2

The following have been determined to be related organizations:

Lincoln Health Foundation	1&2
Northern Louisiana Medical Center	1&2
Fire Protection District No. 1 of Lincoln Parish	1&2
Ruston-Lincoln Industrial Development Board	1&2
Mount Olive Waterworks District	1&2
Waterworks District No. 1 of Lincoln Parish	1&2
Waterworks District No. 2 of Lincoln Parish	1&2
Waterworks District No. 3 of Lincoln Parish	1&2
Lincoln Parish Communications District	1&2
Lincoln Parish Geographic Information System	1&2

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

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

GASB Statement 14 provides for the issuance of primary government financial statements that are separate from those of the reporting entity. However, the primary government’s (police jury) financial statements are not a substitute for the reporting entity’s financial statements. The accompanying primary government financial statements have been prepared in conformity with generally accepted accounting principles as applied to government units.

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reporting Entity (Continued)

These financial statements are not intended to and do not report on the reporting entity but rather are intended to reflect only the financial statements of the primary government (police jury). Considered in the determination of component units of the reporting entity were the School Board and the various municipalities in the parish. It was determined that these governmental entities are not component units of the Lincoln Parish Police Jury reporting entity because they have separately elected governing bodies, are legally separate, and are fiscally independent of the Lincoln Parish Police Jury.

Measurement Focus, Basis of Accounting and Financial Statement Position

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

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

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

- Employees' vested annual leave is recorded as an expenditure when utilized. The amount of accumulated annual leave unpaid at December 31, 2021 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, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Accounting (Continued)

Governmental Funds

Governmental funds account for the Police Jury's general governmental activities including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of capital assets, and the servicing of general long-term debt. Governmental funds are divided into major and nonmajor funds. Major funds are funds that meet certain dollar tests of their assets, liabilities, revenues and expenditures/expenses. Major funds are larger, more significant funds. Nonmajor funds are the Governmental funds that do not meet the dollar tests for major funds. Governmental funds include:

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

Special Revenue Funds – Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

Debt Service – Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

Capital Projects Funds – Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

Fiduciary Fund Types – These funds account for assets held by the Police Jury as a trustee or agent for other units of government. This fund includes the following:

Nonexpendable Trust Fund – Nonexpendable Trust Funds are used to account for assets held by the government in a trustee capacity for others. The principal of the trust must be held intact and only the income earned may be used for the purpose specified in the hospital sale proposition, as approved by voters of Lincoln Parish.

Agency Fund – Agency Funds are used to account for assets held by the government as an agent for individuals, private organization, other governments, and/or other funds. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Use of Estimates

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

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgetary Practices

Budgetary practices of the Police Jury include public notice of the proposed budget, public inspection of the proposed budget and public hearings on the budget. Budgets are prepared in conformity with GAAP using the modified accrual basis of accounting. The secretary-treasurer is authorized to transfer budget amounts within a function by object classification; however, any revisions that alter the total expenditures of any function must be approved by the Lincoln Parish Police Jury. Appropriations lapse at year-end. Budgeted amounts shown in the accompanying financial statements include original adopted budget amounts and all subsequent amendments. The level of budgetary responsibility is by total appropriations; however, for report purposes, this level has been expanded to a functional basis.

Cash and Cash Equivalents

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

Investments

Under state law, the Police Jury may invest in United States treasury notes or certificates. These funds are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. In accordance with the provisions of GASB Statement 31, investments are carried at fair market value or amortized cost, as further discussed in Notes 2 and 3.

Fund Equity

GASB Statement No. 54 establishes standards for five fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of resources reported in government funds. The non-spendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form – prepaid items or inventories; or (b) legally or contractually required to be maintained intact.

The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned and unassigned.

Restricted Fund Balance – This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance – These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions or ordinances of the police jurors – the government’s highest level of decision-making authority. Those committed amounts cannot be used for any other purpose unless the police jurors remove the specified use by taking the same type of action imposing the commitment.

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Equity (Continued)

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

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

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

The Police Jury has not established a formal policy regarding order of spending fund balances that are restricted, committed or assigned. The Police Jury’s informal policy for the spending prioritization of fund balances is that restricted would receive top priority, followed by committed. Assigned would receive the least priority and would be authorized to be spent if adequate funds were available. If expenditures incurred exceed the amounts that have been committed or assigned to the specific purpose, amounts assigned or committed would be reduced to eliminate the deficit.

Receivables

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

Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. In the process of aggregating data for the statements of net position and the statement of activities, some amounts reported as interfund activity were eliminated or reclassified. The timing difference between the payment of obligations from the pooled cash fund and the reimbursement of that fund from each respective fund creates a difference between the cash per books and the bank balance that is not attributed to outstanding items. These timing differences are reported as “due from other funds” and “due from other entities” on the fund financial statements. This process also largely explains the difference between the book balance of cash and the bank balance shown in Note 2.

Fixed Assets

Fixed assets of the Jury are stated at cost and are reported in the government-wide financial statements. Depreciation of all exhaustible fixed assets are charged as an expense against operations. Depreciation is computed using the straight-line method over the estimated useful lives. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets’ lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Depreciable lives are from 5 years for equipment and vehicles, 40 years for buildings and 25 years for infrastructure assets.

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Annual and Sick Leave

The following annual and sick leave policies are in effect:

Police Jury

Employees accrue from five to twenty days of annual and five to fifteen days sick leave each year depending on years of service with the Police Jury for a total of not more than 120 days. Similarly, employees are not paid for accrued sick leave upon resigning or retiring, but accrued sick leave may be applied against total employment years at retirement.

Library

Employees of the library earn from twelve to twenty days vacation leave each year depending on length of service and professional status. Vacation leave is not cumulative. Employees of the library earn twelve days sick leave each year, which can be accumulated up to twenty-four days for major medical purposes only. Sick leave lapses at termination of employment.

Third Judicial Criminal District Court

The employees of the district attorney's office, paid from the criminal court fund, accrue twelve days of annual leave and twelve days of sick leave each year. The leave must be used in the year earned. The employees of the district judge's office, paid from the criminal court fund, do not have a formal leave policy.

The Jury accrues costs incurred for annual leave. Accrued sick leave benefits are not accrued due to the policy of not paying benefits upon termination.

Sales and Use Tax

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

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

Inventories

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

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

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, 2021. The Police Jury had cash and cash equivalents in demand deposits, totaling \$19,376,346 at December 31, 2021.

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, 2021, are secured, as follows:

Bank Balances	<u>\$ 10,668,025</u>
FDIC Insurance	1,250,000
Pledged Securities (uncollateralized)	<u>12,793,915</u>
Total	<u>\$ 14,043,915</u>

NOTE 3 - INVESTMENTS

Custodial Credit Risk – Investments. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Police Jury’s investments in United States government securities are held by the Police Jury’s agent in the Police Jury’s name. Therefore, the Police Jury had no custodial credit risk related to its investments at December 31, 2021.

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, 2021, the Police Jury had the following investments stated at cost, which approximates market:

Government Agency Bonds	\$ 20,976,395
Cash or Money Market Accounts	<u>1,941,987</u>
Total	<u>\$ 22,918,382</u>

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

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 3 – INVESTMENTS (Continued)

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

Concentration of Credit Risk. The Police Jury’s investment policy limits the Police Jury’s investment instruments to: 1) certificates of deposit; 2) certain direct obligations of the U.S. Government; 3) bonds, debentures, notes, or other evidence of indebtedness issued or guaranteed by federal agencies and provided such obligations are backed by the full faith and credit of the United States of America; and 4) the Louisiana Asset Management Pool.

NOTE 4 – RECEIVABLES

The receivables of \$7,835,258 on December 31, 2021, are detailed as follows:

	<u>Class of Receivables</u>	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Capital Project Funds</u>	<u>Debt Service Fund</u>	<u>Total</u>
Taxes						
Ad valorem		\$ 1,252,925	\$ 6,230,461	\$ -	\$ 6,342	\$ 7,489,728
State revenue sharing		41,233	150,565	-	-	191,798
State reimbursements		-	-	-	-	41,759
Other		<u>50,643</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>111,929</u>
Totals		<u>\$ 1,344,801</u>	<u>\$ 6,381,026</u>	<u>\$ -</u>	<u>\$ 6,342</u>	<u>\$ 7,835,214</u>

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

NOTE 5 – PROPERTY AND EQUIPMENT

Capital asset activity for the year ended December 31, 2021, is as follows:

	<u>2020 Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>2021 Balance</u>
Non-Depreciable Assets:				
Land	\$ 1,825,402	\$ -	\$ -	\$ 1,825,402
Improvements - CIP	<u>1,597,722</u>	<u>951,059</u>	<u>-</u>	<u>2,548,781</u>
Total	<u>3,423,124</u>	<u>951,059</u>	<u>-</u>	<u>4,374,183</u>
Depreciable Assets				
Buildings	10,714,277	61,079	-	10,775,356
Infrastructure	26,542,244	679,434	-	27,221,678
Improvements	11,615,878	-	(21,214)	11,594,664
Vehicles	2,546,392	269,080	(21,596)	2,793,876
Furniture & Fixtures	1,215,061	44,892	(48,990)	1,210,963
Machinery & Equipment	<u>6,377,770</u>	<u>774,523</u>	<u>-</u>	<u>7,152,293</u>
Total	<u>59,011,622</u>	<u>1,829,008</u>	<u>(91,800)</u>	<u>60,748,830</u>

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 5 – PROPERTY AND EQUIPMENT (Continued)

Less: Accumulated Depreciation:

Buildings	(6,027,631)	(166,935)	-	(6,194,566)
Infrastructure	(20,313,200)	(214,780)	-	(20,527,980)
Improvements	(5,908,855)	(434,422)	21,214	(6,322,063)
Vehicles	(1,138,237)	(221,241)	21,596	(1,337,882)
Furniture & Fixtures	(1,112,529)	(57,181)	48,990	(1,120,720)
Machinery & Equipment	(3,823,002)	(405,834)	-	(4,228,836)
Total	(38,323,454)	(1,500,393)	91,800	(39,732,047)

Capital Assets, Net	<u>\$ 24,111,292</u>	<u>\$ 1,279,674</u>	<u>\$ -</u>	<u>\$ 25,390,966</u>
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Depreciation expense charged for \$1,408,953, is as follows:

General Government	\$ 250,674
Public Works	758,035
Public Safety	6,022
Culture and Recreation	<u>393,862</u>
Total	<u>\$ 1,408,953</u>

NOTE 6 – PENSION PLAN

Plan Description

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

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

1. Any age after 30 years of creditable service.
2. Age 55 after 25 years of creditable service.
3. Age 60 after 10 years of creditable service.
4. Age 65 after 7 years creditable service.

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

1. Age 55 after 30 years of creditable service.
2. Age 62 after 10 years of creditable service.
3. Age 67 after 7 years of creditable service.

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 6 – PENSION PLAN – Continued

Generally, the monthly amount of the retirement allowance of any member of Plan A shall consist of an amount equal to three percent of the employee's final average compensation multiplied by his or her years of creditable service. However, under certain conditions as outlined in the statutes, the benefits are limited to specified amounts. The System also provides death and disability benefits. Benefits are established or amended by state statute. For the year ended December 31, 2021, the Lincoln Parish Police Jury's total payroll for all employees was \$3,524,744. Total covered payroll was \$3,458,980. Covered payroll refers to all compensation paid by the Lincoln Parish Police Jury to active employees covered by the Plan.

Contributions

According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ended December 31, 2021, the actual employer contribution rate was 12.25% for Plan A, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. In accordance with state statute, the System receives ad valorem taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities but are not considered special funding situations. The Lincoln Parish Police Jury's contributions to the System under Plan A for the year ending December 31, 2021 were \$431,781.

Under Plan A, members are required by state statute to contribute 9.50% of their annual covered salary. The contributions are deducted from the employee's wages or salary and remitted by the Lincoln Parish Police Jury to the System monthly.

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

At December 31, 2021, the Employer reported a liability of (\$971,237) for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of December 31, 2021 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The Lincoln Parish Police Jury's proportion of the Net Pension Liability was based on a projection of the Police Jury's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At December 31, 2021, the Police Jury's proportion was 0.553912%, which was an increase of 0.007312% from its proportion measured as of December 31, 2021.

For the year ended December 31, 2021, the Lincoln Parish Police Jury recognized pension expense of \$113,243 plus employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, which was (\$431,583). Total pension expense for the Lincoln Parish Police Jury for the year ended December 31, 2021 was (\$318,340).

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 6 – PENSION PLAN – Continued

At December 31, 2021, the Lincoln Parish Police Jury reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	236,463	115,923
Changes in assumption	317,758	-
Net difference between projected and actual earnings on pension plan investments	-	1,895,572
Changes in employer’s portion of beginning net pension liability	9,046	9,629
Differences between employer contributions and proportionate share of employer contributions	2,353	330
Subsequent measurement contributions	431,781	-
Total	997,401	2,021,454

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

Year ended December 31,	
2022	(406,366)
2023	(139,744)
2024	(600,047)
2025	(309,677)

Actuarial Assumptions

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

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 6 – PENSION PLAN – Continued

Valuation Date	December 31, 2021
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Investment Rate of Return	6.40% (net of investment expense, including inflation)
Expected remaining service lives	4 years
Projected salary increases	4.75%
Inflation Rate	2.30%
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.
Mortality rates	Pub-2010 Public Retirement Plans Mortality Table for Health Retirees multiplied by 130% for males and 125% for females using MP2018 scale for annuitant and beneficiary mortality. For employees, the Pub-2010 Public Retirement Plans Mortality Table for General Employees multiplied by 130% for males and 125% for females using MP2018 scale. Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 130% for males and 125% for females using MP2018 scale for disabled annuitants.

The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the CAPM pricing model (top-down), a treasury yield curve approach (bottom-up) and an equity building-block model (bottom-up). Risk return and correlations are projected on a forward looking basis in equilibrium, in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.00% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 7.00% for the year ended December 31, 2021.

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 6 – PENSION PLAN – Continued

Best estimates of arithmetic real rates of return for each major asset class included in the System’s target asset allocation as of December 31, 2021 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed income	33%	0.86%
Equity	51%	3.36%
Alternatives	14%	0.67%
Real Assets	2%	0.11%
Totals	100%	5.43%
Inflation		2.00%
Expected arithmetic nominal return		7.00%

Discount Rate

The discount rate used to measure the total pension liability was 6.40% for Plan A and 6.40% for Plan B. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers and non-employer contributing entities will be made at the actuarially determined contribution rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems’ Actuarial Committee. Based on those assumptions, the System’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

	1.0% Decrease	Current Discount Rate	1.0% Increase
Employer’s proportionate share of net pension liability	2,036,400	(971,237)	(3,490,070)

Payables to the Pension Plan

These financial statements include an asset from the pension plan of \$971,237, which is the difference in the legally required contribution due at December 31, 2021, and the previously valued amount. This amount is recorded in accrued expenses.

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 6 – PENSION PLAN – Continued

Plan Fiduciary Net Position

Detailed information about the Plan’s fiduciary net position is available in the separately issued Parochial Employees’ Retirement System of Louisiana Audit Report at www.persla.org. The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. The report may be obtained by writing to the Parochial Employees Retirement System of Louisiana, 7509 Wrenwood Boulevard, Baton Rouge, Louisiana 70809, or by calling (225) 928-1361, or by visiting the System's website www.persla.org.

NOTE 7 – LEASES

Operating Leases (Lessee). The Lincoln Parish Police Jury leases space under noncancelable operating leases in the building the Police Jury purchased in September 2009. Total income for such leases were \$148,967 for the year ended December 31, 2021. Future minimum lease payments for these leases extend through December 31, 2024 and are as follows:

<u>Year Ended</u> <u>December 31,</u>	<u>LPPJ Complex</u> <u>Lease</u>
2022	95,328
2023	66,000
2024	<u>36,250</u>
Total	<u>\$ 197,578</u>

NOTE 8 – DUE TO/FROM OTHER FUNDS

Individual fund balances due to/from other funds at December 31, 2020, are as follows:

<u>Fund</u>	<u>Due To</u> <u>Other Funds</u>	<u>Due From</u> <u>Other Funds</u>
Major Funds:		
General Fund	\$2,285,657	\$4,301,288
Special Revenue Funds:		
Road Construction Fund	1,564,954	15,836
Road Maintenance Fund	-	37,020
Library Fund	1,398,576	6,357
Solid Waste Disposal Fund	482,385	8,873
Hospital Proceeds Fund	165,500	19,734
Non-Major Funds:		
Special Revenue Funds	1,160,547	1,155,214
Capital Projects Funds	1,657,677	3,712,302
Debt Service Funds	<u>972,099</u>	<u>430,771</u>
Totals	<u>\$9,687,395</u>	<u>\$9,687,395</u>

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 8 – DUE TO/FROM OTHER FUNDS – Continued

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

NOTE 9 – RESERVED FUND BALANCE – WITNESS FEES

Louisiana Revised Statute 15:255 provides for the payment of witness fees to off-duty law enforcement officers who, in their official capacity, are required to be present as a witness in criminal cases. Witness fees are paid from special court costs levied in criminal cases. Court costs and witness fees are accounted for in the Criminal Court Special Revenue Fund. The following schedule provides a detail of changes in the fund balance of the Law Enforcement Witness Fee Fund for the year ended December 31, 2021:

Balance at January 1, 2020	\$ 34,465
Court costs collected	4,608
Interest	15
Witness fees paid	<u>(50)</u>
 Balance at December 31, 2021	 <u>\$ 39,038</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, 2021.

	<u>Collection Equipment</u>	<u>Disposal Equipment</u>	<u>Total</u>
Balance at January 1, 2020	\$ 2,664,865	\$ 2,980,269	\$ 5,635,134
Transfers in (out)	-	-	-
Sale of assets	-	-	-
Other revenues	15,358	23,139	38,497
Equipment replacement costs	-	-	-
Expenditures	<u>(259,604)</u>	<u>(41,701)</u>	<u>(301,305)</u>
 Balance at December 31, 2021	 <u>\$ 2,420,619</u>	 <u>\$ 2,980,269</u>	 <u>\$ 5,400,888</u>

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 10 – DESIGNATED FUND BALANCE – EQUIPMENT REPLACEMENT

The total Solid Waste Equipment Reserve as of December 31, 2021, is as follows:

Solid Waste Equipment Reserve	\$ 5,663,696
Sewer Fund Equipment Replacement	<u>81,182</u>
Total Fund Equity Designated for Equipment Replacement	<u>\$ 5,482,070</u>

NOTE 11 – CRIMINAL COURT FUND SURPLUS

Louisiana Revised Statute 15:571.11 requires that one-half of any surplus remaining in the Criminal Court Special Revenue Fund at year end be transferred to the parish General Fund. During the year ended December 31, 2021, \$0 was to be transferred.

NOTE 12 – LITIGATION AND CLAIMS

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

NOTE 13 – PROPERTY TAX REVENUE

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

Property Tax Calendar

Assessment Date	January 1
Levy Date	June 30
Tax Bills Mailed	December 13
Total Taxes Are Due	December 31
Penalties and Interest are Added	January 29
Tax Sales – 2021 Delinquent Property	June 3 of ensuing year

	<u>Authorized</u>	<u>Levied</u>
	<u>Millage</u>	<u>Millage</u>
Parish Taxes:		
General Fund inside Ruston	2.00	1.68
General Fund outside Ruston	4.00	3.37
Road Maintenance	4.41	4.41
Construction Improvement	4.41	4.41
Library Operation	5.99	4.49

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

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, 2020, the following governmental funds had variances greater than 5%:

	<u>Budget</u>	<u>Actual</u>	<u>Variances</u> <u>(Unfavorable)</u>
General Fund			
Other Taxes, Penalties and Interest	200,400	148,866	(51,534)
State Revenue Sharing	69,170	61,807	(7,363)
Culture and Recreation Expenditures	6,040	11,246	(5,206)
Road Construction Fund			
State Revenue Sharing	101,740	96,972	(4,768)
Interest Earnings and Rent	13,140	8,352	(4,788)
Road Maintenance Fund			
State Revenue Sharing	101,742	96,972	(4,768)
Interest Earnings and Rent	23,870	13,483	(10,387)
Capital Outlay	400,000	435,565	(35,565)
Library Fund			
Interest Earnings and Other	15,000	-	(15,000)
Solid Waste Disposal Fund			
Public Works	3,688,345	4,031,017	(342,672)
Capital Outlay	150,000	220,552	(70,552)
Solid Waste Disposal Reserve Fund			
Public Works	-	41,701	(41,701)
Hospital Proceeds Fund			
Health and Welfare	41,530	168,036	(126,506)

NOTE 15 – DEFERRED COMPENSATION PLAN

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

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

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

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

General Information about the OPEB Plan

Plan description – The Lincoln Parish Police Jury (the Police Jury) provides certain continuing health care and life insurance benefits for its retired employees. The Lincoln Parish Police Jury’s OPEB Plan (the OPEB Plan) is a single-employer defined benefit OPEB plan administered by the Police Jury. The authority to establish and/or amend the obligation of the employer, employees and retirees rests with the Police Jury. No assets are accumulated in a trust that meets the criteria in Governmental Accounting Standards Board (GASB).

Benefits Provided – Medical and life insurance benefits are provided through comprehensive plans and are made available to employees upon actual retirement. Employees are covered by Plan A of the Parochial Employees' Retirement System of Louisiana, whose retirement eligibility (D.R.O.P. entry) provisions are as follows: 30 years of service at any age; age 55 and 25 years of service; age 60 and 10 years of service; or, age 65 and 7 years of service. For employees hired on and after January 1, 2007 retirement eligibility (D.R.O.P. entry) provisions are as follows: age 55 and 30 years of service; age 62 and 10 years of service; or, age 67 and 7 years of service. Employees hired on and after January 1, 2008 are not eligible for any retiree health coverage. Life insurance coverage is provided to retirees for 50% of the active level and 100% of the rate is paid by the employer.

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

Inactive employees or beneficiaries currently receiving benefit payments	35
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	75
	<u>110</u>

Total OPEB Liability

The Police Jury’s total OPEB liability is \$7,998,954 as of the measurement date December 31, 2021, the end of the fiscal year

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

Inflation	2.0%
Salary increases	3.0%, including inflation
Discount rate	2.12% annually (Beginning of Year to Determine ADC)
	2.06%, annually (As of End of Year Measurement Date)
Healthcare cost trend rates	5.5% annually until year 2030, then 4.5%
Mortality	SOA RP-2014 Combined Mortality Table

The discount rate was based on the Bond Buyers' 20 Year General Obligation municipal bond index as of December 31, 2021, the end of the applicable measurement period. The actuarial assumptions used in the December 31, 2021 valuation were based on the results of ongoing evaluations of the assumptions from January 1, 2009 to December 31, 2021.

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

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

Changes in the Total OPEB Liability

Balance at December 31, 2020	\$ 7,800,787
Changes for the year:	
Service cost	141,591
Interest	166,878
Differences between expected and actual experience	89,181
Changes in assumptions	64,270
Benefit payments and net transfers	<u>(263,752)</u>
Net changes	<u>198,167</u>
Balance at December 31, 2021	<u>\$ 7,998,954</u>

Sensitivity of the total OPEB liability to changes in the discount rate – The following presents the total OPEB liability of the Police Jury, as well as what the Police Jury’s total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.06%) or 1-percentage-point higher (3.06%) than the current discount rate:

	1.0% Decrease (1.06%)	Current Discount Rate (2.06%)	1.0% Increase (3.06%)
Total OPEB liability	\$ 9,202,008	\$ 7,998,954	\$ 7,024,280

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

	1.0% Decrease (4.5%)	Current Trend (5.5%)	1.0% Increase (6.5%)
Total OPEB liability	\$ 7,018,447	\$ 7,998,954	\$ 9,203,275

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

For the year ended December 31, 2021, the Police Jury recognized OPEB expense of \$453,641. At December 31, 2021, the Police Jury reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 327,847	\$ (1,521,371)
Changes in assumptions	2,690,386	(275,099)
Total	<u>\$ 3,018,233</u>	<u>\$ (1,796,470)</u>

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

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

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

<u>Years ending December 31:</u>	
2022	145,172
2023	145,172
2024	145,172
2025	145,172
2026	145,172
Thereafter	495,901

NOTE 17 – BONDS PAYABLE

On March 1, 2001, general obligation bonds were issued in the amount of \$5,300,000 for the purpose of library renovations. These bonds were reissued in 2011 in the amount of \$3,577,000 and are to be repaid by March 2021 by Ad Valorem taxes with the first interest only payment due March 1, 2011. Principal payments commenced on March 1, 2011. The bonds carry a net interest rate of 3.02%. The bonds were fully repaid during 2021.

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

On June 11, 2021 sales tax bonds were issued in the amount of \$2,677,000 for the purpose of closing the interim construction loans with Origin Bank and LPFA. Monthly payments in the amount of \$8,487 will retire the debt in 40 years. The bonds carry a net interest rate of 2.25%.

The following is the future principal and interest requirements:

	<u>Beginning</u>			<u>Ending</u>	<u>Due</u>
	<u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u>	<u>Within One</u>
					<u>Year</u>
Government Activities:					
Bonds Payable:					
General Obligation Refunding					
Bond, Series 2011	\$ 421,000	\$ -	\$ 421,000	\$ -	\$ -
Bond Anticipation Notes	1,054,682	800,421	1,788,939	66,164	66,164
Sales Tax Bond Series 2021	-	1,941,903	20,904	1,920,999	42,519
Accrued Vacation and Sick Time	<u>112,863</u>	<u>21,511</u>	<u>-</u>	<u>134,374</u>	<u>134,374</u>
Total Governmental Activities					
Long-Term Debt	<u>\$ 919,142</u>	<u>\$2,763,835</u>	<u>\$ 2,230,843</u>	<u>\$ 2,121,537</u>	<u>\$243,057</u>

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 17 – BONDS PAYABLE - Continued

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

Year Ended <u>December 31,</u>	Certificates of Indebtedness <u>Series 2021</u>	
	<u>Principal</u>	<u>Interest</u>
2022	42,519	59,325
2023	46,185	55,659
2024	44,474	57,370
2025	45,485	56,359
2026	46,519	55,325
Thereafter	<u>1,695,817</u>	<u>1,094,185</u>
Total	<u>\$1,920,999</u>	<u>\$1,378,223</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

<u>Fund</u>	<u>Operating Transfers</u>	
	<u>In</u>	<u>Out</u>
Major Funds:		
General Fund	\$ -	\$ 756,557
Road Construction Fund	-	1,575,000
Library Fund	-	235,749
Special Revenue Funds:		
Solid Waste Disposal Fund	-	1,233,125
Hospital Proceeds Fund	-	37,000
Non-Major Funds:		
Special Revenue Funds	1,487,374	-
Capital Projects Funds	<u>2,350,057</u>	<u>-</u>
Totals	<u>\$ 3,837,431</u>	<u>\$ 3,837,431</u>

Transfers are used to (a) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and (b) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTE 19 – SUBSEQUENT EVENTS

Subsequent events have been evaluated through September 30, 2022, which is the day the financial statements were available to be issued, and it has been determined that there are no significant events that require disclosure.

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 21: LANDFILL CLOSURE AND POST CLOSURE COSTS

State and federal laws and regulations require the Police Jury to place a final cover on its Type III C&D and woodwaste Landfill when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Because closure and post closure care costs will be paid only near or after the date that the landfill stops accepting waste, the Police Jury does not report these costs as an operating expense in the December 31, 2020 financial statements. The Police Jury will recognize the estimated cost of closure and post closure care of \$531,521 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and post closure care in 2018. Actual cost may be higher due to inflation, changes in technology, or changes in regulations. The Police Jury is required by state and federal laws and regulations to make annual contributions to a separate fund to finance closure and post closure care. The Police Jury is in compliance with these requirements, and, at December 31, 2020, investments of \$1,919,522 are held for these purposes in the Solid Waste Disposal Reserve Fund. These are reported as assigned assets on the balance sheet. The Police Jury expects that future inflation costs will be paid from interest earnings on these annual contributions. However, if interest earnings are inadequate or additional post closure care requirements are determined (due to changes in technology or applicable laws or regulations, for example), these costs may need to be covered by future charges to landfill users or from future tax revenue.

NOTE 22: PRIOR PERIOD ADJUSTMENT

A prior period adjustment was made to correct the GASB 75 - *Accounting for Financial Reporting for Postemployment Benefits Other Than Pensions* calculations from previous years. This resulted in an increase to beginning net assets of \$2,226,140. This adjustment is only made to the government wide financial statements, and has no effect to the fund financial statements.

In the prior year, two transactions in the Detention Center Dormitory Expansion Capital Project Fund were misclassified as an operating transfer in, but should have been reported as loan proceeds. The net effect of this reclassification in the prior year is a decrease in net position of \$170,730.

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, 2021

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>				
Taxes:				
Ad Valorem	\$ 1,217,900	\$ 1,217,900	\$ 1,328,179	\$ 110,279
Other Taxes, Penalties and Interest, etc.	200,400	200,400	148,866	(51,534)
Intergovernmental Revenues:				
Federal Funds:				
Section 8 Housing	5,450	5,450	7,323	1,873
Other Federal Funds	-	-	-	
State Funds:				
State Revenue Sharing (net)	69,170	69,170	61,807	(7,363)
Grants - Other State Agencies	125,550	125,550	288,431	162,881
Severance Tax	394,000	1,256,878	1,281,334	24,456
Fees, Charges and Commission for Services	207,885	207,885	204,272	(3,613)
Fines and Forfeitures	-	-	1,408	1,408
Use of Money and Property				
Interest Earnings and Rents	90,500	90,500	129,395	38,895
Other Revenues	-	-	419,649	419,649
	<u>2,310,855</u>	<u>3,173,733</u>	<u>3,870,664</u>	<u>696,931</u>
<u>Expenditures (Outflows):</u>				
General Government	1,453,987	2,278,494	1,782,758	495,736
Public Safety	768,063	768,063	740,061	28,002
Health and Welfare	29,000	29,000	25,610	3,390
Culture and Recreation	6,040	6,040	11,246	(5,206)
Economic Development	29,750	29,750	19,350	10,400
Capital Outlay	-	-	5,418	(5,418)
	<u>2,286,840</u>	<u>3,111,347</u>	<u>2,584,443</u>	<u>31,168</u>
<u>Excess (Deficiency) of Revenues</u>				
<u>Over Expenditures</u>	24,015	62,386	1,286,221	70,063
<u>Other Financing Uses:</u>				
Operating Transfers Out	(50,000)	(50,000)	(756,557)	(706,557)
<u>Excess (Deficiency) of Revenues Over</u>				
<u>Expenditures and Other Uses</u>	(25,985)	12,386	529,664	(636,494)
<u>Fund Balance at Beginning of Year</u>	<u>3,394,619</u>	<u>3,618,824</u>	<u>3,618,824</u>	<u>-</u>
 <u>FUND BALANCE AT END OF YEAR</u>	 <u>\$ 3,368,634</u>	 <u>\$ 3,631,210</u>	 <u>\$ 4,148,488</u>	 <u>\$ (636,494)</u>

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

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
BUDGETARY COMPARISON SCHEDULE -
ROAD CONSTRUCTION FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance With
	<u>Original</u>	<u>Final</u>		Final Budget Favorable (Unfavorable)
<u>Revenues (Inflows):</u>				
Taxes				
Ad Valorem	\$ 1,994,210	\$ 1,994,210	\$ 2,133,469	\$ 139,259
Intergovernmental Revenues:				
State Funds:				
State Revenue Sharing	101,740	101,740	96,972	(4,768)
Use of Money and Property, Interest Earnings and Rent	<u>13,140</u>	<u>13,140</u>	<u>8,352</u>	<u>(4,788)</u>
Total Revenues	<u>2,109,090</u>	<u>2,109,090</u>	<u>2,238,793</u>	<u>129,703</u>
<u>Expenditures (Outflows):</u>				
Public Works	2,274,569	2,274,569	1,918,766	355,803
Capital Outlay	<u>100,000</u>	<u>100,000</u>	<u>174,487</u>	<u>(74,487)</u>
Total Expenditures	<u>2,374,569</u>	<u>2,374,569</u>	<u>2,093,253</u>	<u>281,316</u>
<u>Excess of Revenues Over Expenditures</u>	(265,479)	(265,479)	145,540	411,019
<u>Other Financing Uses:</u>				
Transfers Out	(1,575,000)	(1,575,000)	(1,575,000)	-
<u>Fund Balance at Beginning of Year</u>	<u>4,557,029</u>	<u>4,557,029</u>	<u>4,681,957</u>	<u>124,928</u>
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ 2,716,550</u>	<u>\$ 2,716,550</u>	<u>\$ 3,252,497</u>	<u>\$ 535,947</u>

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

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
BUDGETARY COMPARISON SCHEDULE -
ROAD MAINTENANCE FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance With
	<u>Original</u>	<u>Final</u>		Final Budget Favorable (Unfavorable)
<u>Revenues (Inflows):</u>				
Taxes				
Ad Valorem	\$ 1,994,210	\$ 1,994,210	\$ 2,155,486	\$ 161,276
Intergovernmental Revenues:				
State Funds:				
State Revenue Sharing	101,742	101,742	96,972	(4,770)
Use of Money and Property, Interest Earnings and Rent	<u>23,870</u>	<u>23,870</u>	<u>13,483</u>	<u>(10,387)</u>
Total Revenues	<u>2,119,822</u>	<u>2,119,822</u>	<u>2,265,941</u>	<u>146,119</u>
<u>Expenditures (Outflows):</u>				
Public Works	2,069,929	2,069,929	2,091,225	(21,296)
Capital Outlay	<u>400,000</u>	<u>400,000</u>	<u>435,565</u>	<u>(35,565)</u>
Total Expenditures	<u>2,469,929</u>	<u>2,469,929</u>	<u>2,526,790</u>	<u>(56,861)</u>
<u>Excess of Revenues Over Expenditures</u>	(350,107)	(350,107)	(260,849)	89,258
<u>Fund Balance at Beginning of Year</u>	<u>4,998,039</u>	<u>5,517,796</u>	<u>5,517,796</u>	<u>-</u>
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ 4,647,932</u>	<u>\$ 5,167,689</u>	<u>\$ 5,256,947</u>	<u>\$ 89,258</u>

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

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
BUDGETARY COMPARISON SCHEDULE -
LIBRARY FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues (Inflows):</u>				
Taxes				
Ad Valorem	\$ -	\$ 1,994,377	\$ 2,231,349	\$ 236,972
Intergovernmental Revenues:				
State Funds:				
State Revenue Sharing	-	25,000	32,056	7,056
Federal Funds:	-	-	47,065	47,065
Fees, Charges & Commission for Services	28,000	28,000	63,835	35,835
Interest Earnings and Other	3,000	15,000	-	(15,000)
Total Revenues	<u>31,000</u>	<u>2,062,377</u>	<u>2,374,305</u>	<u>311,928</u>
<u>Expenditures (Outflows):</u>				
Culture and Recreation	<u>2,006,975</u>	<u>1,835,572</u>	<u>1,833,454</u>	<u>2,118</u>
Total Expenditures	<u>2,006,975</u>	<u>1,835,572</u>	<u>1,833,454</u>	<u>2,118</u>
<u>Excess (Deficit) of Revenues Over Expenditures</u>	(1,975,975)	226,805	540,851	314,046
<u>Other Financing Uses:</u>				
Operating Transfers Out	-	-	(235,749)	(235,749)
<u>Fund Balance at Beginning of Year</u>	<u>2,337,149</u>	<u>3,164,939</u>	<u>3,008,345</u>	<u>(156,594)</u>
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ 361,174</u>	<u>\$ 3,391,744</u>	<u>\$ 3,313,447</u>	<u>\$ 157,452</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, 2021

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues (Inflows):</u>				
Taxes				
1/2 Cent Sales Tax	\$ 4,546,560	\$ 4,546,560	\$ 5,334,391	\$ 787,831
Fees, Charges & Commission for Services	173,000	173,000	214,635	41,635
Use of Money and Property, Interest Earnings and Rent	-	-	-	-
Total Revenues	<u>4,719,560</u>	<u>4,719,560</u>	<u>5,549,026</u>	<u>829,466</u>
<u>Expenditures (Outflows):</u>				
Public Works	3,688,345	3,688,345	4,031,017	(342,672)
Capital Outlay	<u>150,000</u>	<u>150,000</u>	<u>220,552</u>	<u>(70,552)</u>
Total Expenditures	<u>3,838,345</u>	<u>3,838,345</u>	<u>4,251,569</u>	<u>(342,672)</u>
<u>Excess of Revenues Over Expenditures</u>	881,215	881,215	1,297,457	486,794
<u>Other Financing Uses:</u>				
Transfers Out	(835,000)	(835,000)	(1,233,125)	(398,125)
<u>Fund Balance at Beginning of Year</u>	<u>182,988</u>	<u>182,988</u>	<u>182,988</u>	<u>-</u>
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ 229,203</u>	<u>\$ 229,203</u>	<u>\$ 247,320</u>	<u>\$ 88,669</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, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance With</u> <u>Final Budget</u> <u>Favorable</u> <u>(Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues (Inflows):</u>				
Use of Money and Property, Interest Earnings and Rent	\$ 10,000	\$ 10,000	\$ 23,139	\$ 13,139
Total Revenues	10,000	10,000	23,139	13,139
<u>Expenditures (Outflows):</u>				
Public Works	-	-	41,701	(41,701)
Capital Outlay	-	-	-	-
Total Expenditures	-	-	41,701	(41,701)
<u>Excess (Deficiency) of Revenues Over</u> <u>Expenditures</u>	10,000	10,000	(18,562)	(28,562)
<u>Fund Balance at Beginning of Year</u>	2,998,831	2,998,831	2,998,831	-
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ 3,008,831</u>	<u>\$ 3,008,831</u>	<u>\$ 2,980,269</u>	<u>\$ (28,562)</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, 2021

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues (Inflows):</u>				
Use of Money and Property, Interest Earnings and Rent	\$ 75,000	\$ 75,000	\$ 85,714	\$ 10,714
Total Revenues	75,000	75,000	85,714	10,714
<u>Expenditures (Outflows):</u>				
Health and Welfare	41,530	41,530	168,036	(126,506)
<u>Excess of Revenues Over Expenditures</u>	33,470	33,470	(82,322)	(115,792)
<u>Other Financing Uses</u>				
Operating Transfers Out	(18,500)	(18,500)	(37,000)	(18,500)
<u>Fund Balance at Beginning of Year</u>	10,291,800	10,291,800	10,291,800	-
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ 10,306,770</u>	<u>\$ 10,306,770</u>	<u>\$ 10,172,478</u>	<u>\$ (134,292)</u>

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

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
BUDGETARY COMPARISON SCHEDULE -
AMERICAN RESCUE PLAN ACT
FOR THE YEAR ENDED DECEMBER 31, 2021

	<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>				
Federal Funds:				
Other Federal Funds	\$ -	\$ -	\$ 206,759	\$ 206,759
Total Revenues	-	-	206,759	206,759
<u>Expenditures (Outflows):</u>				
Capital Outlay	-	-	206,759	(206,759)
<u>Excess of Revenues Over Expenditures</u>	-	-	-	-
<u>Other Financing Uses</u>				
Operating Transfers Out	-	-	-	-
<u>Fund Balance at Beginning of Year</u>	-	-	-	-
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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, 2021

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, 2021, for the governmental funds that had variances greater than 5%, see note 14 in the financial statements.

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
SCHEDULE OF EMPLOYER'S SHARE OF NET PENSION LIABILITY
FOR THE YEAR ENDED DECEMBER 31, 2021

Fiscal Year	Agency's proportion of the net pension liability (asset)	Agency's proportionate share of the net pension liability (asset)	Agency's covered payroll	Agency's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2015	0.58904%	\$ 161,048	\$ 3,310,538	4.86%	99.15%
2016	5.52352%	\$ 1,453,949	\$ 3,166,967	45.91%	92.23%
2017	0.55978%	\$ 1,152,880	\$ 3,320,553	34.72%	94.15%
2018	0.55644%	\$ (413,016)	\$ 3,424,986	-12.06%	101.98%
2019	0.55967%	\$ 2,484,021	\$ 3,440,638	72.20%	88.86%
2020	0.54660%	\$ 25,731	\$ 3,465,937	0.74%	99.89%
2021	0.55391%	\$ (971,237)	\$ 3,524,744	-27.55%	104.00%

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

SCHEDULE OF EMPLOYER CONTRIBUTIONS
FOR THE YEAR ENDED DECEMBER 31, 2021

Fiscal Year	(a) Statutorily required contribution	(b) Contributions in relation to the statutorily required contribution	(a-b) Contribution deficiency	Agency's covered payroll	Contributions as a percentage of covered payroll
2015	\$ 459,210	\$ 459,210	\$ -	\$ 3,166,967	14.50%
2016	\$ 431,577	\$ 431,577	\$ -	\$ 3,320,553	13.00%
2017	\$ 428,123	\$ 428,123	\$ -	\$ 3,424,986	12.50%
2018	\$ 395,673	\$ 395,673	\$ -	\$ 3,440,638	11.50%
2019	\$ 398,583	\$ 398,583	\$ -	\$ 3,465,937	11.50%
2020	\$ 453,201	\$ 453,201	\$ -	\$ 3,699,598	12.25%
2021	\$ 431,781	\$ 431,781	\$ -	3524744	12.25%

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

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

LINCOLN PARISH POLICE JURY
ANGES IN NET OPEB LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED DECEMBER 31, 2021

	2019	2020	2021
Total OPEB Liability			
Service cost	\$ 86,290	\$ 199,192	\$ 141,591
Interest	235,069	194,589	166,878
Changes of benefit terms	-	-	-
Differences between expected and actual experienc	352,534	(1,731,306)	89,181
Changes of assumptions	919,309	2,386,131	64,270
Benefit payments	<u>(281,266)</u>	<u>(250,002)</u>	<u>(263,752)</u>
Net change in total OPEB liability	<u>1,311,936</u>	<u>798,604</u>	<u>198,167</u>
Total OPEB liability - beginning	<u>5,690,247</u>	<u>7,002,183</u>	<u>7,800,787</u>
Total OPEB liability - ending (a)	<u>\$ 7,002,183</u>	<u>\$ 7,800,787</u>	<u>\$ 7,998,954</u>
Covered-employee payroll	\$ 3,069,299	\$ 3,188,556	\$ 3,284,213
Net OPEB liability as a percentage of covered-employee payroll	228.14%	244.65%	243.56%
Notes to Schedule:			
<i>Benefit Changes:</i>	None	None	None
<i>Changes of Assumptions:</i>			
<i>Discount Rate:</i>	2.74%	2.12%	2.06%
<i>Mortality:</i>	RP-2000	RP-2014	RP-2014
<i>Trend:</i>	5.5%	Variable	Variable

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

OTHER SUPPLEMENTAL INFORMATION

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
SUPPLEMENTAL INFORMATION SCHEDULES
DECEMBER 31, 2021

NONMAJOR SPECIAL REVENUE FUNDS

Special Road Fund

The Special Road Fund accounts for the operation of the Lincoln Parish Highway Department, other than materials and personal services. Financing is provided by state appropriations, parish royalty road funds and interest earned on time deposits and operating transfers from other road funds.

Solid Waste Funds

The Solid Waste Disposal fund accounts for the proceeds of the parish-wide one-half cent sales and use tax for the operation of a parish sanitary landfill. The Solid Waste Collection Fund accounts for the proceeds of the parish-wide one-half cent sales and use tax for the operation of refuse collection sites within the parish.

Solid Waste Equipment Reserve Funds

The Solid Waste Equipment Reserve Fund accumulates funds for capital outlay expenditures for the replacement and purchase of new equipment and other capital outlay expenditures for both the solid waste collection system and the sanitary landfill facility. Financing is provided by transfers from the Solid Waste Collection Fund and the Solid Waste Disposal Fund, based on amortization of equipment used in the two operations and from interest earned on time deposits.

Criminal Court Fund

The Criminal Court Fund is used to account for the operations of the Third Judicial District Criminal Court in Lincoln Parish. Financing is provided from fines, forfeitures and court costs as provided by applicable Louisiana Revised Statutes. Expenditures are made from the fund on motion of the district attorney and approval of the district judges.

Law Enforcement Witness Fee Fund

The Law Enforcement Witness Fee Fund is used for the payment of witness fees to off-duty law enforcement officers who in their official capacity are required to be present as a witness in criminal cases. Witness fees are paid from special court costs levied in criminal cases.

Juvenile Assistance Fund

The Juvenile Assistance Fund accounts for the operations of a counseling program for juvenile offenders. Financing is provided through grants from the Lincoln Parish Police Jury, Union Parish Police Jury and the City of Ruston.

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
SUPPLEMENTAL INFORMATION SCHEDULES (CONTINUED)
DECEMBER 31, 2021

NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)

Health Unit Fund

The Health Unit Fund accounts for a portion of the maintenance and operations of the parish health unit. Financing is provided by grants from the Lincoln Parish School Board, the City of Ruston, operating transfers from the General Fund and interest earned on bank deposits.

Section 8 Housing Fund

The Section 8 Housing Fund is used to account for rental assistance funds for low-income families. Financing is provided by grants from the United States Department of Housing and Urban Development.

Sewer Fund

The Sewer Fund is used to account for the operations of the Blueberry Hill sewer system. Financing is provided by user fees.

Sewer Equipment Replacement Fund

The Sewer Equipment Replacement Fund accumulates funds for capital outlay expenditures for the replacement and purchase of new equipment and other capital outlay expenditures for the sewer fund.

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2021

	Special Road Fund	Solid Waste Collection Fund	Solid Waste Collection Equipment Reserve Fund	Criminal Court Fund
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Assets:				
Cash and Cash Equivalents	\$ 527,594	\$ 2,634,964	\$ 393,264	\$ 413,072
Investments	836,941	1,090,246	1,789,419	-
Receivables	41,759	-	-	31,349
Due From Other Governments	1,511	-	-	-
Due From Other Funds	12,990	383,067	477,498	192,568
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL ASSETS	<u>\$ 1,420,795</u>	<u>\$ 4,108,277</u>	<u>\$ 2,660,181</u>	<u>\$ 636,989</u>
Liabilities and Fund Equity:				
Liabilities:				
Accounts Payable	\$ 24,198	\$ 57,057	\$ -	\$ 5,030
Due to Other Governments	-	-	-	-
Due to Other Funds	200,852	114,441	239,562	583,445
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	225,050	171,498	239,562	588,475
Fund Equity:				
Fund Balances:				
Restricted	-	-	-	-
Assigned	1,195,745	3,936,779	2,420,619	48,514
Unassigned	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Fund Equity	1,195,745	3,936,779	2,420,619	48,514
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 1,420,795</u>	<u>\$ 4,108,277</u>	<u>\$ 2,660,181</u>	<u>\$ 636,989</u>

Law Enforcement Witness Fee Fund	Sewer Fund	Juvenile Assistance Fund	Health Unit Fund	Section 8 Housing Fund	Sewer Fund Equipment Replacement	Totals
\$ 43,711	\$ 30,189	\$ 3,647	\$ 84,572	\$ 486,821	\$ 81,182	\$ 4,699,016
-	-	-	-	-	-	3,716,606
-	15,368	-	-	-	-	88,476
-	-	-	-	-	-	1,511
87	15,004	-	74,000	-	-	1,155,214
<u>\$ 43,798</u>	<u>\$ 60,561</u>	<u>\$ 3,647</u>	<u>\$ 158,572</u>	<u>\$ 486,821</u>	<u>\$ 81,182</u>	<u>\$ 9,660,823</u>
\$ -	\$ 7,843	\$ -	\$ 1,264	\$ -	\$ -	\$ 95,392
-	-	-	-	8,821	-	8,821
4,760	1,088	-	16,399	-	-	1,160,547
4,760	8,931	-	17,663	8,821	-	1,264,760
-	-	-	-	478,000	-	478,000
39,038	51,630	3,647	140,909	-	81,182	7,918,063
-	-	-	-	-	-	-
<u>39,038</u>	<u>51,630</u>	<u>3,647</u>	<u>140,909</u>	<u>478,000</u>	<u>81,182</u>	<u>8,396,063</u>
<u>\$ 43,798</u>	<u>\$ 60,561</u>	<u>\$ 3,647</u>	<u>\$ 158,572</u>	<u>\$ 486,821</u>	<u>\$ 81,182</u>	<u>\$ 9,660,823</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, 2021

	Special Road Fund	Solid Waste Collection Fund	Solid Waste Collection Equipment Reserve Fund	Criminal Court Fund
Revenues:				
Intergovernmental Revenues:				
Federal Funds:				
Federal Grants	\$ -	\$ -	\$ -	\$ -
State Funds:				
Parish Transportation Funds	537,698	-	-	-
Grants - Other Local Agencies	-	-	-	-
Fees, Charges and Commission for Services	-	-	-	-
Fines and Forfeitures	-	-	-	535,408
Use of Money and Property	-	-	-	-
Interest Earnings and Rents	6,895	89,410	15,358	105
Other Revenues	506	-	-	-
Total Revenues	<u>545,099</u>	<u>89,410</u>	<u>15,358</u>	<u>535,513</u>
Expenditures:				
General Government:				
Judicial	-	-	-	492,162
Public Works	448,774	1,011,807	259,604	-
Health and welfare	-	-	-	-
Capital Outlay	43,538	-	-	-
Total Expenditures	<u>492,312</u>	<u>1,011,807</u>	<u>259,604</u>	<u>492,162</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>52,787</u>	<u>(922,397)</u>	<u>(244,246)</u>	<u>43,351</u>
Other Financing Sources (Uses):				
Operating Transfers In	-	1,233,125	-	-
Operating Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>1,233,125</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	52,787	310,728	(244,246)	43,351
Fund Balances, Beginning	<u>1,142,958</u>	<u>3,626,051</u>	<u>2,664,865</u>	<u>5,163</u>
Fund Balances, Ending	<u>\$ 1,195,745</u>	<u>\$ 3,936,779</u>	<u>\$ 2,420,619</u>	<u>\$ 48,514</u>

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2021

Law Enforcement Witness Fee Fund	Sewer Fund	Juvenile Assistance Fund	Health Unit Fund	Section 8 Housing Fund	Sewer Fund Equipment Replacement	Totals
\$ -	\$ -	\$ -	\$ -	\$ 613,246	\$ -	\$ 613,246
-	-	-	-	-	-	537,698
-	-	-	5,000	-	-	5,000
-	93,306	-	-	-	-	93,306
4,608	-	-	-	-	-	540,016
-	-	-	-	-	-	-
15	-	-	74	28	-	111,885
-	15,643	-	-	-	-	16,149
<u>4,623</u>	<u>108,949</u>	<u>-</u>	<u>5,074</u>	<u>613,274</u>	<u>-</u>	<u>1,917,300</u>
50	-	-	-	-	-	492,212
-	145,257	-	-	-	-	1,865,442
-	-	-	16,658	597,145	-	613,803
-	-	-	-	-	-	43,538
<u>50</u>	<u>145,257</u>	<u>-</u>	<u>16,658</u>	<u>597,145</u>	<u>-</u>	<u>3,014,995</u>
<u>4,573</u>	<u>(36,308)</u>	<u>-</u>	<u>(11,584)</u>	<u>16,129</u>	<u>-</u>	<u>(1,097,695)</u>
-	-	-	18,500	-	-	1,251,625
-	-	-	-	-	-	-
-	-	-	18,500	-	-	1,251,625
4,573	(36,308)	-	6,916	16,129	-	153,930
<u>34,465</u>	<u>87,938</u>	<u>3,647</u>	<u>133,993</u>	<u>461,871</u>	<u>81,182</u>	<u>8,242,133</u>
<u>\$ 39,038</u>	<u>\$ 51,630</u>	<u>\$ 3,647</u>	<u>\$ 140,909</u>	<u>\$ 478,000</u>	<u>\$ 81,182</u>	<u>\$ 8,396,063</u>

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
SUPPLEMENTAL INFORMATION SCHEDULES
DECEMBER 31, 2021

NONMAJOR CAPITAL PROJECTS FUNDS

Park and Recreation Fund

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

Courthouse Capital Projects Fund

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

North Louisiana Exhibition Center Fund

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

Bridge Replacement and Road Improvement Fund

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

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
NONMAJOR CAPITAL PROJECT FUNDS
COMBINING BALANCE SHEET
FOR THE YEAR ENDED DECEMBER 31, 2021

	Park and Recreation Fund	Courthouse Capital Project Fund	North Louisiana Exhibition Center Fund	Detention Center Dormitory Expansion Fund	Bridge Replacement Fund	Totals
Assets:						
Cash and Cash Equivalents	\$ 858,328	\$ 18,883	\$ 239,457	\$ 753,996	\$ -	\$ 1,870,664
Investments	18,181	-	-	-	-	18,181
Receivables	12,500	-	-	-	-	12,500
Due From Other Entities	937	13,271	-	-	-	14,208
Due From Other Funds	105,792	2,025,400	-	-	1,581,110	3,712,302
TOTAL ASSETS	\$ 995,738	\$ 2,057,554	\$ 239,457	\$ 753,996	\$ 1,581,110	\$ 5,627,855
Liabilities and Fund Equity:						
Liabilities:						
Accounts Payable	\$ 19,067	\$ -	\$ 8,130	\$ -	\$ 5,000	\$ 32,197
Due to Other Funds	409,611	349,945	108,905	789,216	-	1,657,677
Total Liabilities	428,678	349,945	117,035	789,216	5,000	1,689,874
Fund Equity:						
Fund Balances:						
Assigned	567,060	1,707,609	122,422	(35,220)	1,576,110	3,937,981
Total Fund Equity	567,060	1,707,609	122,422	(35,220)	1,576,110	3,937,981
TOTAL LIABILITIES AND FUND EQUITY	\$ 995,738	\$ 2,057,554	\$ 239,457	\$ 753,996	\$ 1,581,110	\$ 5,627,855

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, 2021

	Park and Recreation Fund	Courthouse Capital Project Fund	North Louisiana Exhibition Center Fund	Detention Center Dormitory Expansion Fund	Bridge Replacement Fund	Totals
Revenues:						
Grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Taxes, Penalties and Interest, etc.	-	-	-	-	-	-
Use of Money and Property - Interest and Rent	487,943	269	-	-	-	488,212
Other Fees and Charges	170,942	-	230,170	-	-	401,112
Total Revenues	<u>658,885</u>	<u>269</u>	<u>230,170</u>	<u>-</u>	<u>-</u>	<u>889,324</u>
Expenditures:						
Operating Services:						
General Government	-	127,668	-	-	999,658	1,127,326
Culture and Recreation	495,904	-	174,792	-	-	670,696
Capital Outlay	167,487	148,928	-	1,279,389	-	1,595,804
Total Expenditures	<u>663,391</u>	<u>276,596</u>	<u>174,792</u>	<u>1,279,389</u>	<u>999,658</u>	<u>3,393,826</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(4,506)</u>	<u>(276,327)</u>	<u>55,378</u>	<u>(1,279,389)</u>	<u>(999,658)</u>	<u>(2,504,502)</u>
Other Financing Sources (Uses):						
Proceeds from Borrowing	-	-	-	1,987,163	-	1,987,163
Operating Transfers In	50,000	706,557	-	-	1,593,500	2,350,057
Operating Transfers (Out)	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>50,000</u>	<u>706,557</u>	<u>-</u>	<u>1,987,163</u>	<u>1,593,500</u>	<u>4,337,220</u>
Excess (Deficiency) of Revenues over Expenditures	45,494	430,230	55,378	707,774	593,842	1,832,718
Fund Balance, Beginning (Restated)	521,566	1,277,379	67,044	(742,994)	982,268	2,105,263
Fund Balance, Ending	<u>\$ 567,060</u>	<u>\$ 1,707,609</u>	<u>\$ 122,422</u>	<u>\$ (35,220)</u>	<u>\$ 1,576,110</u>	<u>\$ 3,937,981</u>

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
SUPPLEMENTAL INFORMATION SCHEDULES
DECEMBER 31, 2021

NONMAJOR DEBT SERVICE FUNDS

Library Bond Sinking Fund

The Jury issued bonds on March 1, 2001 for the purpose of renovating the building that now houses the Lincoln Parish Library. An Ad Valorem tax was approved by the voters to retire this debt. The bonds were reissued in 2011. This fund accounts for the debt transactions related to this bond issue. The debt was repaid during the year ended December 31, 2021.

LPPJ Complex II Bond Sinking Fund

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

Rural Development Debt Service Fund

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

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
DEBT SERVICE FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2021

	<u>Library Bond Sinking Fund</u>	<u>LPPJ Complex II Bond Sinking Fund</u>	<u>Rural Development Debt Service Fund</u>	<u>Total</u>
ASSETS				
Cash	\$ 413,563	\$ 285,474	\$ -	\$ 699,037
Cash - Debt Sinking Fund	-	-	-	-
Cash - Debt Service Reserve Fund	-	-	-	-
Accounts Receivable	6,342	-	-	6,342
Due From Other Entities	-	-	5,943	5,943
Due From Other funds	430,771	-	-	430,771
TOTAL ASSETS	<u>\$ 850,676</u>	<u>\$ 285,474</u>	<u>\$ 5,943</u>	<u>\$ 1,142,093</u>
LIABILITIES				
Liabilities				
Debt Service Reserve	\$ -	\$ -	\$ 5,943	\$ 5,943
Due to Other Entities	-	-	50,922	50,922
Due to Other Funds	850,676	121,423	-	972,099
TOTAL LIABILITIES	<u>\$ 850,676</u>	<u>\$ 121,423</u>	<u>\$ 56,865</u>	<u>\$ 1,028,964</u>
FUND BALANCE				
Assigned	-	164,051	(50,922)	113,129
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 850,676</u>	<u>\$ 285,474</u>	<u>\$ 5,943</u>	<u>\$ 1,142,093</u>

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
DEBT SERVICE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2021

	Library Bond Sinking Fund	LPPJ Complex II Bond Sinking Fund	Rural Development Debt Service Fund	Total
Revenues:				
Taxes:				
Ad Valorem	\$ -	\$ -	\$ -	\$ -
Rent Income	-	148,967	-	148,967
Use of Money and Property				-
Interest Earnings	149	76	-	225
Total Revenues	149	149,043	-	149,192
Expenditures:				
Principal Payments	421,000	-	20,904	441,904
Interest Payments	12,714	225	30,018	42,957
Miscellaneous	-	3,656	-	3,656
Improvements and Development	-	8,210	-	8,210
Total Expenditures	433,714	12,091	50,922	496,727
Excess (Deficiency) of Revenues Over Expenditures	(433,565)	136,952	(50,922)	(347,535)
Other Financing Sources				
Transfer In	235,749	-	-	235,749
Excess of Revenues and Other Sources over Expenditures	(197,816)	136,952	(50,922)	(111,786)
Fund Balance, Beginning	197,816	27,099	-	224,915
Fund Balance, Ending	\$ -	\$ 164,051	\$ (50,922)	\$ 113,129

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
SCHEDULE OF COMPENSATION, REIMBURSEMENTS, BENEFITS AND OTHER PAYMENTS
TO AGENCY HEAD, POLITICAL SUBDIVISION HEAD, OR CHIEF EXECUTIVE OFFICER
FOR THE YEAR ENDED DECEMBER 31, 2021

	Joseph Henderson Police Juror	President Richard Durrett Police Juror	Thomas Cranford Police Juror	Hazel Hunter Police Juror	Sharyon Mayfield Police Juror	Skip Russell Police Juror
Purpose:						
Salary	\$ 10,536	\$ 11,665	\$ 10,500	\$ 10,500	\$ 10,500	\$ 10,500
Benefits - Insurance	-	-	-	-	-	-
Benefits - Retirement	-	-	-	-	-	-
Benefits - Dental	-	-	-	-	-	-
TOTAL	\$ 10,536	\$ 11,665	\$ 10,500	\$ 10,500	\$ 10,500	\$ 10,500

	Annette Straughter Police Juror	Theresa Wyatt Police Juror	Logan Hunt Police Juror	Matthew Pullin Police Juror	Glenn Scriber Police Juror	Milton Melton Police Juror	Doug Postel Parish Administrator
Purpose:							
Salary	\$ 10,500	\$ 10,500	\$ 10,500	\$ 10,500	\$ 10,500	\$ 10,500	\$ 98,696
Benefits - Insurance	-	-	-	-	-	-	11,419
Benefits - Retirement	-	-	-	-	-	-	12,090
Benefits - Dental	-	-	-	-	-	-	356
TOTAL	\$ 10,500	\$ 10,500	\$ 10,500	\$ 10,500	\$ 10,500	\$ 10,500	\$ 122,562

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
JUSTICE SYSTEM FUNDING SCHEDULE - RECEIVING ENTITY
AS REQUIRED BY ACT 87 OF THE 2020 REGULAR LEGISLATIVE SESSION
DECEMBER 31, 2021

	First Six Month Period Ended <u>6/30/2021</u>	Second Six Month Period Ended <u>12/31/2021</u>
Receipts From:		
Lincoln Parish Sheriff - Criminal Fines	300,028	198,119
Lincoln Parish Sheriff - Bond Forfeitures	10,531	13,306
Interest on Collected Balances	-	-
Total Receipts	\$ 310,559	\$ 211,425

OTHER SUPPLEMENTAL INFORMATION –
COMPLIANCE REQUIREMENTS

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

To The Lincoln Parish Police Jury
Ruston, Louisiana

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Lincoln Parish Police Jury (which is the "Police Jury" as well as "the primary government"), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Police Jury's primary government financial statements, and have issued my report thereon dated September 30, 2022.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered the Police Jury's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Police Jury's internal control. Accordingly, I do not express an opinion on the effectiveness of the Police Jury's internal control.

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

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

To the Board of Commissioners,
The Lincoln Parish Police Jury
Ruston, Louisiana

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Police Jury's financial statements are free from material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed an 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 items 2021-01 and 2021-02.

Lincoln Parish Police Jury Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Lincoln Parish Police Jury's response to the findings identified in my audit and described in the accompanying schedule of findings and questioned costs. The Police Jury's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, I express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended for the use of management of the Lincoln Parish Police Jury and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



Monroe, Louisiana
September 30, 2022

WILLIAM R. HULSEY

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

Lincoln Parish Police Jury
Ruston, Louisiana

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

I have audited the Lincoln Parish Police Jury’s (Police Jury), compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Policy Jury's major federal programs for the year ended December 31, 2021 the Policy Jury's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In my opinion, the Policy Jury complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2021.

Basis for Opinion on Each Major Federal Program

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 *Governmental Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). My responsibilities under those standards and the Uniform Guidance are further described in the Auditor’s Responsibilities for the Audit of Compliance section of my report.

I am required to be independent of the Policy Jury and to meet my other ethical responsibilities, in accordance with relevant ethical requirements related to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion on compliance for each major federal program. My audit does not provide a legal determination of the Policy Jury’s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Policy Jury’s federal programs.

Lincoln Parish Police Jury
Ruston, Louisiana

Auditor's Responsibilities for the Audit of Compliance

My objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Policy Jury's compliance based on my audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Policy Jury's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, I:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Policy Jury's compliance with the compliance requirements referred to above and performing such other procedures as I considered necessary in the circumstances.
- Obtain an understanding of the Policy Jury's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Policy Jury's internal control over compliance. Accordingly, not such opinion is expressed.

I am required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that I identified during the audit.

Other Matters

The results of my auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2021-2 . My opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on the Police Jury's response to the noncompliance findings identified in my audit described in the accompanying schedule of findings and questioned costs. The Police Jury's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, I express no opinion on the response.

Lincoln Parish Police Jury
Ruston, Louisiana

Report on Internal Control over Compliance

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

My consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during my audit I did not identify any deficiencies in internal control over compliance that I consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

My audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of my testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

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

Monroe, Louisiana
September 30, 2022

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2021

Financial Statement Audit

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

Audit of Federal Awards

- iv. There were no significant deficiencies required to be disclosed by the Uniform Guidance (2 CFR 200).
- v. The type of report the auditor issued on compliance for the major program was unmodified.
- vi. The audit disclosed one finding which the auditor is required to report under the Uniform Guidance.
- vii. The major federal programs were:
Rural Development Community Facilities ALN 10.766
- viii. The dollar threshold used to identify between Type A and Type B programs as described in the Uniform Guidance was \$750,000.
- ix. The auditee does not qualify as a low-risk auditee under the Uniform Guidance.

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

No findings were reported under this section.

Part III – Management Letter

No management letter was issued.

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2021

2021-01 Financial Statements Issued After Due Date

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

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

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

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

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

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

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

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

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

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

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

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2021

Source of Federal Assistance/ Agency Name(s)	Federal ALN Number	Agency or Pass- Through Number	Expenditures
United States Department of Housing and Urban Development			
Public Indian Housing HAP - Vouchers	14.871	LA212	\$ 596,351
United States Department of the Treasury			
Coronavirus State and Local Fiscal Recovery Funds			
Coronavirus State and Local Fiscal Recovery Funds Revenue Replacement Eligibility Category 6.1	21.027		200,917
United States Department of Agriculture			
Rural Development Community Facilities Loans and Grants	10.766	97-02	1,941,902 *
United States Department of Homeland Security			
State Homeland Security Grant	97.067	EMW-2020-SS-00011	36,784
FEMA Generator Project	97.039	FEMA-1786-002-0002	112,601
FEMA Hurricane Laura	97.039	FEMA-4559-EPM	171,868
Total			<u>284,469</u>
Emergency Management Performance Grant	97.042	EMT-2020-EP-00001	20,160
Total United States Department of Homeland Security			<u>341,413</u>
Total Expenditures of Federal Awards			<u><u>\$ 3,080,583</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, 2021

NOTE 1 - GENERAL The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs of the Lincoln Parish Police Jury for the year ended December 31, 2021. The Police Jury's reporting entity is defined in Note 1 to the Police Jury's basic financial statements. Federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, are included on the schedule. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Police Jury, it is not intended to and does not present the financial position or change in net position of the Police Jury.

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

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

	<u>Federal Sources</u>
Funds:	
General Fund (Homeland Security)	\$ 341,413
American Rescue Plan Fund	200,917
Detention Center Dormitory Capital Project Fund	1,941,902
Section 8 Housing	<u>613,246</u>
	<u>\$3,097,478</u>

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

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

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

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2021

Internal Control and Compliance Material to Federal Awards

There were no findings for this category.

Internal Control and Compliance Material to the Financial Statements

2020-1 Bank Statements not Reconciled

Condition:

As of December 31, 2020, the bank statements had not been reconciled since March 2020, including the main operating account which is the pooled cash account for several of the Police Jury's major funds.

Criteria:

All bank accounts should be reconciled monthly to prepare accurate financial information for management and the Police Jurors.

Cause:

It is the responsibility of Treasurer's office to reconcile all bank accounts, including the main operating account. These procedures were not performed in accordance with the above criteria.

Effect:

Unreconciled bank statements result in incomplete financial information and also irregularities could occur and not be detected in a timely manner.

Recommendation:

I recommend all bank accounts be reconciled monthly and reviewed by a responsible official.

Managements Response:

Management understands the importance of reconciling all cash accounts within 30 days of the prior month end. New procedures have been implemented in 2021 to ensure this process is improved, and a member of the Finance Committee will review the bank reconciliations each month.

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2021

2020-2 Payroll Fund Transfers were not Reconciled/Payroll Cash Transfers were not Recorded

Condition:

The biweekly payroll transfers were not reconciled since May 2020. Also, the payroll transfers were not recorded since May 2020.

Criteria:

The payroll transfers should be recorded each time the payroll is paid in each fund. Also, the payroll bank account should be reconciled monthly to ensure that irregularities can be identified on a timely basis. Both of these criteria are necessary to provide accurate financial information to management and to the Police Jurors.

2020-2 Payroll Fund Transfers were not Reconciled/Payroll Cash Transfers were not Recorded-continued

Cause:

It is the responsibility of the Treasurer's office to reconcile all bank accounts, including the payroll account. These procedures were not performed in accordance with the criteria above.

Effect:

Both of these conditions resulted in incomplete and inaccurate financial information to be provided to management and the Police Jurors.

Recommendation:

I recommend the payroll transfers and bank account be reconciled monthly to ensure its accuracy and be reviewed by a responsible official.

Management's Response:

Management understands the importance of reconciling the payroll account within 30 days of the prior month end. New procedures have been implemented in 2021 to ensure this process is improved, and the Parish Administrator will review the payroll bank reconciliation to ensure all transactions have been recorded timely.

2020-3 Prior Year Audit Adjustments Not Recorded

Condition:

During the 2020 year end audit, it was noted that the prior year audit adjustments had not been recorded.

Criteria:

One of the Treasurer's duties is to record all audit adjustments as of the year end and to ensure the adjusted amounts reconcile to the audited amounts.

Cause:

No prior year audit adjustments were posted to the books in 2020.

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2021

2020-3 Prior Year Audit Adjustments Not Recorded - Continued

Effect:

By not recording the audit adjustments at year end, the balance sheet accounts adjusted in the audit are not correct going into the next year. This resulted in inaccurate financial information being provided to be able to make accurate financial decisions. i.e. budgeting.

Recommendation:

It is recommended that all audit adjustments be recorded as soon as they are available from the auditor.

Management's Response:

Management understands the importance of recording an audit entries in a timely manner. The Police Jury has contracted with a CPA to review the books monthly to ensure these types of issues are corrected in the future.

2020-4 Timely Deposits Not Made

Condition:

Numerous cash and checks were held in the Police Jury offices and not deposited for several weeks after receipt. In addition, multiple deposits were made with no backup or receipt. Cash was also deposited without the evidence of a count sheet.

Criteria:

The Police Jury's internal control policy states that any cash received is to be deposited within one business day of receipt.

Cause:

The Treasurer's office failed to make timely deposits in accordance with the above criteria.

Effect:

By not making timely deposits, some deposits, especially cash, could be lost due to intentional or unintentional irregularities. By not using cash count sheets, incorrect deposits could be made, intentionally or unintentionally.

Recommendation:

I recommend all deposits be made in a timely manner according to the Police Jury policy. Records should be maintained on all deposits made. Also, all cash deposits should be supported by a cash count sheet signed off by two employees.

Management's Recommendation:

Management understands the importance of making timely cash deposits. New procedures have been implemented in 2021 that will strictly adhere to the Police Jury's policy regarding the handling of cash receipts.

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2021

2020-5 Circumventing of Purchasing Policy

Condition:

During the audit, it was noted that the Treasurer's office made purchases for office supplies and small office equipment circumventing the Purchasing department's procedures. In several instances these purchased items were shipped to an address other than the Police Jury. The treasurer's office purchased new office furniture without getting the approval of the Purchasing Director.

Criteria:

The Police Jury's internal control policy regarding purchasing is that all purchases are made by the Director of Purchasing.

Cause:

Purchasing policies were disregarded

Effect:

By disregarding the purchasing policy unauthorized purchases can be made and delivered to a location other than the Police Jury.

Recommendation:

I recommend that the Police Jury's purchasing policy be followed.

Management's Response:

Management understands the importance of adhering to the Parish Purchasing Policy. All employees have been given another copy of the policy, and have been reminded of the importance of following all Parish policies.

2020-6 Sales Tax Not Remitted to Taxing Body/Sales Tax Reports Not Remitted

Condition:

During the audit, it was noted that sales taxes collected on the revenue from RV spots had not been submitted nor had the sales tax reports been prepared since October 2020.

Criteria:

Sales tax collected on sales to the public are required to be submitted monthly to the Parish Sales Tax department, along with completed sales tax reports.

Cause:

The Treasurer's office failed to submit sales taxes collected and sales tax reports to the Parish Sales Tax department since October 2020.

Effect:

By not submitting collected sales tax to the Parish Sales Tax department, the Police Jury is in violation of local sales tax ordinances and could be subject to penalties.

Recommendation:

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2021

2020-6 Sales Tax Not Remitted to Taxing Body/Sales Tax Reports Not Remitted - Continued

Recommendation:

I recommend that the Police Jury remit all sales tax collected to the Parish Sales Tax department monthly, along with completed sales tax reports.

Management's Response:

Management understands the importance of compliance with local and state agencies regarding the timely filing of sales taxes owed. The forms and due dates have been reviewed with current staff to prevent this issue going forward.

2020-7 Rural Development Funding

Condition:

Funding from Rural Development for construction of the Detention Center Dormitory was delayed due to the annual certification process through the System of Awards Management not being performed.

Criteria:

Rural Development has rules and regulations (such as annual certification) in place to ensure funding is spent properly and according to its policies.

Cause:

The proper procedures per the criteria set above were not followed.

Effect:

No annual certifications and making payments timely endangered the project from being completed and also put the Police Jury out of compliance with Rural Development policies and procedures.

Recommendation:

Adhere to the policy and procedures set forth by the Rural Development Department

Management's Response:

Management understands the importance of timely vendor payments. The payments to vendors for this project have been reconciled to the records provided by Rural Development.

Management Letter

There were no findings for this category.

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

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INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

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

I have performed the procedures enumerated below, which were agreed to by the Lincoln Parish Police Jury (Entity) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2021 through December 31, 2021. The Entity's management is responsible for those C/C areas identified in the SAUPs.

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

The findings obtained are described in the attachment to this report.

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

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



Monroe, Louisiana
September 30, 2022

Written Policies and Procedures

1. Obtain and inspect the Entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the Entity's operations:
 - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget.
 - b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.
 - c) **Disbursements**, including processing, reviewing, and approving.
 - d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
 - e) **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.
 - f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
 - g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
 - h) **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
 - i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the Entity's ethics policy.
 - j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
 - k) **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
 - l) **Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Exceptions

There is no policy adopted for Ethics, Debt Service, Disaster Recovery, or Sexual Harassment.

Managements Response: Management is aware that these relatively new policies need to be drafted and presented to the Jury for approval. Management will prioritize developing these policies in the current fiscal year.

Board or Finance Committee

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

Exceptions

No exceptions noted in the above procedures.

Bank Reconciliations

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

Exceptions

No evidence of date prepared or management review was noted on bank reconciliation.

Managements Response: During 2021, the accounting staff were continuing to recover from significant turnover in this department in the first part of the year. As a result, the bank statements were not reconciled timely. This issue has been corrected during the current fiscal year.

Collections (excluding electronic funds transfers)

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

Exceptions

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

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

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

Exceptions

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

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

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
 - a) Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing

(or electronically approved), by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]

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

Exceptions

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

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

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management’s representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
- a) If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
 - b) If reimbursed using actual costs, observe the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
 - c) Observe each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
 - d) Observe each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Exceptions

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

Contracts

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
- a) Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
 - b) Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).
 - c) If the contract was amended (e.g., change order), observe the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, was approval documented).
 - d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe the invoice and related payment agreed to the terms and conditions of the contract.

Exceptions

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

Payroll and Personnel

16. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
17. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
- a) Observe all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.)
 - b) Observe whether supervisors approved the attendance and leave of the selected employees or officials.
 - c) Observe any leave accrued or taken during the pay period is reflected in the Entity's cumulative leave records.
 - d) Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

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

Exceptions

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

Ethics

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above obtain ethics documentation from management, and:
 - a) Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
 - b) Observe whether the Entity maintains documentation which demonstrates each employee and official were notified of any changes to the Entity's ethics policy during the fiscal period, as applicable.

Exceptions

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

Debt Service

21. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe State Bond Commission approval was obtained for each debt instrument issued.
22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Exceptions

The Entity issued new debt in 2021. It appears that the bond covenants require that a reserve account and a sinking fund requirement be met. The Entity did not setup the required funds until 2022.

Managements Response: Management has setup the sinking fund and reserve fund.

Fraud Notice

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

Exceptions

Inquired of management whether the Entity had any misappropriations of public funds or assets and there was none. The Entity does have posted on its premises, the notice required by R.S. 24:523.1.

Information Technology Disaster Recovery/Business Continuity

25. Perform the following procedures, **verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."**
 - a) Obtain and inspect the Entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.
 - b) Obtain and inspect the Entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
 - c) Obtain a listing of the Entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

Exceptions

I performed the procedure and discussed the results with management.

Sexual Harassment

26. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.
27. Observe the Entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the Entity's premises if the Entity does not have a website).

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

Exceptions

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