

2522

RECEIVED
2007 JUL 29 AM 11:06

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA

Primary Government Financial Statements
For the Year Ended December 31, 2006

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

Release Date 7-11-07

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
PRIMARY GOVERNMENT FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditor's Report -----	1-2
Required Supplemental Information (Part A)	
Management's Discussion and Analysis-----	3-9

PRIMARY GOVERNMENT FINANCIAL STATEMENTS

Governmental Activities

<u>Government-Wide Financial Statements</u>	
Statement of Net Assets -----	10
Statement of Activities -----	11
<u>Fund Financial Statements:</u>	
Balance Sheet – Governmental Funds-----	12
Reconciliation of Total Governmental Fund Balances to	
Net Assets of Governmental Activities -----	13
Statement of Revenues, Expenditures and	
Changes in Fund Balances -----	14
Reconciliation of the Statement of Revenues, Expenditures and Changes	
In Fund Balances of Governmental Funds to the Statement of Activities -----	15
Statement of Net Assets – Fiduciary Funds -----	16
Notes to Financial Statements -----	17-31
<u>Required Supplemental Information (Part B)</u>	
<u>Budgetary Comparison Schedules</u>	
General Fund -----	32
Library Fund -----	33
Solid Waste Disposal Fund -----	34
Solid Waste Disposal Equipment Reserve Fund -----	35
Hospital Proceeds Fund -----	36
Notes to Budgetary Comparison Schedules -----	37

OTHER SUPPLEMENTAL INFORMATION

<u>Nonmajor Special Revenue Funds:</u>	
Descriptions -----	38-40
Combining Balance Sheet -----	41-42
Combining Schedule of Revenues, Expenditures and	
Changes in Fund Balances -----	43-44

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
PRIMARY GOVERNMENT FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006

TABLE OF CONTENTS

OTHER SUPPLEMENTAL INFORMATION (Continued)

	<u>Page</u>
Nonmajor Capital Project Funds:	
Descriptions -----	45
Combining Balance Sheet -----	46
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances -----	47
Nonmajor Debt Service Fund:	
Balance Sheet -----	48
Schedule of Revenues, Expenditures and Changes in Fund Balance -----	49
Supplemental Information Schedules -----	50-51

OTHER SUPPLEMENTAL INFORMATION –
GRANT INFORMATION

Report on Internal Control Over Financial Reporting And on Compliance And Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i> -----	52-53
Report on Compliance with Requirements Applicable To Each Major Program And Internal Control Over Compliance in Accordance with <i>OMB Circular A-133</i> -----	54-55
Schedule of Findings and Questioned Costs -----	56
Schedule of Expenditures of Federal Awards -----	57
Notes to Schedule of Expenditures of Federal Awards -----	58
Summary Schedule of Prior Audit Findings -----	59

WILLIAM R. HULSEY

A PROFESSIONAL ACCOUNTING CORPORATION
2117 FORSYTHE AVENUE
MONROE, LOUISIANA

MAILING ADDRESS
P.O. BOX 2253
MONROE, LOUISIANA 71207
(318) 362-9900
FAX (318) 362-9921

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

INDEPENDENT AUDITOR'S REPORT

Lincoln Parish Police Jury
Ruston, Louisiana

I have audited the accompanying primary government financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Lincoln Parish Police Jury (which is the "Police Jury" as well as "the primary government"), as of and for the year ended December 31, 2006, which collectively comprise the basic financial statements of the Police Jury's primary government as listed in the table of contents. These financial statements are the responsibility of the Police Jury's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinions.

The financial statements referred to above include only the primary government of the Police Jury, which consists of all funds, organizations, institutions, agencies, departments and offices that comprise the Police Jury's legal entity. The financial statements do not include financial data for the Police Jury's legally separate component units, which accounting principles generally accepted in the United States of America require to be reported with the financial data of the Police Jury's primary government. As a result, the primary government financial statements do not purport to, and do not, present fairly the financial position of the reporting entity of the Police Jury as of December 31, 2006, and the changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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 for the primary government as of December 31, 2006, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued my report dated May 14, 2007, on my consideration of the Lincoln Parish Police Jury's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of my audit.

Management's discussion and analysis and budgetary comparison information on pages 3 through 9 and 31 through 36, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, I did not audit the information and express no opinion on it.

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

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

WILLIAM R. HULSEY, APAC
Certified Public Accountant


May 14, 2007

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

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

We offer the readers of the Lincoln Parish Police Jury's financial statements this narrative overview and analysis of the financial activities of the Lincoln Parish Police Jury for the fiscal year ended on December 31, 2006.

FINANCIAL HIGHLIGHTS

Our financial statements provide the following key financial highlights for the 2006 fiscal year:

- General Government Activities report total costs of \$12,323,075 and total revenues of \$13,784,587.
- Public Works accounted for the major portion of expenditures in General Government Activities. Significant improvements and repairs to parish infrastructure were undertaken in 2006 as a part of a three-year Capital Improvements Program. These expenditures made up more than half of the funds incurred.

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

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

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

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

The Statement of Net Assets and the Statement of Activities distinguish functions of the Police Jury that are principally supported by taxes, intergovernmental revenues, and

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

charges for services (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The relationship between revenues and expenses represent the Police Jury's operating results. However, the Police Jury's goal is to provide services to our citizens, not to generate profits as is the case with commercial entities. As a result, one must consider other non-financial factors, such as the condition of the Police Jury's roads and bridges, services provided such as solid waste disposal, rural garbage collection, recreation, library services and housing assistance in order to assess the overall health of the Police Jury.

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

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

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

Capital Project Activities – The most significant expenses in the capital projects activities for 2006 were incurred on the replacement of two bridges on Riser Road, construction of a Highway Department Equipment Building and the recycling of four and one half miles of parish roads.

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

Governmental Funds – Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-

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

wide financial statements, governmental fund financial statements focus on the near-term inflows and outflows of spendable resources, as well as on balances of spendable resources at the end of the fiscal year. Such information may be useful in evaluating the Police Jury's near-term financing requirements. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements so that the reader may better understand the long-term impact of the Police Jury's short-term financing decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

THE JURY AS A WHOLE

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

**Table 1
Net Assets
December 31, 2006 and 2005**

	Governmental Activities 2006	Governmental Activities 2005
Current and other assets	32,145,861	30,357,388
Capital assets	22,260,829	15,441,010
Total assets	54,406,690	45,798,398
Current and other liabilities	655,674	884,962
Long-term liabilities	4,722,807	4,914,128
Total liabilities	5,378,481	5,799,090
Net assets		
Invested in capital assets, net of debt	17,635,829	10,626,010
Restricted	17,129,908	16,611,802
Unrestricted	14,262,472	12,761,496
Total net assets	49,028,209	39,999,308

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

Table 2
Changes in Net Assets
For the Years Ended December 31, 2006 and 2005

	Governmental Activities 2006	Governmental Activities 2005
Revenues		
Program Revenues		
Section 8 housing	639,624	451,637
Parish transportation funds	499,294	442,882
General revenues		
Property taxes	4,605,809	4,271,683
Sales tax	3,596,350	3,095,867
Other taxes	79,524	97,346
State revenue sharing	276,863	276,713
Local grants	439,169	412,246
Federal revenue	242,168	1,211,062
Severance tax	1,032,886	1,012,161
Fees, charges and commissions	354,059	300,430
Fines and forfeitures	371,507	305,698
Earnings on investments	1,028,349	809,867
Miscellaneous	618,985	591,321
Total Revenues	13,784,587	13,278,913
Functions/Program Expenses		
Governmental Activities		
General and administrative	2,489,299	2,977,693
Public safety	438,126	398,627
Public works	6,274,206	6,090,841
Health and welfare	572,154	608,574
Operating services	-	170,212
Culture and recreation	2,293,560	1,900,603
Economic development	32,004	35,631
Debt service	223,726	231,760
Total Functions/Program Expenses	12,323,075	12,413,941
Increase (decrease) in net assets	1,461,512	864,972
Net assets – beginning of year	47,566,697	39,134,336
Net assets – ending of year	49,028,209	39,999,308

Net assets – beginning of 2006 year restated (See Notes to Financial Statement #18).

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

Governmental Activities

The cost of all governmental activities this year was \$12,323,075. As indicated in the Statement of Activities, the amount that our taxpayers financed for these activities through Police Jury taxes was \$9,314,569 and the rest of these costs were paid by those who directly benefited from the programs or by other governments and organizations that subsidized certain programs with grants and contributions.

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

**Table 3
Governmental Activities
For the Years Ended December 31, 2006 and 2005**

	Total Cost Of Services 2006	Total Cost Of Services 2005
Governmental Activities		
General and administrative	2,489,299	2,977,693
Public safety	438,126	398,627
Public works	6,274,206	6,090,841
Health and welfare	572,154	608,574
Operating services	-	170,212
Culture and recreation	2,293,560	1,900,603
Economic development	32,004	35,631
Debt service	223,726	231,760
Total Functions/Program Expenses	12,323,075	12,413,941

The Police Jury's Funds

As the Police Jury completed the year, its governmental funds reported a combined net asset balance of \$49,028,209 indicating an increase of \$1,461,512 when compared to the restated beginning net assets. This represents an increase of 3.08% in the net assets for the year.

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

GENERAL FUND BUDGETARY HIGHLIGHTS

Total actual revenues in the major Governmental Activities Funds exceeded budgeted revenues by \$155,842. The most significant positive variances were in the severance tax (\$82,886) in the General Fund and sales tax (\$296,350) in the Solid Waste Disposal Fund.

Budgeted expenditures were exceeded by actual expenditures in the major Governmental Activities Funds by a total of \$141,349. The net effect of the variances in budgeted revenues and expenditures resulted in a net positive variance of \$211,250.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The Police Jury had invested in the following capital assets (net of depreciation) at the end of fiscal years 2006 and 2005:

	Governmental Activities 2006	Governmental Activities(Restated) 2005
Land	\$1,702,915	\$1,702,915
Buildings	4,844,839	4,972,827
Building improvements	4,400,771	4,631,912
Machinery and equipment	673,697	624,522
Furniture and fixtures	638,077	690,977
Vehicles	752,114	687,349
Non-depreciable improvements	58,500	58,500
Infrastructure	9,189,916	9,639,397
Totals	\$22,260,829	\$23,008,399

Debt Administration

The Lincoln Parish Police Jury had \$ 4,625,000 in general obligation bonds at year-end compared to \$4,815,000 in the prior year, a decrease of 3.95% as shown below:

	2006	2005
Bonds payable	\$ 4,625,000	\$ 4,815,000

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

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

Our elected and appointed officials and citizens consider many factors when developing the Police Jury's budget and tax rates. Since approximately 80% of the total revenues in the General Fund are generated by severance taxes and ad valorem tax collections, careful monitoring of these amounts is of great importance in budget preparation. Severance taxes, in particular, are difficult to predict. The recent economic boom experienced in the parish has impacted sales tax revenues positively but, the lingering effects of recent natural disasters keep the Police Jury ever vigilant in their efforts to carefully manage the resources of Lincoln Parish.

CONTACTING THE POLICE JURY'S FINANCIAL MANAGEMENT

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
STATEMENT OF NET ASSETS
DECEMBER 31, 2006

ASSETS	<u>Governmental Activities</u>
Cash	\$ 5,279,651
Investments	20,690,196
Accounts Receivable	6,056,510
Prepaid Expenses	84,000
Due From Other Entities	23,922
Inventory	11,582
Capital Assets:	
Non-Depreciable	1,761,415
Depreciable	<u>20,499,414</u>
TOTAL ASSETS	<u>\$ 54,406,690</u>
LIABILITIES	
Current Liabilities	
Accounts Payable	\$ 640,734
Due To Other Entities	14,940
Total Current Liabilities	<u>655,674</u>
Non-Current Liabilities	
Due Within One Year	
Bonds Payable	205,000
Due in More Than One Year	
Compensated Absences	97,807
Bonds Payable	<u>4,420,000</u>
Total Non-Current Liabilities	<u>4,722,807</u>
Total Liabilities	5,378,481
NET ASSETS	
Invested in Capital Assets, Net of Related Debt	17,635,829
Restricted For:	
Capital Projects	16,577,939
Debt Service	551,969
Unrestricted	<u>14,262,472</u>
Total Net Assets	<u>49,028,209</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 54,406,690</u>

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

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2006

Function/Program Activities	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Assets
Government Activities:					
General Government	\$ 2,489,299	\$ 94,557	\$ 382,500	\$ -	\$ (2,012,242)
Public Safety	438,126	384,633	32,236	-	(21,257)
Public Works	6,274,206	215,048	499,294	242,168	(5,317,696)
Health & Welfare	572,154	-	445,967	-	(126,187)
Culture & Recreation	2,293,560	31,328	-	2,500	(2,259,732)
Economic Development	32,004	-	-	-	(32,004)
Interest on Long-Term Debt	223,726	-	-	-	(223,726)
Total Governmental Activities	\$ 12,323,075	\$ 725,566	\$ 1,359,997	\$ 244,668	(9,992,844)

General Revenues:

Taxes:	
Property Taxes	4,605,809
Sales Taxes	3,596,350
Other Taxes	79,524
Severance Taxes	1,032,886
Intergovernmental Revenues	492,453
Miscellaneous	618,985
Interest Earned	1,028,349
Total General Revenues	11,454,356
Changes in Net Assets	1,461,512
Net Assets - Beginning (Restated)	47,566,697
Net Assets - Ending	\$ 49,028,209

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, 2006

	General Fund	Library Fund	Solid Waste Disposal Fund	Solid Waste Disposal Equipment Reserve Fund
Assets:				
Cash and Cash Equivalents	\$ 508,684	\$ 648,784	\$ -	\$ 121,223
Investments	794,880	1,424,667	-	4,957,244
Receivables	1,251,963	1,734,326	430,932	5,356
Prepaid Expenses	84,000	-	-	-
Due From Other Funds	6,300	658,484	15,163	102,244
Due From Other Entities	23,922	-	-	-
Inventory	-	-	-	-
TOTAL ASSETS	\$ 2,669,749	\$ 4,466,261	\$ 446,095	\$ 5,186,067
Liabilities and fund equity:				
Liabilities:				
Accounts Payable	\$ 111,222	\$ 65,335	\$ 235,441	\$ 1,216
Due To Other Funds	215,638	-	159,899	15,007
Due To Other Entities	14,940	-	-	-
Total Liabilities	341,800	65,335	395,340	16,223
Fund Balances:				
Reserved For:				
Witness Fees	-	-	-	-
Inventories	-	-	-	-
Debt Service	-	-	-	-
Unreserved, Reported In:				
General Fund	2,327,949	-	-	-
Special Revenue Funds	-	4,400,926	50,755	-
Capital Project Funds	-	-	-	5,169,844
Total Fund Equity	2,327,949	4,400,926	50,755	5,169,844
TOTAL LIABILITIES AND FUND EQUITY	\$ 2,669,749	\$ 4,466,261	\$ 446,095	\$ 5,186,067

Hospital Proceeds Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ 803,168	\$ 3,197,792	\$ 5,279,651
9,804,886	3,708,519	20,690,196
-	2,633,933	6,056,510
-	-	84,000
-	1,030,900	1,813,091
-	-	23,922
-	11,582	11,582
<u>\$ 10,608,054</u>	<u>\$ 10,582,726</u>	<u>\$ 33,958,952</u>
\$ 3,718	\$ 223,802	\$ 640,734
604,336	818,211	1,813,091
-	-	14,940
<u>608,054</u>	<u>1,042,013</u>	<u>2,468,765</u>
-	41,926	41,926
-	11,582	11,582
-	551,969	551,969
-	-	2,327,949
-	7,527,141	11,978,822
10,000,000	1,408,095	16,577,939
<u>10,000,000</u>	<u>9,540,713</u>	<u>31,490,187</u>
<u>\$ 10,608,054</u>	<u>\$ 10,582,726</u>	<u>\$ 33,958,952</u>

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

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
RECONCILIATION OF TOTAL GOVERNMENTAL
FUND BALANCES TO NET ASSETS OF
GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2006

Total Governmental Fund Balances	\$ 31,490,187
<i>Amounts reported for governmental activities in the statement of net assets are different because:</i>	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	22,260,829
Long-term liabilities, including compensated absences payable, are not due and payable in the current period and therefore are not reported in the funds.	<u>(4,722,807)</u>
Net Assets of Governmental Activities	<u>\$ 49,028,209</u>

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, 2006

	General Fund	Library Fund	Solid Waste Disposal Fund	Solid Waste Disposal Equipment Reserve Fund
Revenues:				
Taxes:				
Ad Valorem	\$ 597,160	\$ 1,774,583	\$ -	\$ -
1/2 Cent Sales Tax	-	-	3,596,350	-
Other Taxes, Penalties and Interest, etc.	9,526	-	-	-
Intergovernmental Revenues:				
Federal Funds:				
Section 8 Housing	5,814	-	-	-
Other Federal Funds	-	-	-	-
State Funds:				
Parish Transportation Funds	-	-	-	-
State Revenue Sharing (net)	55,603	52,154	-	-
Grants - Other Local Agencies	-	17,350	-	-
Severance Tax	1,032,886	-	-	-
Fees, Charges and Commission for Services	94,557	31,328	128,326	-
Fines and Forfeitures	-	-	-	-
Use of Money and Property				
Interest Earnings and Rents	109,025	130,147	6,401	174,198
Other Revenues	146,147	598	-	-
Total Revenues	2,050,718	2,006,160	3,731,077	174,198
Expenditures:				
General Government	1,298,461	-	-	-
Public Safety	292,823	-	-	-
Public Works	-	-	2,998,874	-
Health and Welfare	11,258	-	-	-
Culture and recreation	25,668	1,538,636	-	-
Economic Development and assistance	32,004	-	-	-
Capital Outlay	111,515	-	-	-
Debt Service:				
Principal Payments	-	-	-	-
Interest and Other	-	-	-	-
Total Expenditures	1,771,729	1,538,636	2,998,874	-
Excess (Deficiency) of Revenues Over Expenditures	278,989	467,524	732,203	174,198
Other Financing Sources (Uses):				
Operating Transfers In	-	-	-	-
Operating Transfers Out	(202,161)	-	(731,406)	-
Total Other Financing Sources (Uses)	(202,161)	-	(731,406)	-
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	76,828	467,524	797	174,198
Fund Balances, Beginning	2,251,121	3,933,402	49,958	4,995,646
Fund Balances, Ending	<u>\$ 2,327,949</u>	<u>\$ 4,400,926</u>	<u>\$ 50,755</u>	<u>\$ 5,169,844</u>

Hospital Proceeds Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ 2,234,066	\$ 4,605,809
-	-	3,596,350
-	69,998	79,524
-	633,810	639,624
-	242,168	242,168
-	499,294	499,294
-	169,106	276,863
-	421,819	439,169
-	-	1,032,886
-	99,848	354,059
-	371,507	371,507
326,754	281,824	1,028,349
-	543,457	690,202
326,754	5,566,897	13,855,804
-	428,379	1,726,840
-	-	292,823
-	2,945,698	5,944,572
-	560,896	572,154
44,768	396,439	2,005,511
-	-	32,004
-	738,898	850,413
-	190,000	190,000
-	223,726	223,726
44,768	5,484,036	11,838,043
281,986	82,861	2,017,761
-	1,251,681	1,251,681
(281,986)	(36,128)	(1,251,681)
(281,986)	1,215,553	-
-	1,298,414	2,017,761
10,000,000	8,242,299	29,472,426
<u>\$ 10,000,000</u>	<u>\$ 9,540,713</u>	<u>\$ 31,490,187</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, 2006

Net Change in Fund Balances - Total Governmental Funds	\$	2,017,761
--	----	-----------

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

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

Capital assets purchases capitalized		343,288
Depreciation Expense		(1,090,858)
		(747,570)

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

190,000

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

1,321

Change in Net Assets in Governmental Activities

\$ 1,461,512

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

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
DECEMBER 31, 2006

ASSETS	
Investments, at Fair Value	<u>\$ 1,066,656</u>
TOTAL ASSETS	<u>\$ 1,066,656</u>
LIABILITIES	
Liabilities	\$ -
NET ASSETS	
Held in Trust for Deferred Compensation Benefits	<u>1,066,656</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,066,656</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, 2006

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 2008.

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, 2006

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reporting Entity (Continued)

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

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

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

The following have been determined to be related organizations:

Lincoln Health Systems	1&2
Lincoln General Hospital	1&2
Fire Protection District No. 1 of Lincoln Parish	1&2
Lincoln Parish Industrial Development Board	1&2
Mount Olive Waterworks District	1&2
Waterworks District No. 1 of Lincoln Parish	1&2
Waterworks District No. 2 of Lincoln Parish	1&2
Waterworks District No. 3 of Lincoln Parish	1&2
Lincoln Parish Communications District	1&2

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

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

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

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reporting Entity (Continued)

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

Measurement Focus, Basis of Accounting and Financial Statement Position

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

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

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

- Employees' vested annual leave is recorded as an expenditure when utilized. The amount of accumulated annual leave unpaid at December 31, 2006 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, 2006

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting and Financial Statement Position (Continued)

Governmental Funds

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

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

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

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

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

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

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

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

Use of Estimates

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

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgetary Practices

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

Cash and Cash Equivalents

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

Investments

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

Fund Equity

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

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

Receivables

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

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Interfund Receivables and Payables

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

Fixed Assets

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

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

Annual and Sick Leave

The following annual and sick leave policies are in effect:

Police Jury

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

Library

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

Third Judicial Criminal District Court

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

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

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Sales and Use Tax

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

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

Inventories

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

NOTE 2 – CASH AND CASH EQUIVALENTS

Custodial Credit Risk – Deposits. The custodial credit risk is the risk that in the event of a bank failure, the Police Jury's deposits may not be returned to it. The Police Jury's policy to ensure there is no exposure to this risk is to require each financial institution to pledge its' own securities to cover any amount in excess of Federal Depository Insurance Coverage. Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Police Jury that the fiscal agent bank has failed to pay deposited funds upon demand. Accordingly, the Police Jury had no custodial credit risk related to its deposits at December 31, 2006. The Police Jury had cash and cash equivalents in demand deposits, totaling \$5,279,651 at December 31, 2006.

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, 2006, are secured, as follows:

Bank Balances	\$ <u>6,117,638</u>
FDIC Insurance	400,000
Pledged Securities (uncollateralized)	<u>12,650,239</u>
Total	\$ <u>13,050,239</u>

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006

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, 2006.

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, 2006, the Center had the following investments stated at cost, which approximates market:

United States Government Securities	\$ 3,923,101
Government Agency Bonds	15,330,648
Equities	12,027
Cash or Money Market Accounts	<u>1,424,420</u>
Total	<u>\$ 20,690,196</u>

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

Credit Risk. The Police Jury's investment policy limits investments to fully insured and/or fully-collateralized certificates of deposits and direct and indirect obligations of U.S. governments 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 3 – RECEIVABLES

The receivables of \$6,056,510 on December 31, 2006, are detailed as follows:

Class of Receivables	General Fund	Special Revenue Funds	Capital Project Funds	Debt Service Fund	Total
Taxes:					
Ad valorem	\$ 522,042	\$ 3,513,669	\$ -	\$ 404,149	\$ 4,439,860
Other	360,726	393,319	-	-	754,045
State revenue sharing	31,466	138,387	-	-	169,853
State reimbursements	-	52,877	-	-	52,877
Other Entities	196,400	-	-	-	196,400
Other	<u>141,329</u>	<u>290,681</u>	<u>11,465</u>	-	<u>443,475</u>
Totals	<u>\$1,251,963</u>	<u>\$ 4,388,933</u>	<u>\$ 11,465</u>	<u>\$ 404,149</u>	<u>\$ 6,056,510</u>

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006

NOTE 3 – RECEIVABLES (continued)

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

NOTE 4 – PROPERTY AND EQUIPMENT

Capital asset activity for the year ended December 31, 2006, is as follows:

	2005 <u>Balance</u> (Restated)	<u>Additions</u>	<u>Disposals</u>	2006 <u>Balance</u>
Non-Depreciable Assets:				
Land	\$ 1,702,915	\$ -	\$ -	\$ 1,702,915
CIP	-	-	-	-
Improvements	<u>58,500</u>	<u>-</u>	<u>-</u>	<u>58,500</u>
Total	1,761,415	-	-	1,761,415
Depreciable Assets:				
Buildings	8,603,394	-	-	8,603,394
Infrastructure	25,088,529	-	-	25,088,529
Improvements	5,749,248	-	(2,885)	5,746,363
Vehicles	1,651,529	245,410	(177,710)	1,719,229
Furniture & fixtures	1,146,077	33,341	(20,363)	1,159,055
Machinery & equipment	<u>1,725,134</u>	<u>135,754</u>	<u>(80,540)</u>	<u>1,780,348</u>
Total	43,963,911	414,505	(281,498)	44,096,918
Less: Accumulated Depreciation:				
Buildings	(3,630,567)	(127,988)	-	(3,758,555)
Infrastructure	(15,449,132)	(449,481)	-	(15,898,613)
Improvements	(1,117,336)	(230,493)	2,237	(1,345,592)
Vehicles	(964,180)	(120,658)	117,723	(967,115)
Furniture & fixtures	(455,100)	(84,139)	18,261	(520,978)
Machinery & equipment	<u>(1,100,612)</u>	<u>(78,099)</u>	<u>72,060</u>	<u>(1,106,651)</u>
Total	<u>(22,716,927)</u>	<u>(1,090,858)</u>	<u>210,281</u>	<u>(23,597,504)</u>
Capital Assets, Net	<u>\$ 23,008,399</u>	<u>\$(676,353)</u>	<u>\$ (71,217)</u>	<u>\$ 22,260,829</u>

Depreciation expense charged for \$1,090,858, as follows:

General government	\$ 618,478
Public works	184,331
Culture and recreation	<u>288,049</u>
Total	<u>\$ 1,090,858</u>

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006

NOTE 5 – PENSION PLAN

Plan Description

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

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

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

Funding Policy

Under Plan A, members are required by state statute to contribute 9.5% of their annual covered salary and the Lincoln Parish Police Jury is required to contribute at an actuarially determined rate. The current rate is 12.75% of annual covered payroll. Contributions to the System also include one-fourth of 1% (except Orleans and East Baton Rouge Parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the Lincoln Parish Police Jury are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year.

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006

NOTE 5 – PENSION PLAN (Continued)

The Lincoln Parish Police Jury's contributions to the System under Plan A for the years ending December 31, 2006, 2005, and 2004 were \$317,175, \$321,339, and \$304,223, respectively, equal to the required contributions for each year.

NOTE 6 – LEASES

The Police Jury had no capital or operating leases in effect at December 31, 2006.

NOTE 7 – DUE TO/FROM OTHER FUNDS

Individual fund balances due to/from other funds at December 31, 2006, are as follows:

<u>Fund</u>	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
Major Funds:		
General Fund	\$ 6,300	\$ 215,638
Special Revenue Funds:		
Solid Waste Disposal Fund	15,163	159,899
Solid Waste Equipment Reserve Fund	102,244	15,007
Hospital Proceeds Fund	-	604,336
Library Fund	658,484	-
Non-Major Funds:		
Special Revenue Funds	403,524	501,200
Capital Projects Funds	<u>627,376</u>	<u>317,011</u>
Totals	<u>\$ 1,813,091</u>	<u>\$ 1,813,091</u>

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

NOTE 8 – 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, 2006:

Balance at January 1, 2006	\$ 52,768
Court costs collected	9,603
Interest	455
Witness fees paid	<u>(20,900)</u>
Balance at December 31, 2006	<u>\$ 41,926</u>

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006

NOTE 9 – 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, 2006.

	<u>Collection Equipment</u>	<u>Disposal Equipment</u>	<u>Total</u>
Balance at January 1, 2006	\$ 2,248,627	\$ 4,995,646	\$ 7,244,273
Transfers in	-	-	-
Sale of assets	-	-	-
Other revenues	76,121	174,198	250,319
Equipment replacement costs	(98,898)	-	(98,898)
Expenditures	-	-	-
Balance at December 31, 2006	<u>\$ 2,225,850</u>	<u>\$ 5,169,844</u>	<u>\$ 7,395,694</u>

The total Solid Waste Equipment Reserve as of December 31, 2006, is as follows:

Solid Waste Equipment Reserve	\$ 7,395,694
Sewer Fund Equipment Replacement	<u>155,082</u>
Total Fund Equity Designated for Equipment Replacement	<u>\$ 7,550,776</u>

NOTE 10 – 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, 2006, \$3,168 was transferred.

NOTE 11 – 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 12 – TAXES

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

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006

NOTE 12 – TAXES (continued)

	<u>Property Tax Calendar</u>
Assessment Date	January 1, 2006
Levy Date	September 25, 2006
Tax Bills Mailed	November 13, 2006
Total Taxes Are Due	December 31, 2006
Penalties and Interest are Added	January 1, 2007
Tax Sales – 2006 Delinquent Property	May 16, 2007

	<u>Authorized Millage</u>	<u>Levied Millage</u>
Parish Taxes:		
General Fund inside Ruston	1.82	1.82
General Fund outside Ruston	3.64	3.64
Road Maintenance	4.41	4.41
Construction Improvement	4.41	4.41
Library Fund	8.29	8.29
Library Operation	2.00	2.00

NOTE 13 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budget/Actual Unfavorable Variances

When comparing budget to actual revenue and expenditure amounts for the year ended December 31, 2006, the following governmental funds had variances greater than 5%:

	<u>Budget</u>	<u>Actual</u>	<u>Variances Favorable (Unfavorable)</u>
Solid Waste Disposal Fund			
Revenues	\$ 3,400,000	\$ 3,731,077	\$ 331,077

Funds Without Budgets

All funds adopted a budget for the year ended December 31, 2006.

NOTE 14 – 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, 2006

NOTE 15 – POST EMPLOYMENT HEALTH CARE BENEFITS

In addition to the pension benefits described in Note 5, the Lincoln Parish Police Jury provides post-retirement health care benefits through an insurance company, in accordance with state statutes, to all employees who retire from the Police Jury meeting the following:

- After attaining age 60, with at least 10 years of service,
- After attaining age 55, with at least 25 years of service, or
- No age requirement if the employee has provided 30 years of service

The Police Jury contributed \$264,961 in premiums for health care and life insurance. The Police Jury provides postemployment health insurance benefits for 44 retired employees.

NOTE 16 – BONDS PAYABLE

General obligation bonds were issued in the amount of \$5,300,000 on March 1, 2001, for the purpose of library renovations. The bonds are to be repaid by March 2021 by Ad Valorem taxes with the first interest only payment due March 1, 2002. Principal payments commenced on March 1, 2003. The bonds carry a net interest cost of 4.76%. The following is the future principal and interest requirements:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Government Activities:					
Bonds Payable:					
General Obligation Refunding Bond, Series 2001	\$ 4,815,000	\$ -	\$ 190,000	\$ 4,625,000	\$ 205,000
Accrued Vacation and Sick Time	<u>99,128</u>	<u>-</u>	<u>1,321</u>	<u>97,807</u>	<u>97,807</u>
Total Governmental Activities Long-Term Debt	<u>\$ 4,914,128</u>	<u>\$ -</u>	<u>\$ 191,321</u>	<u>\$ 4,722,807</u>	<u>\$ 302,807</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.

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

<u>Year Ended December 31,</u>	<u>Certificates of Indebtedness Series 2001</u>	
	<u>Principal</u>	<u>Interest</u>
2007	\$ 205,000	\$ 217,980
2008	220,000	205,380
2009	230,000	194,205
2010	245,000	182,608
2011	255,000	170,358
2012-2016	1,505,000	661,058
2017-2021	<u>1,965,000</u>	<u>253,853</u>
Total	<u>\$ 4,625,000</u>	<u>\$ 1,885,542</u>

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006

NOTE 17 – INTERFUND OPERATING TRANSFERS IN AND OUT

<u>Fund</u>	<u>Operating Transfers</u>	
	<u>In</u>	<u>Out</u>
Major Funds:		
General Fund	\$ -	\$ 202,161
Special Revenue Funds:		
Solid Waste Disposal Fund	-	731,406
Hospital Proceeds Fund	-	281,986
Non-Major Funds:		
Special Revenue Funds	802,834	36,128
Capital Projects Funds	<u>448,847</u>	<u>-</u>
Totals	<u>\$ 1,251,681</u>	<u>\$ 1,251,681</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 18 – BEGINNING NET ASSET RESTATEMENT

Prior to January 2003, infrastructure assets of governmental funds were not capitalized. Upon implementing GASB Statement 34, governmental units are required to account for all capital assets in the government-wide financial statements, including infrastructure prospectively from the date of implementation. Retroactive reporting of infrastructure assets was implemented during the year ended December 31, 2006 and all major general infrastructure assets acquired or constructed since January 1, 1980 have been reported. This retroactive reporting had the following affect on the beginning net assets of the government-wide financial statements:

Net Assets at January 1, 2006, Prior to Restatement	\$ 39,999,308
Restatement for Retroactive Reporting of	
General Infrastructure Assets	22,975,044
Accumulated Depreciation	<u>(15,407,655)</u>
Net Assets at January 1, 2006, Restated	<u>\$ 47,566,697</u>

**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, 2006

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenues (Inflows):				
Taxes				
Ad Valorem	\$ 557,175	\$ 656,589	\$ 597,160	\$ (59,429)
Licenses & Permits	-	-	9,526	9,526
Intergovernmental Revenues:				
Federal Funds:				
Section 8 Housing	6,000	6,300	5,814	(486)
State Funds:				
State Revenue Sharing	50,000	50,000	55,603	5,603
Severance Tax	876,005	950,000	1,032,886	82,886
Fees, Charges & Commission for Services	99,500	100,500	94,557	(5,943)
Use of Money and Property, Interest Earnings and Rent	108,000	94,000	109,025	15,025
Other Revenues	113,013	150,256	146,147	(4,109)
Total Revenues	1,809,693	2,007,645	2,050,718	43,073
Expenditures (Outflows):				
General Government				
Legislative	275,400	261,750	260,545	1,205
Judicial	262,666	258,340	258,141	199
Elections	22,735	26,369	22,440	3,929
Finance and Administration	422,779	422,225	383,800	38,425
Other General Government	440,330	386,200	373,535	12,665
Public Safety	272,624	291,817	292,823	(1,006)
Health and Welfare	17,330	11,530	11,258	272
Culture and Recreation	1,700	1,680	25,668	(23,988)
Economic Development	38,129	33,449	32,004	1,445
Capital Outlay	6,000	111,435	111,515	(80)
Total Expenditures	1,759,693	1,804,795	1,771,729	33,066
Excess (Deficiency) of Revenues Over Expenditures				
	50,000	202,850	278,989	76,139
Other Financing Uses:				
Operating Transfers Out	(50,000)	(202,161)	(202,161)	-
Excess (Deficiency) of Revenues Over Expenditures and Other Uses				
	-	689	76,828	76,139
Fund Balance at Beginning of Year				
	2,251,121	2,251,121	2,251,121	-
FUND BALANCE AT END OF YEAR				
	\$ 2,251,121	\$ 2,251,810	\$ 2,327,949	\$ 76,139

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, 2006

	<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	\$ 1,654,762	\$ 1,891,762	\$ 1,774,583	\$ (117,179)
Intergovernmental Revenues:				
State Funds:				
State Revenue Sharing	50,000	52,140	52,154	14
Grants - Other Local Agencies	8,500	17,350	17,350	-
Fees, Charges & Commission for Services	25,000	25,000	31,328	6,328
Use of Money and Property, Interest Earnings and Rent	45,000	84,656	130,147	45,491
Other Revenues	-		598	598
Total Revenues	<u>1,783,262</u>	<u>2,070,908</u>	<u>2,006,160</u>	<u>(64,748)</u>
<u>Expenditures (Outflows):</u>				
Culture and Recreation	<u>1,610,579</u>	<u>1,536,246</u>	<u>1,538,636</u>	<u>(2,390)</u>
Total Expenditures	<u>1,610,579</u>	<u>1,536,246</u>	<u>1,538,636</u>	<u>(2,390)</u>
<u>Excess of Revenues Over Expenditures</u>	172,683	534,662	467,524	(67,138)
<u>Fund Balance at Beginning of Year</u>	<u>3,933,402</u>	<u>3,933,402</u>	<u>3,933,402</u>	<u>-</u>
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ 4,106,085</u>	<u>\$ 4,468,064</u>	<u>\$ 4,400,926</u>	<u>\$ (67,138)</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, 2006

	<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	\$ 3,000,000	\$ 3,300,000	\$ 3,596,350	\$ 296,350
Fees, Charges & Commission for Services	71,000	100,000	134,727	34,727
Total Revenues	3,071,000	3,400,000	3,731,077	331,077
<u>Expenditures (Outflows):</u>				
Public Works	2,616,800	2,802,117	2,998,874	(196,757)
<u>Excess of Revenues Over Expenditures</u>	454,200	597,883	732,203	134,320
<u>Other Financing Uses:</u>				
Transfers Out	(454,200)	(597,883)	(731,406)	(133,523)
<u>Fund Balance at Beginning of Year</u>	49,958	49,958	49,958	-
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ 49,958</u>	<u>\$ 49,958</u>	<u>\$ 50,755</u>	<u>\$ 797</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, 2006

	<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	\$ 120,000	\$ 129,000	\$ 174,198	\$ 45,198
Total Revenues	120,000	129,000	174,198	45,198
<u>Expenditures (Outflows):</u>				
Public Works	-	-	-	-
Total Expenditures	-	-	-	-
<u>Excess (Deficiency) of Revenues Over Expenditures</u>	120,000	129,000	174,198	45,198
<u>Fund Balance at Beginning of Year</u>	4,995,646	4,995,646	4,995,646	-
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ 5,115,646</u>	<u>\$ 5,124,646</u>	<u>\$ 5,169,844</u>	<u>\$ 45,198</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, 2006

	<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	\$ 318,700	\$ 327,000	\$ 326,754	\$ (246)
Total Revenues	318,700	327,000	326,754	(246)
<u>Expenditures (Outflows):</u>				
Operating Services	69,000	69,500	44,768	24,732
<u>Excess of Revenues Over Expenditures</u>	249,700	257,500	281,986	24,486
<u>Other Financing Uses</u>				
Operating Transfers Out	(249,700)	(257,500)	(281,986)	(24,486)
<u>Fund Balance at Beginning of Year</u>	10,000,000	10,000,000	10,000,000	-
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ 10,000,000</u>	<u>\$ 10,000,000</u>	<u>\$ 10,000,000</u>	<u>\$ -</u>

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

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
NOTES TO BUDGETARY COMPARISON SCHEDULES
FOR THE YEAR ENDED DECEMBER 31, 2006

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, 2006, the following governmental funds had variances greater than 5%:

	<u>Budget</u>	<u>Actual</u>	Variances Favorable <u>(Unfavorable)</u>
Solid Waste Disposal Fund Revenues	\$ 3,400,000	\$ 3,731,077	\$ 331,077

OTHER SUPPLEMENTAL INFORMATION

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
SUPPLEMENTAL INFORMATION SCHEDULES
DECEMBER 31, 2006

NONMAJOR SPECIAL REVENUE FUNDS

Special Road Fund

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

Road Construction Fund

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

Road Maintenance Fund

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

Library Construction Fund

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

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.

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
SUPPLEMENTAL INFORMATION SCHEDULES (CONTINUED)
DECEMBER 31, 2006

NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)

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.

GIS Mapping Fund

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

GIS Project Reserve

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

Juvenile Assistance Fund

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

Health Unit Fund

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

Section 8 Housing Fund

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

Sewer Fund

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

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
SUPPLEMENTAL INFORMATION SCHEDULES (CONTINUED)
DECEMBER 31, 2006

NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)

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.

IT Director Fund

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

Mosquito Control Fund

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

Homeland Security Fund

The Homeland Security Fund is used to account for the grant funds that are received to purchase needed equipment for first responders in emergency situations.

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2006

	Special Road Fund	Road Construction Fund	Road Maintenance Fund	Solid Waste Recycling Fund	Solid Waste Collection Fund
Assets:					
Cash and Cash Equivalents	\$ 42,006	\$ -	\$ 255,105	\$ 17,232	\$ 688,253
Investments	765,221	485,933	13,786	-	799,179
Receivables	111,671	939,772	941,505	2,592	133,927
Inventory	-	11,582	-	-	-
Due From Other Funds	13,727	1,545	1,545	23	92
TOTAL ASSETS	\$ 932,625	\$ 1,438,832	\$ 1,211,941	\$ 19,847	\$ 1,621,451
Liabilities and Fund Equity:					
Liabilities:					
Accounts Payable	\$ 37,221	\$ 24,799	\$ 24,801	\$ -	\$ 20,287
Bank Overdraft	-	-	-	-	-
Due to Other Funds	88	101,455	-	-	363,514
Total Liabilities	37,309	126,254	24,801	-	383,801
Fund Equity:					
Fund Balances:					
Reserve for Witness Fees	-	-	-	-	-
Reserve for Inventory	-	11,582	-	-	-
Unreserved:					
Designated for Equipment Replacement	-	-	-	-	-
Undesignated	895,316	1,300,996	1,187,140	19,847	1,237,650
Total Fund Equity	895,316	1,312,578	1,187,140	19,847	1,237,650
TOTAL LIABILITIES AND FUND EQUITY	\$ 932,625	\$ 1,438,832	\$ 1,211,941	\$ 19,847	\$ 1,621,451

Solid Waste Collection Equipment Reserve Fund	Criminal Court Fund	Law Enforcement Witness Fee Fund	GIS Project Reserve Fund	Juvenile Assistance Fund	Health Unit Fund
\$ 240,342	\$ 8,285	\$ 38,978	\$ 12,328	\$ 2,054	\$ 15,394
1,627,036	-	-	-	-	-
89	21,937	771	-	539	-
-	-	-	-	-	-
360,627	-	2,177	-	-	-
<u>\$ 2,228,094</u>	<u>\$ 30,222</u>	<u>\$ 41,926</u>	<u>\$ 12,328</u>	<u>\$ 2,593</u>	<u>\$ 15,394</u>
\$ -	\$ 26,980	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
2,244	3,242	-	5,016	-	-
<u>2,244</u>	<u>30,222</u>	<u>-</u>	<u>5,016</u>	<u>-</u>	<u>-</u>
-	-	41,926	-	-	-
-	-	-	-	-	-
2,225,850	-	-	-	-	-
-	-	-	7,312	2,593	15,394
<u>2,225,850</u>	<u>-</u>	<u>41,926</u>	<u>7,312</u>	<u>2,593</u>	<u>15,394</u>
<u>\$ 2,228,094</u>	<u>\$ 30,222</u>	<u>\$ 41,926</u>	<u>\$ 12,328</u>	<u>\$ 2,593</u>	<u>\$ 15,394</u>

C
O
N
T
I
N
U
E
D

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2006

	Section 8 Housing Fund	Sewer Fund	Sewer Fund Equipment Replacement	I T Director Fund	GIS Mapping Fund
Assets:					
Cash and Cash Equivalents	\$ 355,862	\$ 51,575	\$ 155,082	\$ 20,277	\$ -
Investments	-	-	-	-	-
Receivables	2,743	7,395	-	12,963	42,415
Inventory	-	-	-	-	-
Due From Other Funds	-	-	-	-	23,788
TOTAL ASSETS	<u>\$ 358,605</u>	<u>\$ 58,970</u>	<u>\$ 155,082</u>	<u>\$ 33,240</u>	<u>\$ 66,203</u>
Liabilities and Fund Equity:					
Liabilities:					
Accounts Payable	\$ 9,269	\$ 459	\$ -	\$ -	\$ 1,688
Bank Overdraft	-	-	-	-	-
Due to Other Funds	547	-	-	-	25,094
Total Liabilities	9,816	459	-	-	26,782
Fund Equity:					
Fund Balances:					
Reserve for Witness Fees	-	-	-	-	-
Reserve for Inventory	-	-	-	-	-
Unreserved:					
Designated for Equipment Replacement	-	-	155,082	-	-
Undesignated	348,789	58,511	-	33,240	39,421
Total Fund Equity	<u>348,789</u>	<u>58,511</u>	<u>155,082</u>	<u>33,240</u>	<u>39,421</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 358,605</u>	<u>\$ 58,970</u>	<u>\$ 155,082</u>	<u>\$ 33,240</u>	<u>\$ 66,203</u>

Homeland Security Fund	Mosquito Control Fund	Totals
\$ 47,105	\$ -	\$ 1,949,878
-	-	3,691,155
-	-	2,218,319
-	-	11,582
-	-	403,524
<u>\$ 47,105</u>	<u>\$ -</u>	<u>\$ 8,274,458</u>
\$ 47,105	\$ -	\$ 192,609
-	-	-
-	-	501,200
<u>47,105</u>	<u>-</u>	<u>693,809</u>
-	-	41,926
-	-	11,582
-	-	2,380,932
-	-	5,146,209
<u>-</u>	<u>-</u>	<u>7,580,649</u>
<u>\$ 47,105</u>	<u>\$ -</u>	<u>\$ 8,274,458</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, 2006

	Special Road Fund	Road Construction Fund	Road Maintenance Fund	Solid Waste Recycling Fund	Solid Waste Collection Fund
Revenues:					
Taxes:					
Ad Valorem	\$ -	\$ 962,923	\$ 872,865	\$ -	\$ -
Intergovernmental Revenues:					
Federal Funds:					
Federal Grants	-	-	-	-	-
State Funds:					
Parish Transportation Funds	499,294	-	-	-	-
State Revenue Sharing (net)	-	84,553	84,553	-	-
Grants - Other Local Agencies	-	-	-	-	-
Fees, Charges and Commission for Services	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-
Use of Money and Property					
Interest Earnings and Rents	52,054	23,871	17,090	498	48,136
Other Revenues	-	-	-	50,337	82,118
Total Revenues	<u>551,348</u>	<u>1,071,347</u>	<u>974,508</u>	<u>50,835</u>	<u>130,254</u>
Expenditures:					
General Government:					
Judicial	-	-	-	-	-
Public Works	352,018	827,498	820,057	46,606	512,175
Health and welfare	-	-	-	-	-
Other	-	-	-	-	-
Capital Outlay	83,716	-	-	-	24,802
Total Expenditures	<u>435,734</u>	<u>827,498</u>	<u>820,057</u>	<u>46,606</u>	<u>536,977</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>115,614</u>	<u>243,849</u>	<u>154,451</u>	<u>4,229</u>	<u>(406,723)</u>
Other Financing Sources (Uses):					
Operating Transfers In	-	-	-	-	731,406
Operating Transfers Out	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>731,406</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	<u>115,614</u>	<u>243,849</u>	<u>154,451</u>	<u>4,229</u>	<u>324,683</u>
Fund Balances, Beginning	<u>779,702</u>	<u>1,068,729</u>	<u>1,032,689</u>	<u>15,618</u>	<u>912,967</u>
Fund Balances, Ending	<u>\$ 895,316</u>	<u>\$ 1,312,578</u>	<u>\$ 1,187,140</u>	<u>\$ 19,847</u>	<u>\$ 1,237,650</u>

Solid Waste Collection Equipment Reserve Fund	Criminal Court Fund	Law Enforcement Witness Fee Fund	GIS Project Reserve Fund	Juvenile Assistance Fund	Health Unit Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	32,236	4,583
-	3,523	9,603	-	-	-
-	371,507	-	-	-	-
76,121	313	455	-	64	810
-	-	-	1,320	-	-
<u>76,121</u>	<u>375,343</u>	<u>10,058</u>	<u>1,320</u>	<u>32,300</u>	<u>5,393</u>
-	375,343	20,900	-	32,136	-
-	-	-	-	-	-
-	-	-	-	-	12,955
-	-	-	-	-	-
<u>98,898</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>98,898</u>	<u>375,343</u>	<u>20,900</u>	<u>-</u>	<u>32,136</u>	<u>12,955</u>
<u>(22,777)</u>	<u>-</u>	<u>(10,842)</u>	<u>1,320</u>	<u>164</u>	<u>(7,562)</u>
-	-	-	-	-	10,300
-	-	-	-	-	-
-	-	-	-	-	10,300
(22,777)	-	(10,842)	1,320	164	2,738
<u>2,248,627</u>	<u>-</u>	<u>52,768</u>	<u>5,992</u>	<u>2,429</u>	<u>12,656</u>
<u>\$ 2,225,850</u>	<u>\$ -</u>	<u>\$ 41,926</u>	<u>\$ 7,312</u>	<u>\$ 2,593</u>	<u>\$ 15,394</u>

C
O
N
T
I
N
U
E
D

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, 2006

	<u>Section 8 Housing Fund</u>	<u>Sewer Fund</u>	<u>Sewer Fund Equipment Replacement</u>	<u>IT Director Fund</u>	<u>GIS Mapping Fund</u>
Revenues:					
Taxes:					
Ad Valorem	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental Revenues:					
Federal Funds:					
Federal Grants	504,482	-	-	-	-
State Funds:					
Parish Transportation Funds	-	-	-	-	-
State Revenue Sharing (net)	-	-	-	-	-
Grants - Other Local Agencies	-	-	-	-	382,500
Fees, Charges and Commission for Services	-	86,722	-	-	-
Fines and Forfeitures	-	-	-	-	-
Use of Money and Property					
Interest Earnings and Rents	14,741	2,864	4,625	-	-
Other Revenues	78,136	-	-	-	-
	<u>597,359</u>	<u>89,586</u>	<u>4,625</u>	<u>-</u>	<u>382,500</u>
Expenditures:					
General Government:					
Judicial	-	-	-	-	-
Public Works	-	51,137	-	-	336,207
Health and welfare	522,941	-	-	-	-
Other	-	-	-	-	-
Capital Outlay	-	-	-	-	22,708
	<u>522,941</u>	<u>51,137</u>	<u>-</u>	<u>-</u>	<u>358,915</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>74,418</u>	<u>38,449</u>	<u>4,625</u>	<u>-</u>	<u>23,585</u>
Other Financing Sources (Uses):					
Operating Transfers In	98	-	36,030	-	-
Operating Transfers Out	(98)	(36,030)	-	-	-
	<u>-</u>	<u>(36,030)</u>	<u>36,030</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	<u>74,418</u>	<u>2,419</u>	<u>40,655</u>	<u>-</u>	<u>23,585</u>
Fund Balances, Beginning	<u>274,371</u>	<u>56,092</u>	<u>114,427</u>	<u>33,240</u>	<u>15,836</u>
Fund Balances, Ending	<u>\$ 348,789</u>	<u>\$ 58,511</u>	<u>\$ 155,082</u>	<u>\$ 33,240</u>	<u>\$ 39,421</u>

Homeland Security Fund	Mosquito Control Fund	Totals
\$ -	\$ -	\$ 1,835,788
129,328	-	633,810
-	-	499,294
-	-	169,106
-	-	419,319
-	-	99,848
-	-	371,507
-	-	241,642
-	-	211,911
<u>129,328</u>	<u>-</u>	<u>4,482,225</u>
-	-	428,379
-	-	2,945,698
-	25,000	560,896
-	-	-
<u>129,328</u>	<u>-</u>	<u>359,452</u>
<u>129,328</u>	<u>25,000</u>	<u>4,294,425</u>
<u>-</u>	<u>(25,000)</u>	<u>187,800</u>
-	25,000	802,834
-	-	(36,128)
<u>-</u>	<u>25,000</u>	<u>766,706</u>
-	-	954,506
<u>-</u>	<u>-</u>	<u>6,626,143</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,580,649</u>

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
SUPPLEMENTAL INFORMATION SCHEDULES (CONTINUED)
DECEMBER 31, 2006

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.

Stormwater Conservation Fund

The Stormwater Conservation Fund is used to account for the Lincoln Parish Stormwater Conservation Management Program. Funding is primarily from federal grants.

Library Construction Fund

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

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
NONMAJOR CAPITAL PROJECTS FUND
COMBINING BALANCE SHEET
DECEMBER 31, 2006

	<u>Park and Recreation Fund</u>	<u>Courthouse Capital Project Fund</u>	<u>North Louisiana Exhibition Center Fund</u>	<u>Bridge Replacement Fund</u>
Assets:				
Cash and Cash Equivalents	\$ 179,284	\$ 641,034	\$ 35,585	\$ -
Investments	17,364	-	-	-
Receivables	7,692	-	2,000	-
Due From Other Funds	93	97,912	-	529,371
TOTAL ASSETS	<u>\$ 204,433</u>	<u>\$ 738,946</u>	<u>\$ 37,585</u>	<u>\$ 529,371</u>
Liabilities and Fund Equity:				
Liabilities:				
Accounts Payable	\$ 21,441	\$ -	\$ 1,902	\$ 6,077
Due to Other Funds	9,286	-	1,441	283,337
Total Liabilities	<u>30,727</u>	<u>-</u>	<u>3,343</u>	<u>289,414</u>
Fund Equity:				
Fund Balances:				
Unreserved:				
Designated for Future Expenditures	173,706	738,946	34,242	239,957
Total Fund Equity	<u>173,706</u>	<u>738,946</u>	<u>34,242</u>	<u>239,957</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 204,433</u>	<u>\$ 738,946</u>	<u>\$ 37,585</u>	<u>\$ 529,371</u>

Barker Sewer Project	Rural Development Fund	Stormwater Conservation Fund	Library Construction Fund	Totals
\$ -	\$ 22,947	\$ -	\$ 221,244	\$ 1,100,094
-	-	-	-	17,364
-	-	1,773	-	11,465
-	-	-	-	627,376
<u>\$ -</u>	<u>22,947</u>	<u>1,773</u>	<u>221,244</u>	<u>\$ 1,756,299</u>
\$ -	-	1,773	-	\$ 31,193
-	22,947	-	-	317,011
-	22,947	1,773	-	348,204
-	-	-	221,244	1,408,095
-	-	-	221,244	1,408,095
<u>\$ -</u>	<u>\$ 22,947</u>	<u>\$ 1,773</u>	<u>\$ 221,244</u>	<u>\$ 1,756,299</u>

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
NONMAJOR CAPITAL PROJECT FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2006

	Park and Recreation Fund	Courthouse Capital Project Fund	North Louisiana Exhibition Center Fund	Bridge Replacement Fund
Revenues:				
Grants	\$ -	\$ -	\$ 2,500	\$ -
Other Taxes, Penalties and Interest, etc.	69,998	-	-	-
Use of Money and Property -				
Interest and Rent	172	25,925	1,149	-
Other Revenues	210,100	-	120,471	-
Total Revenues	<u>280,270</u>	<u>25,925</u>	<u>124,120</u>	<u>-</u>
Expenditures:				
Operating Services:				
Culture and Recreation	275,653	-	120,786	-
Capital Outlay	-	66,440	-	54,294
Total Expenditures	<u>275,653</u>	<u>66,440</u>	<u>120,786</u>	<u>54,294</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>4,617</u>	<u>(40,515)</u>	<u>3,334</u>	<u>(54,294)</u>
Other Financing Sources (Uses):				
Operating Transfers In	50,000	152,161	-	246,686
Proceeds From Sale of Assets	-	-	-	-
Total Other Financing Sources (Uses)	<u>50,000</u>	<u>152,161</u>	<u>-</u>	<u>246,686</u>
Excess (Deficiency) of Revenues and Other and Other Sources Over Expenditures and Other Uses	54,617	111,646	3,334	192,392
Fund Balance, Beginning	<u>119,089</u>	<u>627,300</u>	<u>30,908</u>	<u>47,565</u>
Fund Balance, Ending	<u>\$ 173,706</u>	<u>\$ 738,946</u>	<u>\$ 34,242</u>	<u>\$ 239,957</u>

<u>Barker Sewer Project</u>	<u>Rural Development Fund</u>	<u>Stormwater Conservation Fund</u>	<u>Library Construction Fund</u>	<u>Totals</u>
\$ -	\$ -	\$ 242,168	\$ -	\$ 244,668
-	-	-	-	69,998
-	-	-	11,121	38,367
<u>975</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>331,546</u>
<u>975</u>	<u>-</u>	<u>242,168</u>	<u>11,121</u>	<u>684,579</u>
-	-	-	-	396,439
<u>-</u>	<u>-</u>	<u>242,168</u>	<u>16,544</u>	<u>379,446</u>
<u>-</u>	<u>-</u>	<u>242,168</u>	<u>16,544</u>	<u>775,885</u>
<u>975</u>	<u>-</u>	<u>-</u>	<u>(5,423)</u>	<u>(91,306)</u>
-	-	-	-	448,847
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>448,847</u>
975	-	-	(5,423)	357,541
<u>(975)</u>	<u>-</u>	<u>-</u>	<u>226,667</u>	<u>1,050,554</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 221,244</u>	<u>\$ 1,408,095</u>

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
LIBRARY BONDING SINKING FUND - DEBT SERVICE FUND
BALANCE SHEET
DECEMBER 31, 2006

ASSETS

Cash	\$ 147,820
Accounts Receivable	<u>404,149</u>
TOTAL ASSETS	<u><u>\$ 551,969</u></u>

LIABILITIES

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

FUND BALANCE

Unrestricted	<u>551,969</u>
TOTAL LIABILITIES AND FUND BALANCE	<u><u>\$ 551,969</u></u>

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
LIBRARY BONDING SINKING FUND - DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2006

Revenues:	
Taxes:	
Ad Valorem	\$ 398,278
Use of Money and Property	
Interest Earnings	<u>1,815</u>
Total Revenues	400,093
Expenditures:	
Principal Payments	190,000
Interest Payments	<u>223,726</u>
Total Expenditures	<u>413,726</u>
Excess of Revenues Over Expenditures	(13,633)
Fund Balance, Beginning	<u>565,602</u>
Fund Balance, Ending	<u>\$ 551,969</u>

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
SUPPLEMENTAL INFORMATION SCHEDULES
DECEMBER 31, 2006

COMPENSATION PAID POLICE JURORS

The schedule of compensation paid to police jurors was prepared in compliance with House concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature.

The compensation of the police jurors is included in the legislative expenditures of the General Fund. As provided by Louisiana Revised Statute 33:1233, the Police Jury has elected the monthly payment method of compensation. Under this method, the jurors received \$875 per month in lieu of per diem payments, and the president received \$975 per month in lieu of per diem payments.

FEDERALLY ASSISTED PROGRAMS

In accordance with the Office of Management and Budget Circular A-133, a schedule of expenditures of federal awards is presented.

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
SCHEDULE OF COMPENSATION PAID POLICE JURORS
FOR THE YEAR ENDED DECEMBER 31, 2006

POLICE JURORS:

Albritton, Annette S.	\$ 10,500
Allen, Eddie	11,668
Backus, Joe C.	10,500
Brown, Annie M.	10,500
Dowling, Robert	10,500
Glover, Roy D.	10,500
Hammons, Charles D.	10,500
Henderson, Joseph	10,500
Huntington, Joyce	10,500
Knowles, James T.	10,500
Mays, Robert D.	10,532
Owens, Charles H.	10,500
 Total	 <u>\$ 127,200</u>

OTHER SUPPLEMENTAL INFORMATION -
GRANT INFORMATION

WILLIAM R. HULSEY

A PROFESSIONAL ACCOUNTING CORPORATION
2117 FORSYTHE AVENUE
MONROE, LOUISIANA

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

MAILING ADDRESS
P.O. BOX 2253
MONROE, LOUISIANA 71207
(318) 362-9900
FAX (318) 362-9921

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

Lincoln Parish Police Jury
Ruston, Louisiana

I have audited the primary government financial statements of the Lincoln Parish Police Jury as of and for the year ended December 31, 2006, and have issued my report thereon dated May 14, 2007. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the Lincoln Parish Police Jury's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Police Jury's internal control over financial reporting. My consideration of internal control included procedures to evaluate the design of controls relevant to an audit of financial statements and to determine whether they have been implemented, but it did not include procedures to test the operating effectiveness of controls, and accordingly, was not directed to discovering significant deficiencies in internal control. Accordingly, I do not express an opinion on the effectiveness of the Police Jury's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Lincoln Parish Police Jury's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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

WILLIAM R. HULSEY
Certified Public Accountant


May 14, 2007

WILLIAM R. HULSEY

A PROFESSIONAL ACCOUNTING CORPORATION
2117 FORSYTHE AVENUE
MONROE, LOUISIANA

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

MAILING ADDRESS
P.O. BOX 2253
MONROE, LOUISIANA 71207
(318) 362-9900
FAX (318) 362-9921

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

Lincoln Parish Police Jury
Ruston, Louisiana

Compliance

I have audited the compliance of Lincoln Parish Police Jury with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2006. Lincoln Parish Police Jury's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Lincoln Parish Police Jury's management. My responsibility is to express an opinion on Lincoln Parish Police Jury's compliance based on my audit.

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

In my opinion, the Lincoln Parish Police Jury complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2006.

Internal Control Over Compliance

The management of Lincoln Parish Police Jury is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing my audit, I considered Lincoln Parish Police Jury's internal control over compliance with the requirements that could have a material effect on a major federal program in order to determine my auditing procedures for the purpose of expressing my opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of the Lincoln Parish Police Jury's internal control over compliance.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

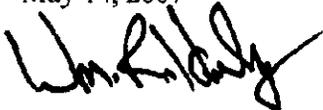
A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

My consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over compliance that I consider to be material weaknesses, as defined above.

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

WILLIAM R. HULSEY
Certified Public Accountant

May 14, 2007



LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2006

SUMMARY OF AUDIT RESULTS

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

1. An unqualified opinion was issued on the primary government financial statements of the Lincoln Parish Police Jury as of and for the year ended December 31, 2006.
2. The audit disclosed no reportable conditions in internal control.
3. The audit disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.
4. The audit did not disclose reportable conditions in internal control over major programs.
5. An unqualified opinion was issued on compliance for major programs.
6. Audit findings that are required to be reported in accordance with Sections 510(a) of OMB Circular A-133 are reported in this schedule.
7. The following program was considered major for the year ended December 31, 2006:

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

FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

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

FINDINGS – FINANCIAL STATEMENT AUDIT

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

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2006

<u>Source of Federal Assistance/ Agency Name(s)</u>	<u>Federal CFDA Number</u>	<u>Agency or Pass- Through Number</u>	<u>Expenditures</u>
United States Department of Housing and Urban Development			
Public Indian Housing HAP - Vouchers	14.871	2006	\$ 444,903 *
United States Department of Agriculture			
National Resources Conservation Service			
Soil and Water Conservation Stormwater Conservation Management	10.902	68-7217-03-78	242,168
United States Department of Homeland Security			
State Domestic Preparedness Equipment Support Program	97.067	2005-GE-T5-0005	129,328
Debris Removal	97.039	FEMA-1603-DR-LA	30,279
Total Expenditures of Federal Awards			<u><u>\$ 846,678</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, 2006

1. General

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

2. Basis of Accounting

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

LINCOLN PARISH POLICE JURY
RUSTON, LOUISIANA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2006

Internal Control and Compliance Material to Federal Awards

There were no findings for this category.

Internal Control and Compliance Material to the Financial Statements

There were no findings for this category.

Management Letter

There were no findings for this category.