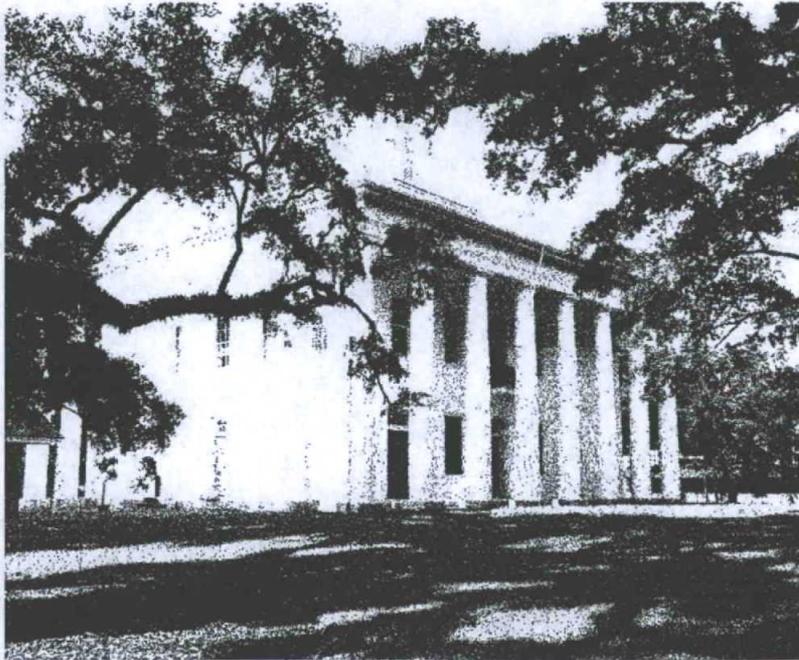


**EAST FELICIANA PARISH POLICE JURY
CLINTON, LOUISIANA**

ANNUAL FINANCIAL REPORT

YEAR ENDED DECEMBER 31, 2013



East Feliciana Parish Courthouse
(National Historic Landmark)
Clinton, Louisiana
Circa 1936

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 JUN 24 2015

**EAST FELICIANA PARISH POLICE JURY
CLINTON, LOUISIANA
ANNUAL FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2013**

TABLE OF CONTENTS

	<u>Page No.</u>
<i>BASIC FINANCIAL STATEMENTS</i>	
Independent Auditors' Report.....	1
Required Supplemental Information (Part 1 of 2) Managements' Discussion and Analysis.....	5
Government-Wide Financial Statements	
Statement of Net Position.....	12
Statement of Activities.....	13
Fund Financial Statements	
Governmental Funds:	
Balance Sheet.....	16
Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position.....	17
Statement of Revenues, Expenditures and Changes in Fund Balances.....	18
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities.....	20
Fiduciary Funds:	
Statement of Fiduciary Net Assets.....	21
Notes to the Financial Statements	
Index.....	23
Notes.....	24
Required Supplemental Information (Part 2 of 2)	
Budgetary Comparison Schedule – General Fund.....	39
Budgetary Comparison Schedule – Roads & Bridges Fund.....	40
Budgetary Comparison Schedule – Solid Waste Fund.....	41

**EAST FELICIANA PARISH POLICE JURY
CLINTON, LOUISIANA
ANNUAL FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2013**

TABLE OF CONTENTS

	<u>Page No.</u>
<i>COMBINING AND INDIVIDUAL FUND STATEMENTS</i>	
Special Revenue Funds:	
Combining Balance Sheet - Non-Major Funds.....	43
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Non-Major Funds.....	44
<i>SUPPLEMENTARY SCHEDULES AND INFORMATION</i>	
Fiduciary Funds/Agency Funds	
Schedule of Changes in Deposits and Other Payables.....	46
Schedule of Expenditures of Federal Awards.....	47
Schedule of Compensation Paid to Governing Members.....	48
Schedule of Subsequent Budgets.....	49
Independent Auditors' Report on Compliance and Other Matters and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	50
Independent Auditors' Report on Compliance with Requirements For each Major Program and on Internal Control over Compliance in Accordance with <i>OMB Circular A-133</i>	52
Schedule of Findings and Questioned Costs.....	54
Schedule of Prior Year Findings.....	56
Management's Corrective Action Plan.....	57

BASIC FINACIAL STATEMENTS

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Louisiana Society of Certified Public Accountants
American Institute of Certified Public Accountants
Association of Governmental Accountants
Governmental Audit Quality Control Center

INDEPENDENT AUDITORS' REPORT

Mr. J. R. Rouchon, Parish Manager
and the Members of the Police Jury
East Feliciana Parish Police Jury
P. O. Box 427
Clinton, Louisiana 70722

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the East Feliciana Parish Police Jury as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the East Feliciana Parish Police Jury's financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our 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 we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's

preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Adverse Opinion on Aggregate Discretely Presented Component Units and Qualified Opinion on Aggregate Remaining Fund Information

The financial statements referred to above do not include financial data for the East Feliciana Parish Police Jury's legally separate component units. Accounting principles generally accepted in the United States of America require financial data for those component units to be reported with the financial data of the East Feliciana Parish Police Jury's primary government unless the Police Jury also issues financial statements for the financial reporting entity that include the financial data for its component units. The Police Jury has not issued such reporting entity financial statements. The amount by which this departure would affect the assets, liabilities, net position, revenues and expenses of the government-wide financial statements has not been determined.

Adverse Opinion on Aggregate Discretely Presented Component Units

In our opinion, because of the significance of the matter described in the preceding paragraph, the financial statements referred to above do not present fairly the financial position of the aggregate discretely presented component units of the East Feliciana Parish Police Jury as of December 31, 2013, or the changes in the financial position thereof for the year then ended.

Qualified Opinion on Aggregate Remaining Fund Information

In our opinion, because of the significance of the matter described in the "Basis for Adverse Opinion on Aggregate Discretely Presented Component Units and Qualified Opinion on Aggregate Remaining Fund Information", the financial statements referred to above do not present fairly, in all material respects, the financial position of the aggregate remaining fund information of the East Feliciana Parish Police Jury as of December 31, 2013, or the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the primary government of the East Feliciana Parish Police Jury as of December 31, 2013, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters - Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison schedule be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational,

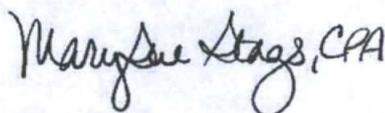
economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and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

Other Matters – Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the East Feliciana Parish Police Jury's basic financial statements. The combining and individual fund statements, schedule of changes in deposits and other payables, schedule of compensation paid to governing members and schedule of subsequent budgets are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, is presented for purposes of additional analysis and is also not a required part of the financial statements. This supplemental information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statement of fiduciary net position and the schedule of changes in fiduciary net position is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 2014, on our consideration of the East Feliciana Parish Police Jury's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the East Feliciana Parish Police Jury's internal control over financial reporting and compliance.



Mary Sue Stages, CPA
A Professional Accounting Corporation
Baker, LA
June 27, 2014

REQUIRED SUPPLEMENTAL INFORMATION
(PART 1 OF 2)

**EAST FELICIANA PARISH POLICE JURY
CLINTON, LOUISIANA
MANAGEMENTS' DISCUSSION & ANALYSIS
DECEMBER 31, 2013**

As management of the East Feliciana Parish Police Jury (hereinafter referred to as the Police Jury), we offer readers of these financial statements this narrative overview and analysis of the financial activities of the Police Jury for the year ended December 31, 2013. The emphasis of discussions will be on current year data. This discussion and analysis of the Police Jury's financial statements provide an overview of its financial activities for the year.

Financial Highlights

- The assets of the Police Jury exceeded its liabilities at the close of the most recent year by \$14,654,714 (net position).
- The Police Jury was able to secure \$1,055,761 in grants and other capital/operating contributions to assist in operations and capital expenditures.
- There has been no new debt incurred and all current debt obligations were met.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Police Jury's financial statements. The Police Jury's financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements. This report also contains other supplementary information in addition to the financial statements themselves.

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 manner similar to a private-sector business.

The *statement of net position* presents information on all of the Police Jury's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference between these reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Police Jury is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods.

Both of the government-wide financial statements distinguish functions of the Police Jury that are principally supported by taxes and intergovernmental revenues (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 governmental activities of the Police Jury include general government, public safety, public works, economic development, culture, recreation, health and welfare. The Police Jury has no business-type activities such as water or sewer services. The government-wide financial statements can be found on pages 12-14 of this report.

**EAST FELICIANA PARISH POLICE JURY
CLINTON, LOUISIANA
MANAGEMENTS' DISCUSSION & ANALYSIS
DECEMBER 31, 2013**

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. All of the funds of the Police Jury can be divided into two categories: governmental funds and fiduciary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the year. Such information may be useful in evaluating a government's near-term financial 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. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Police Jury maintains six individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances for the general, roads and bridges and the solid waste funds, all of which are considered to be major funds. Data from the other three governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The Police Jury adopts an annual budget for its general fund and major special revenue funds. Budgetary comparison statements have been provided for the general, roads and bridges and solid waste funds to demonstrate compliance with these budgets. The governmental funds financial statements can be found on pages 16-20 of this report.

Fiduciary funds. Fiduciary funds report resources that are held for other parties that cannot be used to support the Police Jury's programs. Reporting for these types of funds is based on the flow of economic resources measurement focus and the accrual basis of accounting. The Police Jury maintains one type of fiduciary fund – agency funds. Agency funds are created to account for resources held on a temporary, purely custodial basis until such time, as determined by legal contract or circumstances, they are returned to their owner(s). The fiduciary fund statement can be found on page 21 of this report.

**EAST FELICIANA PARISH POLICE JURY
CLINTON, LOUISIANA
MANAGEMENTS' DISCUSSION & ANALYSIS
DECEMBER 31, 2013**

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes are indexed on page 23 and begin immediately afterwards.

Other Information. In addition to the financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Police Jury's budgetary comparison schedules for its major governmental funds. The required supplementary information can be found immediately following the notes.

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information on budgetary comparison schedules.

Government-wide Financial Analysis

The following is a summary of the East Feliciana Parish Police Jury's net position:

SUMMARY OF NET POSITION

	<u>2013</u>	<u>2012</u>
Assets:		
Current and other assets	\$ 8,072,306	\$ 7,386,785
Capital assets, net	<u>8,313,077</u>	<u>8,154,404</u>
Total Assets	16,385,383	15,541,189
Liabilities:		
Other liabilities	1,709,720	2,394,095
Long-term liabilities	<u>20,950</u>	<u>18,284</u>
Total Liabilities	<u>1,730,670</u>	<u>2,412,379</u>
Net Position:		
Net investment in capital assets	8,313,077	8,141,217
Restricted	3,915,345	4,462,797
Unrestricted	<u>2,426,291</u>	<u>524,796</u>
Total Net Position	<u>14,654,713</u>	<u>13,128,810</u>

The largest portion of the Police Jury's net position (57%) reflects its investment in capital assets (e.g. land, buildings, improvements, streets and bridges, equipment, vehicles and furniture), less any related debt used to acquire or construct those assets that are still outstanding. The Police Jury uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Police Jury's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**EAST FELICIANA PARISH POLICE JURY
CLINTON, LOUISIANA
MANAGEMENTS' DISCUSSION & ANALYSIS
DECEMBER 31, 2013**

An additional portion of the Police Jury's net position (27%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of the unrestricted net position, if any, may be used to meet the government's on-going obligations to citizens and creditors.

The following is a summary of the East Feliciana Parish Police Jury's changes in net position:

SUMMARY OF CHANGES IN NET POSITION

	<u>2013</u>	<u>2012</u>
Revenues:		
Charges for services	\$ 516,323	\$ 426,852
Grants and contributions:		
Operating	429,277	417,674
Capital	626,484	388,055
General revenues/transfers	<u>5,328,616</u>	<u>5,292,701</u>
Total Revenues	6,900,700	6,525,282
Expenses:		
General government	710,684	857,410
Culture and recreation	4,219	3,077
Economic development	9,208	56,833
Health and welfare	462,122	303,456
Public safety	893,112	1,370,590
Public works	3,295,452	2,672,236
Interest	-0-	1,457
Total Expenses	<u>5,374,797</u>	<u>5,265,059</u>
Change in Net Position	1,525,903	1,260,223
Net Position, beginning of year	<u>13,128,810</u>	<u>11,868,587</u>
Net Position, end of year	<u>14,654,713</u>	<u>13,128,810</u>

Governmental Funds Budgetary Highlights

General Fund revenues realized were \$203,483 less than the amount budgeted. Expenditures were \$843,632 less than expenditures budgeted. Net transfers were \$477,913 more than budgeted due to the forgiveness of amounts due to other funds which was approved by the jurors in November of 2013.

**EAST FELICIANA PARISH POLICE JURY
CLINTON, LOUISIANA
MANAGEMENTS' DISCUSSION & ANALYSIS
DECEMBER 31, 2013**

Roads & Bridges Fund received \$35,886 more than anticipated and expended \$16,094 less than was budgeted. Considering other financing sources, the year ended with a \$928,588 positive variance.

Solid Waste Fund reported \$13,059 more in revenues than budgeted. Expenditures, in turn, were \$778 more than expected. The net result was a \$13,837 positive variance at year-end.

Capital Asset and Debt Administration

Capital Assets. The Police Jury's investment in capital assets for its governmental activities as of December 31, 2013, totaled \$8,313,077 (net of accumulated depreciation and related debt). This investment in capital assets includes land, buildings, improvements, streets and bridges, equipment, vehicles and furniture.

Major capital asset events during the current fiscal year included the following:

- Generators for emergency preparedness totaling more than \$283,000;
- Public works vehicles and implements to enhance trash pick-up at a cost in excess of \$228,000; and
- Vehicles for security and emergency preparedness totaling \$79,750.

Capital assets as of December 31, 2013 and 2012 are detailed in the following table.

**CAPITAL ASSETS
Net of Accumulated Depreciation**

	<u>2013</u>	<u>2012</u>
Land	\$ 259,230	\$ 259,230
Buildings/improvements	5,265,888	5,462,729
Equipment/furniture	1,831,156	1,404,037
Streets/bridges	<u>956,803</u>	<u>1,028,408</u>
Total	<u>8,313,077</u>	<u>8,154,404</u>

Long-Term Debt. At the end of the current fiscal year, the Police Jury had a non-interest bearing note totaling \$16,548. Additional information such as principal and interest payments remaining can be found in the notes to the financial statements of this report.

**EAST FELICIANA PARISH POLICE JURY
CLINTON, LOUISIANA
MANAGEMENTS' DISCUSSION & ANALYSIS
DECEMBER 31, 2013**

Request for Information

This financial report is designed to provide a general overview of the East Feliciana Parish Police Jury's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Mr. J. R. Rouchon, East Feliciana Parish Police Jury, P. O. Box 427, Clinton, Louisiana 70722, (225) 683-3100.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

**EAST FELICIANA PARISH POLICE JURY
CLINTON, LOUISIANA
STATEMENT OF NET POSITION
DECEMBER 31, 2013**

	<u>Governmental Activities</u>
<u>ASSETS</u>	
Cash and cash equivalents	\$ 5,513,411.76
Receivables, net	838,202.10
Due from other funds	1,597,760.02
Due from other governmental agencies	122,932.96
Capital assets, net	<u>8,313,076.61</u>
Total Assets	16,385,383.45
 <u>DEFERRED OUTFLOWS OF RESOURCES</u>	
 <u>LIABILITIES</u>	
Accounts payable	235,942.02
Due to other funds	1,452,400.93
Due to other governmental agencies	12,350.44
Notes payable	16,548.42
Compensated absences	<u>13,428.00</u>
Total Liabilities	1,730,669.81
 <u>DEFERRED INFLOWS OF RESOURCES</u>	
 <u>NET POSITION</u>	
Net investment in capital assets	8,313,076.61
Restricted for:	
Health unit operations/maintenance	532,497.89
Homeland security	49,454.42
Solid waste management	3,333,393.02
Unrestricted	<u>2,426,291.70</u>
Total Net Position	<u>14,654,713.64</u>

See Accompanying Notes and Independent Auditors' Report

**EAST FELICIANA PARISH POLICE JURY
CLINTON, LOUISIANA
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2013**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Revenues(Expenses)</u>
					<u>Governmental Activities</u>
Governmental Activities					
General government	\$ 710,683.58	\$ 191,962.61	\$ 20,000.00	\$ -	\$ (498,720.97)
Culture and recreation	4,219.33	-	-	-	(4,219.33)
Economic development	9,208.32	-	7,250.00	-	(1,958.32)
Health and welfare	462,121.51	-	5,610.08	-	(456,511.43)
Public safety	893,111.69	324,360.27	234,703.28	434,068.70	100,020.56
Public works	3,295,451.95	-	161,713.90	192,415.13	(2,941,322.92)
Total Governmental Activities/Primary Government:	5,374,796.38	516,322.88	429,277.26	626,483.83	(3,802,712.41)
General Revenues and Transfers					
Intergovernmental revenues					356,476.28
Taxes:					
Ad valorem					694,605.02
Severance					613,694.88
Sales					3,192,203.63
Franchise fees					11,441.73
Insurance rebates					87,634.83
Licenses and permits					181,394.25

**EAST FELICIANA PARISH POLICE JURY
CLINTON, LOUISIANA
STATEMENT OF ACTIVITIES (Continued)
YEAR ENDED DECEMBER 31, 2013**

	<u>Net Revenues(Expenses)</u>
	<u>Governmental Activities</u>
Fines and forfeitures	\$ 124,880.51
Interest earned	1,604.01
Other revenues	<u>64,680.75</u>
Total General Revenues and Transfers	<u>5,328,615.89</u>
Change in Net Position	1,525,903.48
Net Position, beginning	<u>13,128,810.16</u>
Net Position, ending	<u><u>14,654,713.64</u></u>

See Accompanying Notes and Independent Auditors' Report

FUND FINANCIAL STATEMENTS

**EAST FELICIANA PARISH POLICE JURY
CLINTON, LOUISIANA
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2013**

	<u>General</u>	<u>Roads & Bridges</u>	<u>Solid Waste</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and cash equivalents	\$ 1,090,218.07	\$ 2,214,339.92	\$ 2,062,588.00	\$ 146,265.77	\$ 5,513,411.76
Receivables, net:					
Accounts	2,996.99	-	-	6,961.20	9,958.19
Taxes	345,031.11	-	112,599.85	370,612.95	828,243.91
Due from other funds	207,683.02	115,077.00	1,275,000.00	-	1,597,760.02
Due from other govt agencies	57,338.60	23,723.36	-	41,871.00	122,932.96
TOTAL ASSETS	1,703,267.79	2,353,140.28	3,450,187.85	565,710.92	8,072,306.84
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	60,416.02	88,163.13	84,757.30	2,605.57	235,942.02
Due to other funds	-	1,275,000.00	22,920.89	154,480.04	1,452,400.93
Due to other govt agencies	-	-	-	12,350.44	12,350.44
Total Liabilities	60,416.02	1,363,163.13	107,678.19	169,436.05	1,700,693.39
Fund Balances (Deficit):					
Restricted for:					
Health unit oper/maintenance	-	-	-	532,497.89	532,497.89
Homeland security	49,454.42	-	-	-	49,454.42
Solid waste management	-	-	3,342,509.66	-	3,342,509.66
Committed for:					
Debt service	8,131.40	-	-	-	8,131.40
Road improvements	-	989,977.15	-	-	989,977.15
Coroner/court operations	-	-	-	(136,223.02)	(136,223.02)
Claims and judgements	152,370.09	-	-	-	152,370.09
Unassigned	1,432,895.86	-	-	-	1,432,895.86
Total Fund Balances (Deficit)	1,642,851.77	989,977.15	3,342,509.66	396,274.87	6,371,613.45
TOTAL LIABILITIES AND FUND BALANCES (DEFICIT)	1,703,267.79	2,353,140.28	3,450,187.85	565,710.92	8,072,306.84

See Accompanying Notes and Independent Auditors' Report

**EAST FELICIANA PARISH POLICE JURY
CLINTON, LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION
DECEMBER 31, 2013**

Total Fund Balances - Total Governmental Funds \$ 6,371,613.45

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

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds balance sheet. This is the capital assets, net of accumulated depreciation, reported on the statement of net position. 8,313,076.61

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds balance sheet. This is the long-term liabilities reported on the statement of net position:

Compensated absences payable	(13,428.00)
Notes payable	(16,548.42)
	<hr/>

Total Net Position - Governmental Activities 14,654,713.64

**EAST FELICIANA PARISH POLICE JURY
CLINTON, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2013**

	<u>General</u>	<u>Roads & Bridges</u>	<u>Solid Waste</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES					
Intergovernmental	\$ 59,237.00	\$ 247,335.28	\$ -	\$ 49,904.00	\$ 356,476.28
Taxes:					
Ad valorem	336,621.34	-	-	357,983.68	694,605.02
Severance	613,694.88	-	-	-	613,694.88
Sales	457,945.65	1,331,182.47	1,403,075.51	-	3,192,203.63
Franchise fees	11,441.73	-	-	-	11,441.73
Insurance rebates	87,634.83	-	-	-	87,634.83
Licenses and permits	175,644.25	5,750.00	-	-	181,394.25
Charges for services	191,962.61	-	-	-	191,962.61
Fine and forfeitures	-	-	-	124,880.51	124,880.51
Rents and other fees	324,360.27	-	-	-	324,360.27
Grants and other contributions	951,451.74	7,984.79	96,324.56	-	1,055,761.09
Interest earned	404.17	484.82	583.96	131.06	1,604.01
Other revenues	34,551.81	12,648.94	-	-	47,200.75
Total Revenues	3,244,950.28	1,605,386.30	1,499,984.03	532,899.25	6,883,219.86
EXPENDITURES					
General government	485,354.98	-	-	-	485,354.98
Culture and recreation	4,219.33	-	-	-	4,219.33
Economic development	9,208.32	-	-	-	9,208.32
Health and welfare	315,650.30	-	-	146,471.21	462,121.51
Public safety	617,762.06	-	-	205,863.56	823,625.62
Public works	712,732.01	1,236,036.75	1,208,074.35	-	3,156,843.11
Debt service:					
Principal	22,213.34	-	-	-	22,213.34
Capital outlay	363,014.83	158,157.60	70,924.00	-	592,096.43
Total Expenditures	2,530,155.17	1,394,194.35	1,278,998.35	352,334.77	5,555,682.64
Excess of Revenues over Expenditures Before Other Financing Sources (Uses)	714,795.11	211,191.95	220,985.68	180,564.48	1,327,537.22

Continued

**EAST FELICIANA PARISH POLICE JURY
CLINTON, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (Continued)
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2013**

	<u>General</u>	<u>Roads & Bridges</u>	<u>Solid Waste</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>OTHER FINANCING SOURCES (USES)</u>					
Transfers, net	(977,912.70)	1,394,068.89	-	(416,156.19)	-
Sales of tangible assets	-	17,480.00	-	-	17,480.00
Total Other Financing Sources (Uses)	(977,912.70)	1,411,548.89	-	(416,156.19)	17,480.00
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	(263,117.59)	1,622,740.84	220,985.68	(235,591.71)	1,345,017.22
Fund Balances (Deficit), beginning	1,905,969.36	(632,763.69)	3,121,523.98	631,866.58	5,026,596.23
Fund Balances (Deficit), ending	1,642,851.77	989,977.15	3,342,509.66	396,274.87	6,371,613.45

See Accompanying Notes and Independent Auditors' Report

**EAST FELICIANA PARISH POLICE JURY
CLINTON, LOUISIANA
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES TO THE
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2013**

Change in Fund Balances - Total Governmental Funds \$ 1,345,017.22

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

Governmental funds report capital outlays as expenditures.
However, in the Statement of Activities, the cost of those
assets is allocated over their estimated useful lives as
depreciation expense. This is the amount by which capital outlay
exceeded depreciation charged in the current period. 158,672.92

Governmental funds do not recognize the change in long-term
debt. Instead, these funds recognize both principal and interest
as current year expenditures. Additionally, the receipt of loan or
bond proceeds are recorded as revenue in governmental funds.

Principal payments 22,213.34

Change in Net Position - Governmental Activities 1,525,903.48

See Accompanying Notes and Independent Auditors' Report

**EAST FELICIANA PARISH POLICY JURY
CLINTON, LOUISIANA
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
DECEMBER 31, 2013**

	<u>Library Tax</u>	<u>Sales Tax</u>	<u>Totals</u>
<u>ASSETS</u>			
Receivables, net:			
Taxes	\$ 327,046.47	\$ 225,199.70	\$ 552,246.17
TOTAL ASSETS	327,046.47	225,199.70	552,246.17
<u>LIABILITIES AND NET ASSETS</u>			
Liabilities:			
Due to other funds	-	145,359.09	145,359.09
Due to other governmental agencies	327,046.47	79,840.61	406,887.08
Total Liabilities	327,046.47	225,199.70	552,246.17
Net Assets:			
Restricted	-	-	-
TOTAL LIABILITIES AND NET ASSETS	327,046.47	225,199.70	552,246.17

See Accompanying Notes and Independent Auditors' Report

NOTES TO THE FINANCIAL STATEMENTS

**EAST FELICIANA PARISH POLICE JURY
CLINTON, LOUISIANA
INDEX TO NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013**

<u>Note No.</u>	<u>Description</u>	<u>Page No.</u>
	Introduction.....	24
1	Summary of Significant Accounting Policies.....	24
2	Cash and Cash Equivalents.....	31
3	Receivables.....	31
4	Capital Assets.....	32
5	Retirement System.....	33
6	Accounts and Other Payables.....	34
7	Compensated Absences.....	34
8	Other Post-Employment Benefits.....	34
9	Long-Term Debt.....	34
10	Inter-fund Transactions.....	35
11	Fund Deficits.....	36
12	Litigation.....	36
13	Related Party Transactions.....	37
14	Subsequent Events.....	37

**EAST FELICIANA PARISH POLICE JURY
CLINTON, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013**

INTRODUCTION

The East Feliciana Parish Police Jury is the governing authority for East Feliciana Parish and is a political subdivision of the State of Louisiana. Nine jury members, representing the individual districts within the parish, govern the Police Jury. They serve four-year terms and are paid for their services.

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 these are the power to make regulations for its own governments; 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 is provided primarily (6%) by ad valorem, sales and other taxes. The area of East Feliciana Parish includes 455 square miles wherein 288 miles of roads are maintained. The population is 21,360 persons, and the Police Jury employs 37 persons.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting practice of the Police Jury conforms to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of La. Revised Statute 24:513 and to the guidelines set forth in the *Louisiana Governmental Audit Guide*, and to the industry audit guide *Audits of State and Local Governmental Units*.

The following is a summary of certain significant accounting policies:

Financial Reporting Entity: Governmental Accounting Standards Board (GASB) Statement No. 14, *The Reporting Entity*, establishes criteria for determining the reporting entity and its component units. Under provisions of this statement, the Police Jury is considered a primary government, since it is a special purpose government that has a separately-elected governing body, is legally separate and is fiscally independent of other state or local governments. This report includes the financial position and activity of the primary government only. It does not include all funds that are controlled by or dependent on the Police Jury's executive or legislative branches (Parish Manager and/or Police Jury). Control by or dependence on the Police Jury was determined on the basis of oversight responsibility, including accountability for fiscal and budgetary matters, designation of management or governing authority and authority to issue debt.

Component units for which financial statements are issued separately from the Police Jury include the (1) Audubon Regional Library; (2) Gas Utility Districts No. 1 and 2; (3) East Feliciana Council on Aging; (4) East Feliciana Parish Sheriff; (5) East Feliciana Parish Clerk of Court; (6) East Feliciana Tax Assessor; (7) 20th Judicial District Attorney; (8) East Feliciana Parish Fire Protection District and (9) East Feliciana Parish Emergency Communications Commission.

**EAST FELICIANA PARISH POLICE JURY
CLINTON, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013**

Government-wide Accounting: In accordance with Government Accounting Standards Board Statement No. 34, the Police Jury has presented a statement of net position and statement of activities for the Police Jury as a whole. These statements include the primary government with the exception of fiduciary funds. Those funds are reported separately. Government-wide accounting is designed to provide a more comprehensive view of the government's operations and financial position as a single economic entity. Government-wide statements distinguish between governmental and business-type activities.

Governmental activities are those financed through taxes, intergovernmental revenues and other non-exchange revenues and are usually reported in governmental and internal service funds. Business activities are financed in whole or in part through fees charged for goods or services to the general public and are usually reported in proprietary funds.

Policies specific to the government-wide statements are as follows:

Eliminating Internal Activity

Inter-fund receivables and payables are eliminated in the statement of net position except for the net residual amounts due between governmental and business-type activities. These are presented as internal balances. The allocation of overhead expenses from one function to another or within the same function is eliminated in the statement of activities. Allocated expenses are reported by the function to which they were allocated.

Capitalizing Assets

Tangible and/or intangible assets used in operations with an initial useful life that extends beyond one year are capitalized. Infrastructure assets such as roads and bridges are also capitalized. Capital assets are recorded at their historical cost or estimated cost where historical cost is unavailable and are depreciated using the straight-line or modified accelerated recovery cost system methods of depreciation over their estimated useful lives. They are reported net of accumulated depreciation on the statement of net assets.

Using the requirements of GASB Statement No. 34, the Police Jury is considered a Phase 3 government as total annual revenues is less than \$10 million. Such governments were not required to report major general infrastructure assets retroactively. The Police Jury opted not to retroactively report these types of capital assets.

Program Revenues

The statement of activities presents three categories of program revenues – (1) charges for services; (2) operating grants and contributions; and (3) capital grants and contributions. Charges for services are those revenues arising from charges to customers who purchase, use or directly benefit from goods and services provided by the Police Jury. Grants and contributions, whether operating or capital in nature, are revenues arising from receipts that are reserved for a specific use.

**EAST FELICIANA PARISH POLICE JURY
CLINTON, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013**

Indirect Expenses

Expenses are reported according to function except for those that meet the definition of special or extraordinary items. Direct expenses are specifically associated with a service or program. Indirect expenses include general government or administration that cannot be specifically traced to a service or program. Governments are not required to allocate indirect expenses to other functions, and the Police Jury has chosen not to do so.

Operating Revenues

Proprietary funds separately report operating and non-operating revenues. The Police Jury does not have any proprietary funds and, therefore, does not recognize operating revenues.

Restricted Net Position

Restricted net position is that for which a constraint has been imposed either externally or by law. The Police Jury recognizes the use of restricted resources for expenditures that comply with the specific restrictions. Restricted resources are exhausted before unrestricted net position is used.

Fund Accounting: The Police Jury uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

A fund is a separate entity with a self-balancing set of accounts. Funds of the Police Jury are classified into two categories: governmental and fiduciary. Each category, in turn, is divided into separate fund types. The fund classifications and a description of each existing fund type follow:

Governmental Funds: Governmental funds account for all or most of the Police Jury's general activities, including the collection and disbursement of specific or legally reserved monies, the acquisition or construction of general fixed assets, and the servicing of general long-term obligations. Governmental funds include:

1. **General Fund** - is the general operating fund of the Police Jury which accounts for all financial resources except those required to be accounted for in other funds; and
2. **Special Revenue Funds** - account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

Fiduciary Funds: Fiduciary funds account for resources held in trust for other parties. As such, the Police Jury has no equity in these funds. They utilize the flow of economic resources measurement focus and the accrual basis of accounting. Fiduciary funds include:

1. **Agency Funds** - accounts for assets that do not belong to the Police Jury and cannot be used to finance the Police Jury's own operating programs.

**EAST FELICIANA PARISH POLICE JURY
CLINTON, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013**

Basis of Accounting/Measurement Focus: The type of financial statement presentation determines the accounting and financial reporting treatment applied to a fund.

The government-wide statements are reported using an economic resources measurement focus and the accrual basis of accounting. With this measurement focus, all assets, deferred outflows of resources, liabilities and deferred inflows of resources associated with the operation of governmental activities are included in the statement of net position. Revenues are recognized when earned, and expenses are recognized at the time the liabilities are incurred in the statement of activities. In these statements, capital assets are reported and depreciated in each fund.

All governmental funds are reported using a current-financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements present increases and decreases in net current assets. Expenditures for capital assets are reported as current expenses, and such assets are not depreciated.

Budgets and Budgetary Accounting: Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for the general fund and all special revenue funds with the exception of the criminal court fund. It is exempt from the requirements of the Local Government Budget Act.

The Police Jury uses the following budget practices:

The finance committee prepares a proposed budget for the ensuing year and submits it to the Police Jury. The availability of the proposed budget for public inspection and the date of the public hearing are advertised in the official journal which can be no later than December 15th.

During a regular meeting, the Police Jury holds a public hearing on the proposed budget in order to allow public participation. Changes are made based on the public hearing, if necessary, and the desires of the Police Jury as a whole. The budget is then adopted during a regular meeting, and notice is published in the official journal. Amendments adopted by the Jurors are included in the minutes and published in the official journal.

The Police Jury exercises budgetary control at the functional level. Within functions, it has the authority to make amendments when needed. Budgeted amounts shown are as originally adopted and as amended.

All budgetary appropriations lapse at year-end. Unexpected appropriations must be re-appropriated in the next year's budget to be expended.

**EAST FELICIANA PARISH POLICE JURY
CLINTON, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013**

Cash and Cash Equivalents: Cash includes amounts in demand deposits, interest bearing demand deposits and money market accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under State law, the Police Jury may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. For purposes of the statement of cash flows, the Police Jury considers all investments with maturities of less than 90 days to be cash and cash equivalents.

Investments: Investments are limited by Louisiana R.S. 33:2955. If the original maturities of investments exceed 90 days, they are classified as investments. Otherwise, the investments are classified as cash and cash equivalents. In accordance with GASB Statement No. 31, investments are recorded at fair value with the corresponding increase or decrease reported in investment earnings. The Police Jury did not have any investments at December 31, 2013.

Receivables: Receivables are recorded net of any allowance for uncollectible amounts in governmental activities. Revenues become susceptible to accrual when they become both measurable and available.

Taxes: Property Taxes - Property taxes are levied on a calendar year basis. They are due by December 31st and are considered delinquent on January 1st of each year. The following is a summary of authorized and levied ad valorem taxes for the parish as a whole:

	<u>Authorized</u>	<u>Levied</u>
<i>General Fund</i>		
Town of Jackson	1.38	1.38
All Others	2.77	2.77
<i>Special Revenue Funds</i>		
Health Unit	3.00	3.00
<i>Agency Funds</i>		
Library	2.50	2.50

Listed below are the principal taxpayers for the parish.

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Assessed Value</u>	<u>%age of Total Assessed Value</u>	<u>Anticipated Revenues</u>
Colonial Pipeline	Oil/gas	\$ 9,814,210	1.07%	\$ 446,648
Bengal Pipeline Co.	Oil/gas	8,603,350	.93%	391,625
Transcontinental Gas	Oil/gas	7,906,680	.86%	359,912
GATX Financial Group	Leases	7,414,270	.81%	337,498

**EAST FELICIANA PARISH POLICE JURY
CLINTON, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013**

Sales Taxes - The Police Jury receives the following sales taxes approved by the voters of the parish: (1) 1% designated for roads and bridges; (2) 1% designated for solid waste management; and (3) 1% split between the general and roads and bridges funds. There is an agreement with the East Feliciana Parish School Board to collect the sales taxes of the parish for a stipulated fee. The School Board remits the Police Jury's portion on a monthly basis.

Use of Estimates: The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Capital Assets: The Police Jury's assets are recorded at historical cost or estimated cost if historical cost is not available. Donated assets are valued at their estimated fair value on the date of donation. Capitalization thresholds are defined as assets with a cost of \$2,500 or more per unit.

Depreciation is recorded using the straight-line method or the modified accelerated recovery cost system over the estimated useful lives of the assets as follows:

Buildings	40 years	Vehicles	5 years
Equipment	5-10 years	Infrastructure	40-50 years
Furniture/Computers	7 years		

In June 1999, the Governmental Accounting Standards Board issued Statement No. 34, which required the inclusion of infrastructure assets, used in governmental activities in the general purpose financial statements retroactively reported back to 1982. An exception existed for local governments with annual revenues of less than \$10 million. As a result of this exception, the Police Jury elected to not report its governmental infrastructure retroactively. From that point forward, the basic approach to infrastructure reporting for governmental activities will be utilized when applicable.

Compensated Absences: The Police Jury allows annual leave to its regular full-time employees based on length of service (1 week after 1 year of service; 2 weeks after 2 years; 3 weeks after 5 years and 4 weeks after 10 years). This benefit changes slightly for hourly employees (1 week after 1 year of service; 2 weeks after 3 years; 3 weeks after 6 years and 4 weeks after 12 years). No leave is earned, however, while on suspension or leave without pay status. Annual leave may be carried over to the next calendar year. Employees are not paid for their unused annual leave at year-end, but are paid for accumulated, unused leave upon termination.

Long-Term Obligations: In the government-wide financial statements, debt principal payments of governmental activities are reported as decreases in the balance of the liability on the statement of net position. In the fund financial statements, however, debt principal payments of governmental funds are recognized as expenditures when paid.

**EAST FELICIANA PARISH POLICE JURY
CLINTON, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013**

Net Position/Fund Balances: In the statement of net position, the difference between a government's assets, deferred outflows of resources, liabilities and deferred inflows of resources is recorded as net position. The three components of net position are as follows:

Net Investment in Capital Assets

This category records capital assets net of accumulated depreciation and reduced by any outstanding balances of bonds, mortgages, notes or other borrowings attributable to the acquisition, construction or improvement of capital assets.

Restricted

The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

Unrestricted

The unrestricted component of net position is the net amount of the assets, deferred outflows of resources, liabilities and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted components of net position.

In the Balance Sheet of governmental funds, fund balances are segregated as follows:

Non-spendable

This includes amounts in permanent funds and inventories that are permanently precluded from conversion to cash.

Restricted

Fund balances that are restricted include those resources constrained to a specific purpose by enabling legislation, external parties or constitutional provisions.

Committed

Fund balances may be committed for a specific purpose by the highest level of decision making authority through a formal action such as the adoption of an ordinance. The removal of or change in this commitment can only be accomplished by the same level of authority through the same type of action taken to commit the fund balances initially.

Assigned

Resources earmarked for a specific purpose by a government's management are reported as assigned fund balances.

Unassigned

This category represents that portion of equity that is available for any purpose.

**EAST FELICIANA PARISH POLICE JURY
CLINTON, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013**

Inter-fund Transactions: All inter-fund transactions except quasi-external transactions, are reported as operating transfers. These are eliminated in the government-wide statements.

NOTE 2 - CASH AND CASH EQUIVALENTS

Deposits are stated at cost, which approximates market. Under state law, they must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal or exceed the amount on deposit with the fiscal agent. 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.

Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell pledged securities within 10 days of being notified that the fiscal agent has failed to pay deposited funds upon demand even though the pledged securities are considered uncollateralized under the provisions of GASB Statement No. 3.

The Police Jury does not have any cash and cash equivalents exposed to custodial credit risk.

The cash and cash equivalents on hand at December 31, 2013, are as follows:

Demand deposits	\$ 91,480.66
Interest-bearing demand deposits	<u>5,421,931.10</u>
Total	<u>5,513,411.76</u>

NOTE 3 - RECEIVABLES

The net receivables, with the exception of inter-fund and inter-governmental transactions, are as follows:

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Total</u>
Accounts	\$ 2,996.99	\$ 6,961.20	\$ 9,958.19
Taxes	<u>345,031.11</u>	<u>483,212.80</u>	<u>828,243.91</u>
Total	<u>348,028.10</u>	<u>490,174.02</u>	<u>838,202.10</u>

**EAST FELICIANA PARISH POLICE JURY
CLINTON, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013**

NOTE 4 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2013, is as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental Activities				
Capital Assets, not being depreciated				
Land	\$ 259,230.00	\$.00	\$.00	\$ 259,230.00
Capital Assets, being depreciated				
Buildings	9,627,258.63	.00	.00	9,627,258.63
Less: accumulated depreciation	4,164,529.80	196,840.70	.00	4,361,370.50
Net Buildings	5,462,728.83	(196,840.70)	.00	5,265,888.13
Equipment/Vehicles	3,677,798.85	592,096.43	87,400.00	4,182,495.28
Less: accumulated depreciation	2,273,761.53	164,978.49	87,400.00	2,351,340.02
Net Equipment/Vehicles	1,404,037.32	427,117.94	.00	1,831,155.26
Streets/Bridges	1,342,103.17	.00	.00	1,342,103.17
Less: accumulated depreciation	313,695.63	71,604.32	.00	385,299.95
Net Furniture and Fixtures	1,028,407.54	(71,604.32)	.00	956,803.22
Capital Assets, being depreciated, net	7,895,173.69	158,672.92	.00	8,053,846.61
Capital Assets, net	8,154,403.69	158,672.92	.00	8,313,076.61

Depreciation expense was charged to governmental functions as follows:

General government	\$ 225,328.60
Public safety	69,486.07
Public works	138,608.84
 Total	 <u>433,423.51</u>

**EAST FELICIANA PARISH POLICE JURY
CLINTON, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013**

NOTE 5 – RETIREMENT SYSTEM

Substantially all employees of the Police Jury are members of the Parochial Employees Retirement System of Louisiana, a multiple-employer, public employee retirement system (PERS) controlled and administered by a separate board of trustees. All permanent employees working at least 28 hours per week who are paid wholly or in part from parish funds are eligible to participate. Contributions of participating agencies are pooled within the System to fund accrued benefits, with contribution rates approved by the Louisiana Legislature.

The System is composed of two distinct plans – Plan A and Plan B – with separate assets and benefit provisions. All participants are members of Plan A. Under Plan A, employees who retire at or after age 60 with at least 10 years of creditable service or at or after age 55 with at least 25 years of creditable service are entitled to retirement benefits, payable monthly for life, equal to 3% of their final average 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 benefit reduced 3% for each year retirement precedes age 60. In any case, monthly retirement benefits paid under Plan A cannot exceed the lesser of 100% of final-average salary or \$70 multiplied by total years of creditable service.

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 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. The same statute establishes these benefits.

Funding Policy: Contributions to the system include ¼ of 1% of the taxes shown to be collectible by the tax rolls of each parish, except Orleans and East Baton Rouge. These tax dollars are divided between Plans A and B, based proportionately on the salaries of the active members of each plan. State statutes require covered employees to contribute a percentage of their salaries to the system. As provided by Louisiana Revised Statute 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. Plan members are required to contribute 9.50% of their annual covered salary and the Police Jury is required to contribute 16.72% of annual covered payroll. The Police Jury's contributions to the System for the years ending December 31, 2013, 2012 and 2011, were \$160,254, \$116,598 and \$126,605, respectively, equal to the required contributions for each year. Under present statutes, the Police Jury does not guarantee the benefits granted by the system.

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, P. O. Box 14619, Baton Rouge, Louisiana 70898.

**EAST FELICIANA PARISH POLICE JURY
CLINTON, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013**

NOTE 6 - ACCOUNTS AND OTHER PAYABLES

The payables, with the exception of inter-fund and inter-governmental transactions, are as follows:

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Total</u>
Accounts	\$ 60,416.02	\$ 175,526.00	\$ 235,942.02

NOTE 7 - COMPENSATED ABSENCES

Computed in accordance with GASB Codification Section C60, employees of the Police Jury had accumulated and vested \$13,428 of employee leave benefits at December 31, 2013. Governmental activities record these benefits in the statement of net position. This amount is not included in the fund financial statements for the general fund.

NOTE 8 - OTHER POST-EMPLOYMENT BENEFITS

The Police Jury does not offer any post-employment benefits to its employees upon retirement.

NOTE 9 - LONG-TERM DEBT

The following is a summary of long-term debt incurred as of December 31, 2013:

	<u>Beginning</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending</u>
Governmental Activities:				
Revenue bonds	\$ 13,186.82	\$.00	\$ 13,186.82	\$.00
Notes	25,574.94	.00	9,026.52	16,548.42
Compensated absences	13,428.00	17,166.00	17,166.00	13,428.00
Total	<u>46,385.21</u>	<u>17,166.00</u>	<u>39,379.34</u>	<u>29,976.42</u>

Bonds were paid off during the year.

Notes executed by the General Fund include the following:

\$90,265 Defaulted grant dated 1/1/06	
Due in monthly installments of \$752.21 over 10 years	
Non-interest bearing	\$ 16,548.42

**EAST FELICIANA PARISH POLICE JURY
CLINTON, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013**

Repayment on this debt is as follows:

<u>Due Date</u>	<u>Principal</u>
2014	\$ 9,026.52
2015	<u>7,521.90</u>
Total	<u>16,548.42</u>

NOTE 10 – INTER-FUND TRANSACTIONS

Amounts due to/from other funds within the Police Jury are as follows:

	<u>Receivables</u>	<u>Payables</u>
General Fund	\$ 207,683.02	\$.00
Special Revenue Funds:		
Roads & Bridges	115,077.00	1,275,000.00
Solid Waste	1,275,000.00	22,920.89
Criminal Court	.00	144,995.94
Health Unit	.00	9,484.10
Fiduciary Funds:		
Sales Tax	<u>.00</u>	<u>145,359.09</u>
Total	<u>1,597,760.02</u>	<u>1,597,760.02</u>

Transfers between funds during the year were as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 400,000.00	\$ 1,377,912.70
Special Revenue Funds:		
Roads & Bridges	1,394,068.89	.00
Coroner	10,000.00	.00
Criminal Court	25,000.00	51,156.19
Health Unit	<u>.00</u>	<u>400,000.00</u>
Total	<u>1,829,068.89</u>	<u>1,829,068.89</u>

**EAST FELICIANA PARISH POLICE JURY
CLINTON, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013**

Through formal action of the governing body, certain amounts due to and from funds of the Police Jury were forgiven. These amounts have been included in transfers during the current period. They are summarized below:

Due from General Fund to Roads & Bridges Fund	\$ 534,941.22
Due to General Funds from Criminal Court Fund	<u>(51,156.19)</u>
Net impact to General Fund	<u>483,785.03</u>

NOTE 11 – FUND DEFICITS

The following fund has net fund deficits at December 31, 2013:

<u>Fund</u>	<u>Net Deficit</u>
Criminal Court	\$ <u>138,674.35</u>

Management is aware of this deficit and will be addressing it during 2014.

NOTE 12 - LITIGATION

The Police Jury is a defendant in a pending lawsuit filed in the 20th Judicial District Court that is being handled by the Police Jury's insurance carrier. While the outcome of this case cannot be determined at this time, the Police Jury denies any liability and is actively defending its position. It is anticipated that there will not be any liability associated with this suit that might have an adverse effect on the Police Jury's financial position.

The Police Jury is also a defendant in three other lawsuits for which the outcome cannot be determined at this time. A financial impact is not anticipated with either of these suits.

**EAST FELICIANA PARISH POLICE JURY
CLINTON, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013**

NOTE 13 - RELATED PARTY TRANSACTIONS

There were no related party transactions that would require disclosure in the accompanying financial statements.

NOTE 14 - SUBSEQUENT EVENTS

There were no events subsequent to year-end and prior to the issuance of this report that would have a significant impact on the accompanying financial statements.

REQUIRED SUPPLEMENTAL INFORMATION
(PART 2 OF 2)

**EAST FELICIANA PARISH POLICE JURY
CLINTON, LOUISIANA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED DECEMBER 31, 2013**

	<u>Budgeted Amounts</u>		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Intergovernmental	\$ -	\$ -	\$ 59,237.00	59,237.00
Taxes	991,000.00	812,592.00	1,408,261.87	595,669.87
Franchise fees	10,000.00	10,000.00	11,441.73	1,441.73
Insurance rebates	75,000.00	75,000.00	87,634.83	12,634.83
Licenses and permits	281,500.00	182,912.00	175,644.25	(7,267.75)
Charges for services	73,050.00	67,714.00	191,962.61	124,248.61
Rents and other fees	300,000.00	300,000.00	324,360.27	24,360.27
Grants and other contributions	255,500.00	1,567,758.00	951,451.74	(616,306.26)
Interest earned	14,522.00	214.00	404.17	190.17
Other revenues	232,300.00	432,243.00	34,551.81	(397,691.19)
Total Revenues	2,232,872.00	3,448,433.00	3,244,950.28	(203,482.72)
<u>EXPENDITURES</u>				
General government	362,544.00	622,495.00	485,354.98	137,140.02
Culture and recreation	5,500.00	7,845.00	4,219.33	3,625.67
Economic development	25,000.00	25,000.00	9,208.32	15,791.68
Health and welfare	258,002.00	412,721.00	315,650.30	97,070.70
Public safety	882,200.00	928,692.00	617,762.06	310,929.94
Public works	700,000.00	895,034.00	712,732.01	182,301.99
Debt service	21,500.00	22,000.00	22,213.34	(213.34)
Capital outlay	-	460,000.00	363,014.83	96,985.17
Total Expenditures	2,254,746.00	3,373,787.00	2,530,155.17	843,631.83
Excess (Deficiency) of Revenues over Expenditures	(21,874.00)	74,646.00	714,795.11	640,149.11
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers, net	(410,000.00)	(500,000.00)	(977,912.70)	(477,912.70)
Deficiency of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	(431,874.00)	(425,354.00)	(263,117.59)	162,236.41
Fund Balances, beginning, restated	1,422,184.33	1,422,184.33	1,905,969.36	483,785.03
Fund Balances, ending	990,310.33	996,830.33	1,642,851.77	646,021.44

See Independent Auditors' Report

**EAST FELICIANA PARISH POLICE JURY
CLINTON, LOUISIANA
BUDGETARY COMPARISON SCHEDULE
ROADS & BRIDGES FUND
YEAR ENDED DECEMBER 31, 2013**

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Intergovernmental	\$ 230,000.00	\$ 230,000.00	\$ 247,335.28	\$ 17,335.28
Taxes	3,440,000.00	1,331,000.00	1,331,182.47	182.47
Licenses and permits	-	-	5,750.00	5,750.00
Grants and other contributions	-	8,000.00	7,984.79	(15.21)
Interest earned	5,300.00	500.00	484.82	(15.18)
Other revenues	-	-	12,648.94	12,648.94
Total Revenues	3,675,300.00	1,569,500.00	1,605,386.30	35,886.30
<u>EXPENDITURES</u>				
Public works	3,622,600.00	1,250,288.00	1,236,036.75	14,251.25
Capital outlay	-	160,000.00	158,157.60	1,842.40
Total Expenditures	3,622,600.00	1,410,288.00	1,394,194.35	16,093.65
Excess (Deficiency) of Revenues over Expenditures	52,700.00	159,212.00	211,191.95	51,979.95
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers, net	-	-	1,394,068.89	1,394,068.89
Sale of tangible assets	-	-	17,480.00	17,480.00
Total Other Financing Sources (Uses)	-	-	1,411,548.89	1,411,548.89
Excess of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	52,700.00	159,212.00	1,622,740.84	1,463,528.84
Fund Balances (Deficit), beginning, restated	(97,822.47)	(97,822.47)	(632,763.69)	534,941.22
Fund Balances (Deficit), ending	7,577.53	220,601.53	989,977.15	4,873,547.79

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**EAST FELICIANA PARISH POLICE JURY
CLINTON, LOUISIANA
BUDGETARY COMPARISON SCHEDULE
SOLID WASTE FUND
YEAR ENDED DECEMBER 31, 2013**

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Taxes	\$ 1,250,000.00	\$ 1,390,000.00	\$ 1,403,075.51	\$ 13,075.51
Grants and other contributions	-	96,325.00	96,324.56	(0.44)
Interest earned	4,200.00	600.00	583.96	(16.04)
Total Revenues	1,254,200.00	1,486,925.00	1,499,984.03	13,059.03
<u>EXPENDITURES</u>				
Public works	1,232,000.00	1,206,170.00	1,208,074.35	(1,904.35)
Capital outlay	80,000.00	72,050.00	70,924.00	1,126.00
Total Expenditures	1,312,000.00	1,278,220.00	1,278,998.35	(778.35)
Excess (Deficiency) of Revenues over Expenditures	(57,800.00)	208,705.00	220,985.68	13,837.38
Fund Balances, beginning	3,121,523.98	3,121,523.98	3,121,523.98	-
Fund Balances, ending	3,063,723.98	3,330,228.98	3,342,509.66	13,837.38

See Independent Auditors' Report

COMBINING AND INDIVIDUAL FUND STATEMENTS

**EAST FELICIANA PARISH POLICE JURY
CLINTON, LOUISIANA
COMBINING BALANCE SHEET
NON-MAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2013**

	<u>Coroner</u>	<u>Criminal Court</u>	<u>Health Unit</u>	<u>Totals</u>
<u>ASSETS</u>				
Cash and cash equivalents	\$ 2,171.33	\$ 2,245.96	\$ 141,848.48	\$ 146,265.77
Receivables, net:				
Accounts	280.00	6,681.20	-	6,961.20
Taxes	-	-	370,612.95	370,612.95
Due from other govt agencies	-	-	41,871.00	41,871.00
TOTAL ASSETS	2,451.33	8,927.16	554,332.43	565,710.92
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Accounts payable	-	2,605.57	-	2,605.57
Due to other funds	-	144,995.94	9,484.10	154,480.04
Due to other govt agencies	-	-	12,350.44	12,350.44
Total Liabilities	-	147,601.51	21,834.54	169,436.05
Fund Balances (Deficit):				
Restricted for health unit operations/maintenance	-	-	532,497.89	532,497.89
Committed for:				
Coroner expenses	2,451.33	-	-	2,451.33
Court operations	-	(138,674.35)	-	(138,674.35)
Total Fund Balances (Deficit)	2,451.33	(138,674.35)	532,497.89	396,274.87
TOTAL LIABILITIES AND FUND BALANCES (DEFICIT)	2,451.33	8,927.16	554,332.43	565,710.92

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**EAST FELICIANA PARISH POLICE JURY
CLINTON, LOUISIANA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED DECEMBER 31, 2013**

	<u>Coroner</u>	<u>Criminal Court</u>	<u>Health Unit</u>	<u>Totals</u>
<u>REVENUES</u>				
Intergovernmental	\$ -	\$ 8,033.00	\$ 41,871.00	\$ 49,904.00
Taxes:				
Ad valorem	-	-	357,983.68	357,983.68
Fines and forfeitures	7,930.00	116,950.51	-	124,880.51
Interest earned	1.83	1.87	127.36	131.06
	<hr/>			
Total Revenues	7,931.83	124,985.38	399,982.04	532,899.25
 <u>EXPENDITURES</u>				
Health and welfare	-	-	146,471.21	146,471.21
Public safety	18,520.02	187,343.54	-	205,863.56
	<hr/>			
Total Expenditures	18,520.02	187,343.54	146,471.21	352,334.77
	<hr/>			
Excess (Deficiency) of Revenues over Expenditures Before Other Financing Sources (Uses)	(10,588.19)	(62,358.16)	253,510.83	180,564.48
 <u>OTHER FINANCING SOURCES (USES)</u>				
Transfers, net	10,000.00	(26,156.19)	(400,000.00)	(416,156.19)
	<hr/>			
Change in Fund Balances	(588.19)	(88,514.35)	(146,489.17)	(235,591.71)
	<hr/>			
Fund Balances (Deficit), beginning	3,039.52	(50,160.00)	678,987.06	631,866.58
	<hr/>			
Fund Balances (Deficit), ending	2,451.33	(138,674.35)	532,497.89	396,274.87
	<hr/>			

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SUPPLEMENTARY SCHEDULES AND INFORMATION

**EAST FELICIANA PARISH POLICY JURY
CLINTON, LOUISIANA
SCHEDULE OF CHANGES IN DEPOSITS AND OTHER PAYABLES
FIDUCIARY FUNDS
YEAR ENDED DECEMBER 31, 2013**

	<u>Library Tax</u>	<u>Sales Tax</u>	<u>Totals</u>
Deposits, beginning of year	\$ 334,708.03	\$ 236,203.91	\$ 570,911.94
Additions:			
Taxes	323,511.18	2,899,879.33	3,223,390.51
Total Additions	323,511.18	2,899,879.33	3,223,390.51
Reductions:			
Payments to agencies	331,172.74	2,910,883.54	3,242,056.28
Total Reductions	331,172.74	2,910,883.54	3,242,056.28
Deposits, end of year	327,046.47	225,199.70	552,246.17

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**EAST FELICIANA PARISH POLICE JURY
CLINTON, LOUISIANA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2013**

Federal Grantor/Pass-Through Grantor/ Program Title	CFDA Number	Federal Expenditures
<i>Major Programs</i>		
<i>U.S. Department of Housing and Urban Development</i>		
<u>Passed Through</u>		
<i>Division of Administration - Office of Community Development</i>		
Community Development Block Grant	14.228	\$ 585,084.74
<i>Non-Major Programs</i>		
<i>U. S. Department of Transportation</i>		
<u>Passed Through</u>		
<i>Louisiana Department of Transportation and Development</i>		
Council on Aging Grant	20.509	222,916.27
<i>U.S. Federal Emergency Management Agency</i>		
<i>Office of Homeland Security</i>		
<u>Passed Through</u>		
<i>Governor's Office of Homeland Security and Emergency Preparedness</i>		
Emergency Management Performance Grant	97.067	34,586.00
State Homeland Security Program	97.073	71,132.26
Urban Area Security Initiative	97.008	27,563.00
Assistance to Communities	97.036	166,982.31
<i>U.S. Department of Health and Human Services</i>		
<i>Centers for Disease Control and Prevention</i>		
<u>Passed Through</u>		
<i>Louisiana Office of Public Health</i>		
Cities Readiness Initiatives	93.069	17,976.00
		<u>1,126,240.58</u>

**Notes to Schedules of Expenditures of Federal Awards
Year Ended December 31, 2013**

Basis of Presentation

This schedule of expenditures of federal awards includes the federal grant activity of the East Feliciana Parish Police Jury and is presented on the accrual basis of accounting. 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*.

See Independent Auditors' Report

**EAST FELICIANA PARISH POLICE JURY
CLINTON, LOUISIANA
SCHEDULE OF SUBSEQUENT BUDGETS
YEAR ENDING DECEMBER 31, 2014**

	Fund		
	General	Roads & Bridges	Solid Waste
<u>REVENUES</u>			
Taxes	\$ 742,988	\$ 1,510,000	\$ 1,150,000
Licenses and permits	338,000	-	-
Charges for services	25,950	-	-
Rents and other fees	350,000	-	-
Interest earned	1,000	5,200	4,200
	638,062	-	-
Other revenues	85,000	-	-
	Total Revenues	1,515,200	1,154,200
	2,181,000		
<u>EXPENDITURES</u>			
General government	650,000	-	-
Culture and recreation	4,000	-	-
Economic development	57,000	-	-
Health and welfare	145,000	-	-
Public safety	1,075,000	-	-
Public works	220,000	1,315,200	1,154,200
Debt service	30,000	-	-
	Total Expenditures	1,315,200	1,154,200
	2,181,000		
Excess of Revenues over Expenditures	-	200,000	-
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers	-	(100,000)	100,000
Excess of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	-	100,000	100,000
Fund Balances, beginning	1,905,969	(632,764)	3,121,524
Fund Balances, ending	1,905,969	(532,764)	3,221,524

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**EAST FELICIANA PARISH POLICE JURY
CLINTON, LOUISIANA
SCHEDULE OF COMPENSATION PAID TO GOVERNING MEMBERS
YEAR ENDED DECEMBER 31, 2013**

This schedule is presented in accordance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature.

<u>Name of Police Juror</u>	<u>Amount</u>
District 1-A Dennis Aucoin (President)	\$ 11,028.00
District 1-B Chris Hall	10,428.00
District 2 Edward Brooks, Sr. (Vice-President)	10,428.00
District 3 Jason H. McCray	10,428.00
District 4-A Keith Mills	10,403.00
District 4-B Dwight Hill	10,428.00
District 5 Larry Beauchamp	10,428.00
District 6 Karl "Bubba" Chaney	10,403.00
District 7 Louis Kent	<u>10,428.00</u>
Total	<u>94,402.00</u>

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Louisiana Society of Certified Public Accountants
American Institute of Certified Public Accountants
Association of Governmental Accountants
Governmental Audit Quality Control Center

**INDEPENDENT AUDITORS' 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**

Mr. J. R. Rouchon, Parish Manager
and the Members of the Police Jury
East Feliciana Parish Police Jury
P. O. Box 427
Clinton, Louisiana 70722

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and remaining fund information of the East Feliciana Parish Police Jury as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the East Feliciana Parish Police Jury's financial statements, and have issued our report thereon dated June 27, 2014.

Internal Control over Financial Reporting

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

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

of a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

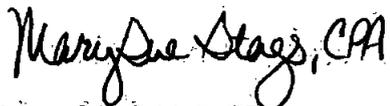
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the East Feliciana Parish Police Jury's financial statements are free from material misstatement, we 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 our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that is required to be reported under *Government Auditing Standards* and is identified in the accompanying schedule of findings and questioned costs as 2013.01 and 2013.02.

Purpose of this Report

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

This report is intended solely for the information and use of management, others within the agency, the Legislative Auditor and 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



Mary Sue Stages, CPA
A Professional Accounting Corporation
Baker, LA
June 27, 2014

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American Institute of Certified Public Accountants
Association of Governmental Accountants
Governmental Audit Quality Control Center*

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS
FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH OMB CIRCULAR A-133**

Mr. J. R. Rouchon, Parish Manager
and the Members of the Police Jury
East Feliciana Parish Police Jury
P. O. Box 427
Clinton, Louisiana 70722

Report on Compliance for Each Major Federal Program

We have audited the East Feliciana Parish Police Jury's compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the East Feliciana Parish Police Jury's major federal programs for the year ended December 31, 2013. The Organization's major federal programs are identified in the accompanying schedule of federal awards.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on the East Feliciana Parish Police Jury's compliance for each major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our 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 we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the East Feliciana Parish Police Jury's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the East Feliciana Parish Police Jury's compliance with those requirements.

Opinion on Each Major Federal Program

In our opinion, the East Feliciana Parish Police Jury complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2013.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as item 2013-03. Our opinion on each major federal program is not modified with respect to this matter.

The East Feliciana Parish Police Jury's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

Management of the East Feliciana Parish Police Jury is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the East Feliciana Parish Police Jury's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with *OMB Circular A-133*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the East Feliciana Parish Police Jury's internal control over compliance.

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

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance as described in the accompanying schedule of findings and questioned costs as item 2013-03 that we consider to be a significant deficiency.

The purpose of this report is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirement of *OMB Circular A-133*. Accordingly, this report is not suitable for any other purpose.



Mary Sue Stages, CPA
A Professional Accounting Corporation
June 27, 2014

**EAST FELICIANA PARISH POLICE JURY
CLINTON, LOUISIANA
SCHEUDLE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2013**

We have audited the basic financial statements of the East Feliciana Parish Police Jury as of and for the year ended December 31, 2013, and have issued our report thereon dated June 27, 2014. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of December 31, 2013, resulted in an unmodified opinion on the primary government only.

Section I Summary of Auditor's Reports

- A. Report on Compliance and Internal Control Material to the Financial Statements
- | | | |
|--------------------------|----------------------------------|-------|
| Compliance/Other Matters | Material to Financial Statements | ■ Yes |
| Internal Control | Deficiency(ies) | ■ No |
| | Material Weaknesses | ■ No |
- B. Federal Awards
- | | | |
|--------------------------|----------------------------------|-------|
| Compliance/Other Matters | Material to Financial Statements | ■ No |
| Internal Control | Deficiency(ies) | ■ Yes |
| | Material Weaknesses | ■ No |
- C. Identification of Major Programs
- ▶The programs tested as major programs included: U.S. Department of Housing and Urban Development/Community Development Block Grant (14.228).
 - ▶The threshold for distinguishing Types A and B programs was \$300,000.
 - ▶East Feliciana Parish Police Jury was determined to be a low-risk auditee.

Section II Financial Statement Findings

2013-01 Fund Deficits

Criteria. Public bodies should operate in such a manner as to alleviate operating results that result in deficit net assets.

Condition. The Criminal Court Fund has a net deficit of \$138,674.35 at December 31, 2013 (*This is a repeat finding*).

Impact. The General Fund may be required to utilize its assets to compensate thereby hindering its ability to provide services to citizens of the parish.

Continued

**EAST FELICIANA PARISH POLICE JURY
CLINTON, LOUISIANA
SCHEUDLE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2013**

Recommendation. We recommend that management continue to monitor the expenditures of this fund and consider further assistance from the General Fund.

Management's Response. During 2014, the Jurors will consider reclassifying the amount provided to the Criminal Court as a transfer to cover any deficits in this fund.

2013-02 Budget

Criteria. The East Feliciana Parish Police Jury is subject to La. R.S. 39:1301-1315, Local Government Budget Act. This act requires a budget amendment whenever there is a 5% variance in revenues or expenditures.

Condition. Transfers in the General Fund were budgeted at \$500,000. The actual transfers to other funds during 2013 totaled \$977,913.

Impact. As a result, the actual transfers were 95% more than the adopted budget.

Recommendation. We recommend that management follow up with any required amendments to the budget based on changes in operations or other facts not known at the time the budget was prepared and adopted. This should be done through ordinance in a public meeting.

Management's Response. The overage was a result of the forgiveness of debt between funds that occurred in prior years. This was accomplished by a formal vote of the police jurors in an open meeting. In the future, however, we will follow up with a budget amendment ordinance.

Section III Federal Award Findings and Questioned Costs

2013-03 Compliance with Reporting Requirements of Federal Audit Clearinghouse

Criteria. The Office of Management and Budget requires that an audited financial statement be submitted to the Federal Audit Clearinghouse within nine months of the close of an entity's fiscal year or September 30th when any one federal program or a cluster of federal programs' expenditures exceed \$500,000.

Condition. This deadline was not met for the year-ended December 31, 2013.

Impact. The Police Jury is not in compliance with applicable laws.

Recommendation. We recommend that the Police Jury be cognizant of this deadline when any one program or a cluster of federal programs' expenditures exceed \$500,000.

Management's Response. We will comply with this recommendation.

**EAST FELICIANA PARISH POLICE JURY
CLINTON, LOUISIANA
SCHEDULE OF PRIOR YEAR FINDINGS
YEAR ENDED DECEMBER 31, 2013**

Section I Internal Control and Compliance Material to the Financial Statements

<p>2009-01 Fund Deficits (2010-01, 2011-01 and 2012-01)</p> <p><i>Recommendation:</i> To continue to manage the expenditures of the Roads & Bridges Fund and consider assistance from General Fund to cover Criminal Court expenses</p>	<p><i>Partially Resolved; See Finding 2013-01.</i></p> <p><i>The Roads & Bridges Fund no longer has a deficit.</i></p>
<p>2012-02 Compliance with Audit Law</p> <p><i>Recommendation:</i> To engage auditor timely in order to timely submit the annual financial report</p>	<p><i>Resolved</i></p>

Section II Compliance and Internal Control Material to Federal Awards

None

Section III Management Letter

None

**EAST FELICIANA PARISH POLICE JURY
CLINTON, LOUISIANA
MANAGEMENT'S CORRECTIVE ACTION PLAN
YEAR ENDED DECEMBER 31, 2013**

Section I Compliance and Internal Control Material to the Financial Statements

<p>2013-01 Fund Deficits</p> <p><i>Recommendation:</i> To continue plans to alleviate fund deficits within a specified time period</p> <p><i>Management's Response:</i> Management sought the advice of its financial advisor to create an appropriate plan of action that went into effect in 2011. We were able to decrease the deficit of the Roads & Bridges Fund in 2013</p> <p>Consideration for reclassification will be given to the Criminal Court in 2014.</p>	<p><i>Person Responsible.</i> J.R. Rouchon</p> <p><i>Estimated Completion.</i> to be determined</p>
<p>2013-02 Budget</p> <p><i>Recommendation:</i> To amend the budget through a budget ordinance in a public meeting</p> <p><i>Management's Response:</i> The overage was a result of the forgiveness of debt between funds that occurred in prior years that was accomplished by a formal vote of the police jurors in an open meeting.</p>	<p><i>Person Responsible.</i> J.R. Rouchon</p> <p><i>Resolved</i></p>

Section II Compliance and Internal Control Material to Federal Awards

<p>2013-03 Compliance with Reporting Requirements of FAC</p> <p><i>Recommendation:</i> To properly classify all grant awards to identify federal awards and timely submit through SFAC if federal expenditures exceed \$500,000</p> <p><i>Management's Response:</i> Management will comply</p>	<p><i>Person Responsible.</i> J R Rouchon</p> <p><i>Estimated Completion.</i> 6/30/2015</p>
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Section III Management Letter

N/A