

**ALLEN PARISH POLICE JURY**

Oberlin, Louisiana

**ANNUAL FINANCIAL STATEMENTS**

As of December 31, 2014 and for the Year Then Ended

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**INDEPENDENT AUDITOR'S REPORT**

To the Allen Parish Police Jury  
Oberlin, Louisiana

**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 Allen Parish Police Jury, as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the basic financial statements of the Police Jury's primary government 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 opinions on these 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, 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 Police Jury's legally separate component units. Accounting principles generally accepted in the United States of America require financial data for those component units to be reported with the financial data of the Police Jury's primary government

unless the Police Jury also issues financial statements for the financial reporting entity that include the financial data for its component units. The Police Jury has not issued such reporting entity financial statements. The amount by which this departure would affect the assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, revenues, and expenses of the aggregate discretely presented component units is not reasonably determinable. The amount by which this departure would affect the assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balances, revenues and expenditures of the aggregate remaining fund information is not reasonably determinable.

### **Adverse Opinion**

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" paragraph, the financial statements referred to above do not present fairly the financial position of the aggregate discretely presented component units of the Allen Parish Policy Jury as of December 31, 2014, or the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Qualified Opinion**

In our opinion, except for the effects of the matter described in the "Basis for Adverse Opinion on Aggregate Discretely Presented Component Units and Qualified Opinion on Aggregate Remaining Fund Information" paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the aggregate remaining fund information of the Allen Parish Policy Jury, as of December 31, 2014, 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.

### **Unmodified Opinions**

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 Allen Parish Police Jury* as of December 31, 2014, 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 budgetary comparison information on pages 37 through 43 and Schedule of Funding Progress on page 44 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. 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 basic financial statements, and other knowledge we obtained during our audit of the basic 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.

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by

the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Allen Parish Police Jury's basic financial statements. The schedule of compensation, benefits, and other payments to agency head or chief executive officer on page 46, the schedule of compensation paid elected officials on page 47, and the Community Grant Agreement-Coushatta Tribe of Louisiana on page 48 are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

The schedule of compensation paid elected officials, the Community Grant Agreement-Coushatta Tribe of Louisiana, the schedule of compensation, benefits, and other payments to agency head or chief executive officer, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate 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 schedule of compensation paid elected officials, the Community Grant Agreement-Coushatta Tribe of Louisiana, the schedule of compensation, benefits, and other payments to agency head or chief executive officer, and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2015, on our consideration of the Allen Parish Police Jury's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of 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 Allen Parish Police Jury's internal control over financial reporting and compliance.



Gates & Company, LLC  
Sulphur, Louisiana  
June 29, 2015

## BASIC FINANCIAL STATEMENTS

ALLEN PARISH POLICE JURY  
Oberlin, Louisiana  
Statement of Net Position - Governmental Activities  
December 31, 2014

	Governmental Activities
<b>ASSETS</b>	
Cash	\$ 4,863,667
Receivables	2,799,073
Due from other governments	587,069
Inventory	45,179
Prepaid assets	2,989
Capital assets, net of accumulated depreciation	<u>23,973,829</u>
TOTAL ASSETS	<u>32,271,806</u>
<b>LIABILITIES</b>	
Accounts payable	626,637
Accrued interest payable	1,476
Unearned revenue	48,703
Bonds payable - due within one year	62,000
Compensated absences payable - due within one year	26,940
OPEB obligations - due in more than one year	1,149,691
Bonds payable - due in more than one year	<u>148,000</u>
TOTAL LIABILITIES	<u>2,063,447</u>
<b>NET POSITION</b>	
Net investment in capital assets	23,763,829
Restricted for:	
Inventory	45,179
Judicial	707,217
Other general government	377,538
Public safety	874
Public works	4,878,341
Economic development	29,735
Sanitation	546,633
Capital projects	120,837
Debt service	256
Unrestricted	<u>(262,080)</u>
TOTAL NET POSITION	<u><u>\$ 30,208,359</u></u>

The accompanying notes are an integral part of this statement.

ALLEN PARISH POLICE JURY  
Oberlin, Louisiana  
Statement of Activities  
For the Year Ended December 31, 2014

	Expenses	Program Revenues			Governmental
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Activities Net (Expense) Revenue and Change in Net Position
<b>FUNCTIONS/PROGRAMS</b>					
Primary Government:					
Governmental activities:					
General government	\$ 2,194,302	\$ 230,115	\$ 16,150	\$ -	\$ (1,948,037)
Public safety	592,121	-	513	-	(591,608)
Public works	6,135,280	-	374,203	-	(5,761,077)
Economic development	302,516	73,693	66,854	128,448	(33,521)
Other governments	719,358	-	755,647	-	36,289
Interest on long-term debt	4,853	-	-	-	(4,853)
Total governmental activities	<u>\$ 9,948,430</u>	<u>\$ 303,808</u>	<u>\$ 1,213,367</u>	<u>\$ 128,448</u>	<u>\$ (8,302,807)</u>
GENERAL REVENUES					
Taxes:					
Ad valorem					3,151,619
Sales and use					1,871,684
Severance					1,135,569
Other					354
State revenue sharing					175,817
All other revenues					1,276,190
Investment earnings					14,301
Special items:					
Gain on disposal of assets					1,252
				Total General Revenues	<u>7,626,786</u>
CHANGE IN NET POSITION					
					(676,021)
NET POSITION - BEGINNING					
					30,884,380
NET POSITION - ENDING					
					<u>\$ 30,208,359</u>

The accompanying notes are an integral part of this statement.

ALLEN PARISH POLICE JURY  
Oberlin, Louisiana  
Balance Sheet, Governmental Funds  
December 31, 2014

	MAJOR FUNDS			
	GENERAL FUND	SOLID WASTE FUND	HOSPITAL RETROFIT FUND	COMPACT FUND
<b>ASSETS</b>				
Cash	\$ 240,932	\$ 547,105	\$ 187	\$ 294,855
Receivables	234,039	-	-	98,228
Due from other governments	281,570	131,093	-	-
Inventory	-	-	-	-
Due from other funds	41,502	-	-	-
Prepaid assets	-	-	-	2,989
<b>TOTAL ASSETS</b>	<b>\$ 798,043</b>	<b>\$ 678,198</b>	<b>\$ 187</b>	<b>\$ 396,072</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 76,705	\$ 131,565	\$ -	\$ 11,830
Unearned revenue	-	-	-	-
Due to other funds	4,923	-	-	3,715
<b>Total Liabilities</b>	<b>81,628</b>	<b>131,565</b>	<b>-</b>	<b>15,545</b>
<b>Deferred inflows of resources:</b>				
Unavailable revenue	20,863	-	-	-
<b>Total Deferred inflows of Resources</b>	<b>20,863</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances:</b>				
Nonspendable - prepaids	-	-	-	2,989
Nonspendable - inventory	-	-	-	-
<b>Restricted:</b>				
Judicial	-	-	-	-
Other general government	-	-	-	377,538
Public safety	-	-	-	-
Public works	-	-	-	-
Economic development	-	-	-	-
Sanitation	-	546,633	-	-
Capital projects	-	-	187	-
Debt service	-	-	-	-
<b>Committed:</b>				
Other general government	-	-	-	-
<b>Assigned:</b>				
Other general government	-	-	-	-
Public works	-	-	-	-
Negative unassigned	-	-	-	-
Unassigned	695,552	-	-	-
<b>Total Fund Balances</b>	<b>695,552</b>	<b>546,633</b>	<b>187</b>	<b>380,527</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 798,043</b>	<b>\$ 678,198</b>	<b>\$ 187</b>	<b>\$ 396,072</b>

The accompanying notes are an integral part of this statement.

MAJOR FUNDS				
PARISH ROAD FUND	ROAD DISTRICT #2 MTC. FUND	ROAD DISTRICT #3 MTC. FUND	NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
\$ 11,995	\$ 832,228	\$ 1,631,244	\$ 1,305,121	\$ 4,863,667
-	602,271	534,089	1,330,446	2,799,073
32,096	-	-	142,310	587,069
-	-	-	45,179	45,179
-	224	626	20,107	62,459
-	-	-	-	2,989
<u>\$ 44,091</u>	<u>\$ 1,434,723</u>	<u>\$ 2,165,959</u>	<u>\$ 2,843,163</u>	<u>\$ 8,360,436</u>
\$ 52,130	\$ 35,637	\$ 34,224	\$ 284,546	\$ 626,637
-	-	-	48,703	48,703
24,829	-	-	28,992	62,459
<u>76,959</u>	<u>35,637</u>	<u>34,224</u>	<u>362,241</u>	<u>737,799</u>
-	51,888	36,961	143,440	253,152
-	51,888	36,961	143,440	253,152
-	-	-	-	2,989
-	-	-	45,179	45,179
-	-	-	707,217	707,217
-	-	-	-	377,538
-	-	-	874	874
32,096	1,347,198	2,094,774	1,404,273	4,878,341
-	-	-	29,735	29,735
-	-	-	-	546,633
-	-	-	120,650	120,837
-	-	-	256	256
-	-	-	1,142	1,142
-	-	-	20,767	20,767
-	-	-	8,713	8,713
(64,964)	-	-	(1,324)	(66,288)
-	-	-	-	695,552
<u>(32,868)</u>	<u>1,347,198</u>	<u>2,094,774</u>	<u>2,337,482</u>	<u>7,369,485</u>
<u>\$ 44,091</u>	<u>\$ 1,434,723</u>	<u>\$ 2,165,959</u>	<u>\$ 2,843,163</u>	<u>\$ 8,360,436</u>

ALLEN PARISH POLICE JURY  
Oberlin, Louisiana  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
December 31, 2014

TOTAL FUND BALANCE FOR GOVERNMENTAL FUNDS AT DECEMBER 31, 2014	\$ 7,369,485
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Total Net Position reported for governmental activities in the Statement of Net Position is different because:

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

Capital assets, net of accumulated depreciation	23,973,829
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Certain property tax revenue receivable that will not be collected within 60 days of year end are not considered available in the governmental funds.	135,940
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Certain revenue sharing receivable that will not be collected within 60 days of year end are not considered available in the governmental funds.	117,212
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Certain liabilities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities are reported in the statement of net position.

Bonds payable	\$ 210,000	
Accrued interest payable	1,476	
OPEB obligations	1,149,691	
Compensated absences payable	26,940	(1,388,107)
	<u>26,940</u>	<u>(1,388,107)</u>

TOTAL NET POSITION OF GOVERNMENTAL ACTIVITIES AT DECEMBER 31, 2014	\$ <u>30,208,359</u>
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The accompanying notes are an integral part of this statement.

ALLEN PARISH POLICE JURY  
Oberlin, Louisiana  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds  
For the Year Ended December 31, 2014

	MAJOR FUNDS				
	GENERAL FUND	SOLID WASTE FUND	HOSPITAL RETROFIT FUND	COMPACT FUND	PARISH ROAD FUND
<b>REVENUES</b>					
Taxes:					
Ad valorem	\$ 267,422	\$ -	\$ -	\$ -	\$ -
Sales and use	-	1,810,898	-	-	-
Other taxes, penalties, interest, etc.	354	-	-	-	-
Licenses and permits	92,659	-	-	-	-
Intergovernmental revenues:					
Federal and state grants	270,598	2,346	134,397	-	-
State funds:					
Parish transportation funds	-	-	-	-	346,713
State revenue sharing	15,194	-	-	-	-
Severance taxes	1,135,569	-	-	-	-
Other state funds	115,231	-	-	-	-
Fees, charges and commissions					
for services	11,486	-	-	-	-
Fines and forfeitures	3,178	-	-	-	-
Gaming revenues	-	-	-	392,912	-
Investment earnings	916	1,212	29	197	7
Other revenues	48,514	12,425	-	-	1,366
<b>TOTAL REVENUES</b>	<b>1,961,121</b>	<b>1,826,881</b>	<b>134,426</b>	<b>393,109</b>	<b>348,086</b>
<b>EXPENDITURES</b>					
Current:					
General government:					
Legislative	166,344	-	-	-	-
Judicial	178,318	-	-	-	-
Elections	26,970	-	-	-	-
Financial and administrative	114,856	-	-	-	-
Other	51,821	-	-	556,201	-
Public safety	573,176	-	-	-	-
Public works	-	1,850,664	-	-	942,295
Payments to other governments	274,602	-	134,397	-	-
Economic development and assistance	44,879	-	-	-	-
Debt service:					
Principal retirement	-	-	-	-	-
Interest	-	-	-	-	-
Capital outlay	11,450	4,800	-	101,357	1,530
<b>TOTAL EXPENDITURES</b>	<b>1,442,416</b>	<b>1,855,464</b>	<b>134,397</b>	<b>657,558</b>	<b>943,825</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>518,705</b>	<b>(28,583)</b>	<b>29</b>	<b>(264,449)</b>	<b>(595,739)</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Bond proceeds	-	-	-	-	-
Transfers in	38,579	-	-	-	577,000
Transfers out	(693,196)	-	-	-	(3,562)
Proceeds from sale of assets	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(654,617)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>573,438</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(135,912)</b>	<b>(28,583)</b>	<b>29</b>	<b>(264,449)</b>	<b>(22,301)</b>
<b>FUND BALANCES(DEFICIT)-BEGINNING</b>	<b>831,464</b>	<b>575,216</b>	<b>158</b>	<b>644,976</b>	<b>(10,567)</b>
<b>FUND BALANCES(DEFICIT)-ENDING</b>	<b>\$ 695,552</b>	<b>\$ 546,633</b>	<b>\$ 187</b>	<b>\$ 380,527</b>	<b>\$ (32,868)</b>

The accompanying notes are an integral part of this statement.

MAJOR FUNDS		NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ROAD DISTRICT #2 MTC. FUND	ROAD DISTRICT #3 MTC. FUND		
\$ 711,170	\$ 727,256	\$ 1,424,369	\$ 3,130,217
-	-	60,786	1,871,684
-	-	-	354
-	-	53,048	145,707
-	-	813,522	1,220,863
-	-	-	346,713
39,175	28,746	93,852	176,967
-	-	-	1,135,569
-	-	-	115,231
-	-	146,615	158,101
-	-	361,943	365,121
-	-	19,644	412,556
1,872	3,419	6,649	14,301
4,051	15,741	75,423	157,520
<u>756,268</u>	<u>775,162</u>	<u>3,055,851</u>	<u>9,250,904</u>
-	-	-	166,344
-	-	795,694	974,012
-	-	-	26,970
-	-	-	114,856
-	-	109,599	717,621
-	-	515	573,691
498,663	640,865	1,317,689	5,250,176
-	-	310,360	719,359
-	-	51,513	96,392
-	-	33,000	33,000
-	-	5,068	5,068
7,654	9,620	326,407	462,818
<u>506,317</u>	<u>650,485</u>	<u>2,949,845</u>	<u>9,140,307</u>
<u>249,951</u>	<u>124,677</u>	<u>106,006</u>	<u>110,597</u>
-	-	55,000	55,000
-	-	121,649	737,228
-	-	(40,470)	(737,228)
626	626	-	1,252
<u>626</u>	<u>626</u>	<u>136,179</u>	<u>56,252</u>
250,577	125,303	242,185	166,849
1,096,621	1,969,471	2,095,297	7,202,636
<u>\$ 1,347,198</u>	<u>\$ 2,094,774</u>	<u>\$ 2,337,482</u>	<u>\$ 7,369,485</u>

ALLEN PARISH POLICE JURY  
 RECONCILIATION OF THE STATEMENT OF REVENUES,  
 EXPENDITURES, AND CHANGES IN FUND BALANCES OF  
 GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
 For the Year Ended December 31, 2014

NET CHANGE IN FUND BALANCE - TOTAL GOVERNMENTAL FUNDS	\$	166,849
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 and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation expense:		
Capital outlay	\$	462,818
Depreciation expense		<u>(1,154,745)</u>
		(691,927)
Certain property tax revenues receivable will not be collected for several months after year end are not considered available in the governmental funds.		21,403
Certain revenue sharing receivable will not be collected for several months after year end are not considered available in the governmental funds.		(1,150)
Repayment of bond principal is an expenditure in the governmental funds but reduces long-term liabilities in the statement of net position.		33,000
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position.		(55,000)
In the statement of activities some expenses do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Prior year accrued interest payable exceeded the current year payable.		215
Prior year compensated absences exceeded the current year payable.		10,709
OPEB obligations exceed the prior year obligations		<u>(160,120)</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$</u>	<u>(676,021)</u>

The accompanying notes are an integral part of this statement.

ALLEN PARISH POLICE JURY  
Oberlin, Louisiana  
Statement of Fiduciary Net Position  
December 31, 2014

	<u>AGENCY FUND</u>
<b>Assets</b>	
Cash and cash equivalents	\$ 141,873
Due from other governments	<u>93,831</u>
Total Assets	<u>\$ 235,704</u>
<b>Liabilities</b>	
Held for others	<u>\$ 235,704</u>
Total Liabilities	<u>\$ 235,704</u>

The accompanying notes are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

ALLEN PARISH POLICE JURY  
Oberlin, Louisiana  
Notes to the Financial Statements  
As of and for the Year Ended December 31, 2014

**INTRODUCTION**

The Allen Parish Police Jury is the governing authority for Allen Parish and is a political subdivision of the State of Louisiana. The police jury is governed by seven jurors representing the various districts within the parish. The jurors serve four-year terms that expire on January 1, 2016.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**Financial Reporting Entity**

The financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Governmental Accounting Standards (GASB) Statement No. 14 established criteria for determining which component units should be considered part of the police jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. These criteria include:

1. Appointing a voting majority of an organization's governing body, and
  - a. It is able to impose its will on the organization, and/or
  - b. There is a potential for the entity to provide specific financial benefits to or impose specific financial burdens on the police jury.
2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.
3. Organizations for which the reporting entity's financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Political subdivisions which would be required to be included, based on criteria established by Governmental Accounting Standards Board (GASB) Statement No. 14, "The Financial Reporting Entity", issue separate financial statements, and have not been included in the primary government financial statements of the Allen Parish Police Jury. The exclusion of these component units is a departure from generally accepted accounting principles. The financial statements of the component units that are part of the financial reporting entity, but are excluded from the financial statements, are as follows:

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Allen Action Agency, Inc.	Recreation District No. 6 of Allen Parish
Allen Parish Ambulance Service District No. 1	Allen Parish Tourist Commission
Allen Parish Assessor	Waterworks District No. 1 of Allen Parish
Allen Parish Clerk of Court	Bayou Blue Gravity Drainage District No. 1
Allen Parish Ward 3 Fire Protection District No. 2	District Attorney of the Thirty-Third Judicial District
Allen Parish Fire Protection District No. 3	East Allen Parish Waterworks District
Fire Protection District No. 4 of Allen Parish	Kinder Gravity Drainage District No. 2
Allen Parish Fire Protection District No. 5	Northwest Allen Parish Waterworks District
Allen Parish Fire Protection District No. 6	Oakdale Recreation District No. 1 of Allen Parish
Hospital Service District No. 3 of the Parish of Allen	Recreation District No. 2 of Allen Parish
Allen Parish Industrial District No. 5	Southwest Allen Parish Water District No. 2
Allen Parish Library	Thirty-Third Judicial District Court Judicial Expense Fund
Allen Parish Mosquito Abatement District	West Allen Parish Water District
Allen Parish Recreation District No. 3	Allen Parish Reservoir District
Allen Parish Recreation District No. 4	
Allen Parish Recreation District No. 5 of Oberlin	

The police jury has chosen to issue financial statements of the primary government (police jury) only; therefore, none of the previously listed component units are included in the accompanying financial statements. Financial statements for these component units can be obtained from the individual component units.

These primary government (police jury) financial statements include all major funds, aggregate non-major funds, and organizations for which the police jury maintains the accounting records. The Thirty-Third Judicial District Criminal Court Fund for which the police jury maintains the accounting records is considered part of the primary government (police jury).

GASB Statement No. 14 provides for the issuance of primary government financial statements that are separate from those of the reporting entity. However, the primary government (police jury) financial statements are not a substitute for the reporting entity's financial statements. The police jury has chosen to issue financial statements of the primary government only. As such, these financial statements are not intended to and do not report on the reporting entity but rather are intended to reflect only the financial statements of the primary government (police jury).

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

The accompanying financial statements of the Allen Parish Police Jury have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of these notes.

Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:513 and to the guidance set forth in the industry audit guide, Audits of State and Local Governments, issued by the American Institute of Certified Public Accountants and the Louisiana Governmental Audit Guide.

## **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### **A. Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as nonmajor funds.

Governmental funds account for all of the police jury's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of capital assets, and the servicing of general long-term obligations. Governmental funds include the following:

1. The General Fund is the general operating fund of the police jury and accounts for all financial resources, except those required to be accounted for in other funds.
2. Special revenue funds account for the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.
3. Debt service funds account for transactions relating to resources retained and used for the payment of principal and interest on those long-term obligations.
4. Capital projects funds account for financial resources received and used for the acquisition, construction, or improvement of capital facilities not reported in the other governmental funds.

### **B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. All assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues, expenses, gains and losses are measured and reported using the economic resources measurement focus and accrual basis of accounting.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, interest, state revenue sharing, sales tax revenue, parish transportation fund revenue, grants, severance tax revenue and hotel tax revenue associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The emphasis on fund financial statements is on major governmental funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the entity or meets the following criteria:

- a. Total assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The major funds are described below:

The General Fund is the police jury's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Solid Waste Fund accounts for the proceeds of a sales tax to be used for the collection and disposal of solid waste in Allen Parish.

The Hospital Retrofit Fund accounts for grant revenue received and the costs associated with certain improvements to the Allen Parish Hospital.

The Compact Fund accounts for the receipt and disbursement of grant revenues received from the Coushatta Tribe of Louisiana.

The Parish Road Fund accounts for parish transportation funds received and for the costs associated with constructing and maintaining the road system within the parish.

The Road District No. 2 Maintenance Fund accounts for ad valorem taxes and state revenue sharing funds received and for the costs associated with constructing and maintaining the road system within Road District No. 2.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The Road District No. 3 Maintenance Fund accounts for ad valorem taxes and state revenue sharing funds received and for the costs associated with constructing and maintaining the road system within Road District No. 3.

Additionally, the government reports the following fund types:

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the police jury. Fiduciary funds include:

- A. Agency funds account for assets that the police jury holds on behalf of others as their agent. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

When an expense is incurred for which both restricted and unrestricted net position is available, it is the police jury's policy to apply restricted net position first.

### C. Deposits and Investments

The police jury's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. State law and the police jury's investment policy allow the police jury to invest in collateralized certificates of deposits, government backed securities, commercial paper, the state sponsored investment pool, and mutual funds consisting solely of government backed securities.

### D. Inventories

Inventories are valued at cost which approximates market, using the first-in/first out (FIFO) method and consists of fuel for resale. The costs of inventories are recorded as expenditures when used (consumption method).

### E. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**E. Receivables and Payables**

Property tax millage rates are adopted in July for the calendar year in which the taxes are levied and recorded. All taxes are due and collectible when the assessment rolls are filed on or before November 15<sup>th</sup> of the current year, and become delinquent after December 31<sup>st</sup>. Property taxes not paid by the end of February are subject to lien. The following is a summary of authorized and levied ad valorem taxes:

	Authorized Millage	Levied Millage	Expiration Date
Parish wide taxes:			
General	3.27	3.27	-
Courthouse & Jail	4.0	4.0	2022
Special revenue funds:			
District Maintenance taxes:			
No. 1	10.35	10.35	2021
No. 1	22.03	22.03	2015
No. 1A	8.03	8.03	2015
No. 2	5.52	5.52	2021
No. 2	7.37	7.37	2020
No. 2	11.04	11.04	2021
No. 3	9.63	9.63	2021
No. 3	10.48	10.48	2019
No. 3	35.79	35.79	2015
No. 4	30.19	30.19	2015
No. 4	21.14	21.14	2015
No. 5	5.30	5.30	2022
No. 5	8.69	8.69	2019
No. 5A	2.79	2.79	2015

The following are the principal taxpayers for the parish and related ad valorem tax revenue for the police jury:

Taxpayer	Type of Business	Assessed Valuation	% of Total Assessed Valuation
Union Pacific Railroad	Railroad	\$ 5,187,970	5.86%
Cleco Corporation	Utility	5,165,500	5.84%
Texas Eastern Transmission	Utility	3,819,010	4.32%
Total		<u>\$ 14,172,480</u>	<u>16.02%</u>

*Sales Taxes.* On September 29, 1984, voters of the parish approved a seven-tenths of one per cent sales tax, which is dedicated to the collection and disposal of solid waste. The tax is for a fifteen year period and expires on November 30, 1999. Effective January 1, 1985, the jury entered into an agreement with the Allen Parish School Board whereby the school board will provide collection services for a fee of two percent of total collections. On November 20, 1999, voters of the parish renewed this tax for a fifteen year period and the tax expires on November 30, 2014. On May 4, 2013, voters of the parish renewed this tax for a fifteen year period beginning on December 1, 2014 and expiring on November 30, 2029.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**F. Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The police jury maintains a threshold level of \$1,500 or more for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

Description	Estimated Lives
Roads, bridges, and infrastructure	40 – 50 years
Buildings and building improvements	20 – 40 years
Furniture and fixtures	5 – 10 years
Vehicles	5 – 10 years
Equipment	5 – 15 years

**G. Compensated Absences**

The police jury has the following policy relating to vacation and sick leave:

Employees of the Allen Parish Police Jury receive from 5 to 20 days of vacation leave each year, depending on their length of service. Vacation leave must be used in the year earned or it is forfeited. In addition, police jury employees earn up to 13 days of sick leave each year. Sick leave can be accumulated without limitation, however, accumulated sick leave is forfeited upon termination of employment.

Permanent employees of the Allen Parish Police Jury earn compensatory time at the rate of 1.5 per hour for overtime hours worked. Effective in 2011, any compensatory time accumulated by April 2, 2011 and any compensatory time earned in the months to follow shall all be used or lost on December 31, 2011 and each succeeding year thereafter. Unused compensatory time at the time of termination will be paid to the employee at that time.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### G. Compensated Absences

The police jury's recognition and measurement criteria for compensated absences follows:

GASB Statement No. 16 provides that vacation leave and other compensated absences with similar characteristics should be accrued as a liability as the benefits are earned by the employees if both of the following conditions are met:

1. The employees' rights to receive compensation are attributable to services already rendered.
2. It is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

GASB Statement No. 16 provides that a liability for sick leave should be accrued using one of the following termination approaches.

1. An accrual for earned sick leave should be made only to the extent it is probable that the benefits will result in termination payments, rather than be taken as absences due to illness or other contingencies, such as medical appointments and funerals.
2. Alternatively, a governmental entity should estimate its accrued sick leave liability based on the sick leave accumulated at the balance sheet date by those employees who currently are eligible to receive termination payments as well as other employees who are expected to become eligible in the future to receive such payments.

The entire compensated absence liability is reported on the government-wide financial statements. For governmental fund financial statements, no compensated absences liability is recorded.

### H. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position.

In the fund financial statements, governmental fund types recognize both premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

### I. Restricted Net Position

For the government-wide statement of net position, net position is reported as restricted when constraints placed on net position used are either, 1) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; or 2) imposed by law through constitutional provisions or enabling legislation.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### J. Equity Classifications

Government-wide financial statements –

In the government-wide statements, equity is classified as net position and displayed in three components:

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

Fund financial statements –

In the fund financial statements, governmental fund equity is classified as fund balance. Fund balances of the governmental funds are classified as follows:

1. *Nonspendable*, such as fund balance associated with inventories, prepaids, long-term loans and notes receivable, and for property held for resale (unless the proceeds are restricted, committed, or assigned),
2. *Restricted* fund balance category includes amounts that can only be spent for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation,
3. *Committed* fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the Allen Parish Police Jury (the police jury's highest level of decision-making authority),
4. *Assigned* fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. Intent can be expressed by the police jury or by an official or body to which the police jury delegates the authority,
5. *Unassigned* fund balance category includes amounts that are available for any purpose and are only reported in the general fund.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### J. Equity Classifications

When an expenditure is incurred for the purposes for which both restricted and unrestricted fund balance is available, the police jury considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the police jury considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the police jury has provided otherwise in its commitment or assignment actions.

The calculation of fund balance amounts begins with the determination of nonspendable fund balances. Then, restricted fund balances for specific purposes are determined (not including nonspendable amounts). Then, any remaining fund balance amounts for the non-general funds are classified as restricted fund balance. It is possible for the non-general funds to have negative unassigned fund balance when nonspendable amounts plus the restricted fund balances for specific purposes amounts exceed the positive fund balance for the non-general fund.

### K. Estimates

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

### L. Deferred Outflows of Resources and Deferred Inflows of Resources

In some instances, the GASB requires an entity to delay recognition of decreases in net position/fund balance as expenditures until a future period. In other instances, entities are required to delay recognition of increases in net position/fund balance as revenues until a future period. In these circumstances, deferred outflows of resources and deferred inflows of resources result from the delayed recognition of expenditures or revenues, respectively.

## 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

*BUDGET INFORMATION* The police jury uses the following budget practices:

Preliminary budgets for the ensuing year are prepared on the GAAP basis by the secretary-treasurer beginning in October. The finance committee reviews the proposed budgets and makes changes as it deems appropriate. The availability of the proposed budgets for public inspection and the date of the public hearing on the budgets are then advertised in the official journal. Prior to its regular February meeting of the next year, the jury holds a public hearing on the proposed budgets in order to receive comments from citizens. Changes are made to the proposed budgets based on the public hearing and the desires of the police jury as a whole. The budgets are then adopted during January, and notice is published in the official journal.

The secretary-treasurer presents necessary budget amendments to the jury when actual operations are differing materially from those anticipated in the original budget. The jury in regular session reviews the proposed amendments, makes necessary changes, and formally adopts the amendments. The adoption of

**2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

amendments is included in jury minutes published in the official journal. The police jury exercises budgetary control at the functional level. Within functional levels, the secretary-treasurer has the authority to make amendments as necessary. Unexpended appropriations lapse at year end and must be reappropriated in the next year's budget to be expended. For the year ended December 31, 2014, the police jury adopted budgets for the General Fund, all special revenue funds, and all debt service funds.

Budget comparison statements included in the accompanying financial statements include the original adopted budgets and the final amendments. The budget was amended twice during 2014.

**3. CASH AND CASH EQUIVALENTS**

Custodial credit risk – deposits. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it.

In accordance with a fiscal agency agreement that is approved by the Allen Parish Police Jury, the police jury maintains demand and time deposits through local depository banks that are members of the Federal Reserve System.

Interest rate risk. The police jury does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of credit risk. The police jury places no limit on the amount the police jury may invest in any one issuer.

At December 31, 2014, the police jury has cash and cash equivalents (book balances) totaling \$5,005,540 as follows:

Demand deposits	\$	45,256
Interest-bearing demand deposits		4,960,284
Total	\$	<u>5,005,540</u>

Under state law, these deposits (or the resulting bank balances) 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 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.

At December 31, 2014, the police jury has \$5,160,617 in deposits (collected bank balances). These deposits are secured from risk by \$365,079 of federal deposit insurance and \$4,795,538 of pledged securities held by the custodial bank in the name of the fiscal agency bank (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, R.S. 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the police jury that the fiscal agent has failed to pay deposited funds upon demand.

**4. RECEIVABLES**

The receivables of \$2,799,073 at December 31, 2014, are as follows:

<u>Class of Receivable</u>	
Ad Valorem Tax	\$ 2,578,722
State Revenue Sharing	117,212
Other	<u>103,139</u>
Total	<u>\$ 2,799,073</u>

Historically, virtually all ad valorem taxes receivable were collected since they are secured by property; therefore, no allowance for doubtful accounts has been established for ad valorem taxes.

All other receivable amounts are expected to be collected in full within the next year; therefore, no allowance for doubtful accounts has been established.

**5. DUE FROM OTHER GOVERNMENTAL UNITS**

Amounts due from other governmental units at December 31, 2014 consisted of the following:

Louisiana Department of the Treasury - general and timber severance	\$ 263,577
Louisiana Department of the Treasury - Hotel/Motel taxes	3,840
Allen Parish School Board - sales taxes	131,093
Louisiana Division of Administration - Community Development Block Grant	125,173
Louisiana Department of the Treasury - parish transportation funds	32,096
Louisiana Department of Transportation - COA grant	15,635
33 <sup>rd</sup> Judicial District Court	5,481
Department of Transportation, FAA	9,157
Louisiana Department of the Treasury – aviation improvements	1,017
Total	<u>\$ 587,069</u>

ALLEN PARISH POLICE JURY  
Oberlin, Louisiana  
Notes to the Financial Statements (Continued)

**6. CAPITAL ASSETS**

Capital assets and depreciation activity as of and for the year ended December 31, 2014, are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated				
Construction in progress	\$ -	\$ 98,703	\$ -	\$ 98,703
Land	572,300	-	-	572,300
Total capital assets, not being depreciated	<u>\$ 572,300</u>	<u>\$ 98,703</u>	<u>\$ -</u>	<u>\$ 671,003</u>
Capital assets being depreciated:				
Buildings	\$ 4,547,339	\$ 48,000	\$ -	\$ 4,595,339
Improvements other than buildings	5,853,055	2,530	-	5,855,585
Furniture and fixtures	390,033	41,803	-	431,836
Vehicles	819,449	4,800	-	824,249
Machinery and equipment	3,254,223	266,982	39,000	3,482,205
Infrastructure	28,219,912	-	-	28,219,912
Total capital assets being depreciated	<u>43,084,011</u>	<u>364,115</u>	<u>39,000</u>	<u>43,409,126</u>
Less accumulated depreciation for:				
Buildings	1,787,109	102,409	-	1,889,518
Improvements other than buildings	2,181,213	195,592	-	2,376,805
Furniture and fixtures	311,630	31,795	-	343,425
Vehicles	618,959	48,526	-	667,485
Machinery and equipment	2,229,894	192,008	39,000	2,382,902
Infrastructure	11,861,750	584,415	-	12,446,165
Total accumulated depreciation	<u>18,990,555</u>	<u>1,154,745</u>	<u>39,000</u>	<u>20,106,300</u>
Total capital assets being depreciated, net	<u>\$ 24,093,456</u>	<u>\$ (790,630)</u>	<u>\$ -</u>	<u>\$ 23,302,826</u>

Depreciation expense of \$1,154,745 for the year ended December 31, 2014, was charged to the following governmental functions:

General government	\$ 140,732
Public works	789,459
Economic development	206,124
Public safety	18,430
Total	<u>\$ 1,154,745</u>

**7. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

The composition of interfund balances as of December 31, 2014 is as follows:

Due To/From Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	
Road District #2 Mtc. Fund	General Fund	\$ 224
Road District #3 Mtc. Fund	Nonmajor Funds	626
General Fund	Compact Fund	3,715
General Fund	Nonmajor Funds	23,500
General Fund	Parish Road Fund	14,286
Nonmajor Funds	Nonmajor Funds	15,408
Nonmajor Funds	General Fund	4,700
Total		<u>\$ 62,459</u>

Interfund receivables/payables consist of the outstanding balances from activity between funds. These balances are expected to be repaid during 2015.

Interfund Transfers:

<u>From</u>	<u>To</u>	
General Fund	Parish Road Fund	\$ 577,000
Parish Road Fund	Nonmajor Funds	3,562
Nonmajor Funds	Nonmajor Funds	37,881
General Fund	Nonmajor Funds	80,207
Nonmajor Funds	General Fund	2,590
General Fund	General Fund	35,988
Total		<u>\$ 737,228</u>

The police jury makes routine transfers between funds to pay routine expenses that occur during the year and to pay debt service on debt as it becomes due. During the year, several funds were closed out with operating transfers.

**8. ACCOUNTS, SALARIES, AND OTHER PAYABLES**

The payables of \$626,637 at December 31, 2014 are as follows:

Salaries	\$ 69,978
Accounts	<u>556,659</u>
Total	<u>\$ 626,637</u>

ALLEN PARISH POLICE JURY  
Oberlin, Louisiana  
Notes to the Financial Statements (Continued)

**9. LONG-TERM OBLIGATIONS**

The following is a summary of the long-term obligation transactions for the year ended December 31, 2014:

	Bonded Debt	Compensated Absences	Other Post- Employment Benefits	Total
Long-term obligations at				
Beginning of Year	\$ 188,000	\$ 37,649	\$ 989,571	\$ 1,215,220
Additions	55,000	927	160,120	216,047
Deductions	33,000	11,636	-	44,636
Long-term obligations at				
End of Year	<u>\$ 210,000</u>	<u>\$ 26,940</u>	<u>\$ 1,149,691</u>	<u>\$ 1,386,631</u>

The following is a summary of the current (due in one year or less) and the long-term (due in more than one year) portions of long-term obligations as of December 31, 2014:

	Bonded Debt	Compensated Absences	Other Post- Employment Benefits	Total
Current portion	\$ 62,000	\$ 26,940	\$ -	\$ 88,940
Long-term portion	148,000	-	1,149,691	1,297,691
Total	<u>\$ 210,000</u>	<u>\$ 26,940</u>	<u>\$ 1,149,691</u>	<u>\$ 1,386,631</u>

All parish bonds outstanding at December 31, 2014, for \$210,000 are general obligations bonds with maturities from 2015 to 2020 and interest rates from -0-% to 3.20%. Bond principal and interest payable in the next fiscal year are \$62,000 and \$5,097 respectively. The individual issues are as follows:

Bond	Original issue	Interest Rate	Final Payment Due	Interest to Maturity	Principal Outstanding	Funding Source
C.O.I. Series 2010	60,000	2.15%	03/01/2015	118	13,000	Ad valorem tax
C.O.I. Series 2011	200,000	3.15%	03/01/2020	13,514	142,000	Ad valorem tax
C.O.I. Series 2014	55,000	3.20%	03/01/2016	1,520	55,000	Ad valorem tax

**9. LONG-TERM OBLIGATIONS**

All principal and interest requirements are funded in accordance with Louisiana law by the annual ad valorem tax levy on taxable property within the parish. At December 31, 2014, the police jury has accumulated \$256 in the debt service funds for future debt requirements. The bonds are due as follows:

<u>Year Ending December 31,</u>	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total</u>
2015	\$ 62,000	\$ 5,097	\$ 67,097
2016	50,000	3,723	53,723
2017	23,000	2,725	25,725
2018	24,000	1,985	25,985
2019	25,000	1,213	26,213
2020	26,000	409	26,409
Total	<u>\$ 210,000</u>	<u>\$ 15,152</u>	<u>\$ 225,152</u>

In accordance with R.S. 39:562, the police jury is legally restricted from incurring long-term bonded debt in excess of 10% of the assessed value of taxable property.

Compensated absences have typically been liquidated by the following governmental funds: General Fund and Parish Road Fund.

The various bond indentures contain significant limitations and restrictions on annual debt service requirements, maintenance and flow of funds through various restricted accounts, minimum amounts to be maintained in various sinking funds, and minimum revenue bond coverages.

**10. RETIREMENT SYSTEMS**

*PLAN DESCRIPTION.* Substantially all employees for the financial reporting entity are members of the following cost-sharing, multiple-employer defined benefit pension plan, administered by a separate board of trustees:

<u>Entity</u>	<u>Retirement System</u>
Police Jury	Parochial Employees' Retirement System (Parochial Plan A and Plan B)

Employee Eligibility Requirements:

**Parochial Plan A and Plan B**

All employees working at least 28 hours per week and all elected parish officials are eligible to participate.

Retirement Benefits:

	<u>Minimum Age</u>	<u>Years of Service</u>	<u>Factor</u>	<u>Percent of Final Average Salary</u>
Parochial Plan A	60	10	3%	30%
	55	25	3%	75%
	Any age	30	3%	90%
Parochial Plan B	62	10	2%	20%
	55	30	2%	60%

## 10. RETIREMENT SYSTEMS

Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Each of the pension plans also provides death and disability benefits. Benefits are established or amended by state statute.

The retirement system issues an annual publicly available financial report that includes financial statements and required supplementary information. These reports may be obtained by writing or calling the particular retirement system. The following is the mailing address and phone number for the retirement system:

- **Parochial Employees' Retirement System**, Post Office Box 14619, Baton Rouge, Louisiana 70898-4619, (504) 928-1361.

*Funding Policy.* State statute requires covered employees to contribute a percentage of their salaries to the pension plans. As provided by R.S. 11:103, the employer contributions are determined by an actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The required contribution rates by retirement system follows:

**Parochial Employees' Retirement System.** Under Plan A, members are required by state statute to contribute 9.5% of their annual covered salary and the employer is required to contribute at an actuarially determined rate. The current rate is 16.00% of annual covered payroll. Contributions to the retirement system also include one-fourth of 1% (except Orleans and East Baton Rouge parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The employer's contributions to the retirement system under Plan A for the years ending December 31, 2014, 2013, and 2012, were \$174,600, \$201,106, and \$168,691, respectively, equal to the required contributions for each year.

## 11. OTHER POSTEMPLOYMENT BENEFITS PLAN

*Plan Description.* The Police Jury administers a single-employer defined health benefit retirement plan as authorized by the Police Jury. The Plan provides lifetime health insurance for employees that retire with at least seven years of full-time service. The Plan pays 50% of health insurance cost for retirees up to \$300 per month. The Plan does not issue a publicly available financial report. Benefit provisions are established and may be amended by the jurors of the Allen Parish Police Jury.

The Police Jury has implemented GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. In adopting the requirements of GASB Statement No. 45 during the year ended December 31, 2009, the Police Jury recognizes the cost of postemployment benefits in the year when employee services are rendered, reports the accumulated liability from prior years, and provides information useful in assessing potential demands on the Police Jury's future cash flows. Because the Police Jury has adopted the requirements of GASB Statement No. 45 prospectively, recognition of the liability accumulated from prior years is being phased in over 30 years, commencing with the 2009 liability.

*Annual OPEB Cost and Net OPEB Obligation.* The Police Jury's annual other postemployment benefit (OPEB) cost is calculated based on the annual required contribution (ARC). The Police Jury has elected to calculate the ARC and related information using the alternative measurement method permitted by GASB Statement No. 45 for employers with plans that have fewer than 100 total members. The ARC represents a

**11. OTHER POSTEMPLOYMENT BENEFITS PLAN**

level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The following table shows the components of the Police Jury's annual OPEB cost for the year, the amount actually contributed to the Plan, and changes in the Police Jury's net OPEB obligation to the Plan:

Annual required contribution	\$ 168,999
Interest on net OPEB obligation	39,577
Adjustment to annual required contribution	(40,383)
Annual OPEB cost	168,193
Contributions made	7,937
Increase in net OPEB obligation	160,256
Net OPEB obligation, beginning of year	989,435
Net OPEB obligation, end of year	\$ 1,149,691

The Police Jury's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal years 2014, 2013, and 2012 are as follows:

<u>Fiscal</u> <u>Year Ended</u>	<u>Annual</u> <u>OPEB Cost</u>	<u>Percentage of</u> <u>Annual OPEB Cost</u> <u>Contribution</u>	<u>Net OPEB</u> <u>Obligation</u>
12/31/2014	\$ 168,193	4.7%	\$ 1,149,691
12/31/2013	\$ 213,940	4.9%	\$ 989,435
12/31/2012	\$ 214,106	4.9%	\$ 786,085

*Funding Policy, Funded Status, and Funding Progress.* The Plan is financed on a pay-as-you-go basis, therefore no funds are reserved for payment of future health insurance premiums. Based on a plan valuation performed as of December 31, 2014; the actuarial accrued liability for benefits was \$1,114,752, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the Plan) was \$1,047,714, and the ratio of the unfunded actuarial accrued liability (UAAL) to the covered payroll was 106% as of December 31, 2014.

The projection of future benefits for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of future events far into the future. Amounts determined regarding the funded status of a plan and the employer's annual required contributions are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

## 11. OTHER POSTEMPLOYMENT BENEFITS PLAN

*Actuarial Methods and Assumptions.* Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The following simplifying assumptions were made:

Investment return of 4.00% per annum, compounded annually.

*Retirement rates (Rates are the same for both male and female)*-Age 46-49 22%; Age 50-54 44%; Age 55-57 4%, Age 58-62 18%; Age 63-65 28%; Age 66+ 100%

*Participation Assumption*-100% of participants are assumed to elect retiree medical coverage upon retirement

*Marriage Assumption*-For actives it is assumed that husbands are 3 years older than their wives. 20% of active participants making it to retirement are assumed to be married and elect spouse coverage.

*Mortality*- Life expectancies were based on the following mortality rates:

Pre-retirement: Sex Distinct RP 2000 Combined Healthy Mortality Table projected to 2016 using Scale AA.

Post-retirement: Sex Distinct RP 2000 Combined Healthy Mortality Table projected to 2016 using Scale AA.

*Turnover*- Withdrawal rates from 12% for less than one year in plan to 1% for greater than fifteen years in plan. Disability rates from .006% for ages 18-34 to .195% for ages 60 or more. Retirement rates from 22% for ages 46-49 to 100% for ages 66 or more.

*Healthcare cost trend rate*- The expected rate of increase in healthcare insurance premiums was based on projections of the actuary. A rate of 6.2 percent in 2014, decreased to an ultimate rate of 4.7 percent after 2083, was used.

*Health insurance premiums*- 2014 health insurance premiums for retirees were used as the basis for calculation of the present value of total benefits to be paid. Future retirees are assumed to be at maximum reimbursement rate of \$300 per month.

*Inflation rate*- The expected long-term inflation assumption of 2.5 percent was based on projected changes in the Consumer Price Index (CPI) in *The 2014 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Disability Insurance Trust Funds* for an intermediate growth scenario.

*Payroll growth rate*- The expected long-term payroll growth rate was assumed 2.8% per year.

Based on the historical and expected returns of the Police Jury's short-term investment portfolio, a discount rate of 4 percent was used. In addition, the unit credit actuarial cost method was used. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis over thirty years. The ARC was determined by using the Unit Credit Actuarial Cost Method.

## 12. DEFERRED COMPENSATION PLAN

The police jury offers membership in the State of Louisiana, Public Employees Deferred Compensation Plan, a qualified retirement plan under section 457 of the Internal Revenue Code administered by Great West Life and Annuity Insurance Company.

The Louisiana Deferred Compensation Plan provides state, parish and municipal employees with the opportunity to invest money on a before-tax basis, using payroll deduction. Participants defer federal and state income tax on their contributions. In addition, interest or earnings on the account accumulates tax-deferred. Participants may join the plan with as little as \$50 per month, and contribute up to 100% of

**12. DEFERRED COMPENSATION PLAN**

taxable compensation, not to exceed \$17,500 for all employees under 50 and \$23,000 for any employee who is 50 years old or older for the year ended December 31, 2014. The policy jury matches up to 2% of the employee's contributions to this plan. Employee contributions for the year ended December 31, 2014 were \$11,162. The police jury's contributions for the year ended December 31, 2014 were \$5,916.

The Plan is administered by Great-West Life and Annuity Insurance Company; 2237 South Acadian Thruway Suite 702; Baton Rouge, LA 70808; (800)937-7604 or (225)926-8086.

**13. CHANGES IN AGENCY FUND DEPOSITS DUE OTHERS**

A summary of changes in agency fund deposits due others follows:

	Beginning of Year	Additions	Reductions	at End of Year
Agency funds:				
Capital Improvement Fund	\$ 54,838	\$ 233,756	\$ 52,890	\$ 235,704
Jail Fund	500,000	-	500,000	-
	<u>\$ 554,838</u>	<u>\$ 233,756</u>	<u>\$ 552,890</u>	<u>\$ 235,704</u>

**14. RISK MANAGEMENT**

The police jury is exposed to various risks of loss in the areas of health care, general and auto liability, property hazards, worker's compensation, and employee dishonesty. The police jury maintains commercial insurance coverage covering each of these risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the police jury. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. The police jury did not reduce insurance coverage in 2014. Due to current insurance market conditions, the police jury is retaining the risk for its general liability exposures in areas where there is no affordable insurance coverage available.

**15. CONTINGENT LIABILITIES**

At December 31, 2014, the police jury is involved in nineteen lawsuits. Of these lawsuits, legal counsel believes the likelihood of an unfavorable outcome is: two reasonably possible and fifteen remote. In the opinion of legal counsel for the police jury, no estimate of loss can be made for any of these. Two lawsuits were settled after December 31, 2014 for immaterial amounts to the financial statements.

The Louisiana Constitution prohibits seizures of a political subdivision's property and provides that no judgment against such a body can be paid until funds are appropriated for that purpose. The police jury's legal counsel expects the Court to limit the scope of the plaintiffs' inquiries into the police jury's finances.

In the normal course of operations, the police jury receives grant funds from various Federal and State agencies. The grant programs are subject to audits by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement which may arise as a result of these audits is not believed to be material.

**16. DEFICITS IN INDIVIDUAL FUNDS**

The following funds reflect a deficit fund balance at December 31, 2014:

Parish Road Fund	\$ 32,868
Coroner Fund	1,324
Airport Fund	7,252

**17. CRIMINAL COURT FUND**

Louisiana Revised Statute 15:571.11 requires that one-half of any balance remaining in the Criminal Court Fund at the year end be transferred to the parish General Fund. The following details the amounts due at December 31, 2014:

Balance in Criminal Court bank account at December 31, 2014	<u>\$ 68,457</u>
Balance due at December 31, 2014	<u>\$ 34,229</u>

The police jury has decided to not transfer the funds due to the fact that the General Fund historically has had to subsidize the Criminal Court Fund and expects to have to do so in 2015.

**18. DEFERRED INFLOWS OF RESOURCES**

Unavailable revenues are reported in governmental funds and represent revenue received more than 60 days following year end (and, therefore, unavailable to pay liabilities of the current period). Unavailable revenue received after 60 days is fully recognized as revenue in the government-wide financial statements. At December 31, 2014, governmental funds' revenues that have been earned but are unavailable are \$253,152, as follows:

	Ad Valorem <u>Taxes</u>	State Revenue <u>Sharing</u>	<u>Total</u>
General Fund	\$ 10,805	\$ 10,058	\$ 20,863
Road District #1 Mtc. Fund	21,553	18,084	39,637
Road District #2 Mtc. Fund	25,938	25,950	51,888
Road District #3 Mtc. Fund	17,821	19,140	36,961
Road District #4 Mtc. Fund	8,490	19,066	27,556
Road District #5 Mtc. Fund	27,648	6,250	33,898
Road District #5A Mtc. Fund	5,500	3,290	8,790
Road District #1A Mtc. Fund	1,331	1,230	2,561
Court House & Jail Fund	16,854	14,144	30,998
	<u>\$ 135,940</u>	<u>\$ 117,212</u>	<u>\$ 253,152</u>

**19. UNEARNED REVENUE**

The balance in unearned revenue at December 31, 2014 consists of \$48,703 of operating grant revenue that had been received but that had not been earned as of December 31, 2014 in the Nonmajor Funds.

## **20. NEW ACCOUNTING PRONOUNCEMENTS**

In June 2012, the GASB approved Statement No. 68, "Accounting and Financial Reporting for Pensions." GASB Statement No. 68 establishes accounting and financial reporting requirements related to pensions for governments whose employees are provided with pensions through plans covered by Statement No. 67. Provisions of GASB Statement No. 68 must be implemented by the police jury for the year ending December 31, 2015. The effect of implementation of this statement on the Allen Parish Police Jury's financial statements has not yet been determined.

## **21. SUBSEQUENT EVENT REVIEW**

The police jury's management has evaluated subsequent events through June 29, 2015, the date which the financial statements were available to be issued. The police jury's management is aware of a subsequent event that requires disclosure in the financial statements. On April 15, 2015 the police jury issued \$1,500,000 of Limited Tax Library Revenue Bonds, Series 2015. The bonds will be serviced from a portion of an existing special tax of 10.81 mills within the corporate boundaries of the issuer for the purpose of supporting the Allen Parish Library and its branches. These bonds mature on March 1, 2022 with an interest rate of 1.957%.

## **22. COMMITMENT**

On April 19, 2013 the police jury entered into a cooperative endeavor agreement with the Allen Parish Law Enforcement District and the Allen Parish Sheriff's Office for the housing of parish inmates and the construction and operation of a new facility to replace the current jail owned by the police jury. The police jury shall pay a maximum annual fee of \$240,000 or a minimum annual fee representing the actual payment amount which the District owes in regard to the new facility. The fee shall be paid by the police jury beginning in the fiscal year in which construction begins. Once the District's loan obligations are paid off, the police jury no longer will be required to make any payments to the District. The police jury will then have the right to lease said facility for a term of 99 years for \$1 and other valuable considerations. Construction began during 2014 and the police jury made its first payment of \$240,000 on May 27, 2014.

REQUIRED SUPPLEMENTARY INFORMATION

ALLEN PARISH POLICE JURY  
Oberlin, Louisiana  
Budgetary Comparison Schedule  
General Fund  
For the Year Ended December 31, 2014

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE (OVER) FINAL
	ORIGINAL	FINAL		
<b>REVENUES</b>				
Taxes:				
Ad valorem	\$ 239,300	\$ 239,300	\$ 267,422	\$ 28,122
Other taxes, penalties, interest, etc.	2,000	2,000	354	(1,646)
Licenses and permits	64,000	64,000	92,659	28,659
Intergovernmental:				
Grants - federal and state	150,000	150,000	270,598	120,598
State funds:				
State revenue sharing	19,000	19,000	15,194	(3,806)
Severance taxes	1,150,000	1,150,000	1,135,569	(14,431)
Other state funds	106,800	106,800	115,231	8,431
Fees, charges and commissions for services	9,000	9,000	11,486	2,486
Fines and forfeitures	30,000	30,000	3,178	(26,822)
Investment earnings	1,900	1,900	916	(984)
Other revenues	49,500	289,500	48,514	(240,986)
<b>TOTAL REVENUES</b>	<b>1,821,500</b>	<b>2,061,500</b>	<b>1,961,121</b>	<b>(100,379)</b>
<b>EXPENDITURES</b>				
Current:				
General government:				
Legislative	168,684	168,684	166,344	2,340
Judicial	180,152	180,152	178,318	1,834
Elections	38,875	38,875	26,970	11,905
Financial and administrative	77,583	77,583	114,856	(37,273)
Other	74,198	74,198	51,821	22,377
Public safety	420,000	660,000	573,176	86,824
Payments to other governments	115,900	115,900	274,602	(158,702)
Economic development and assistance	112,392	112,392	44,879	67,513
Capital outlay	150,000	200,000	11,450	188,550
<b>TOTAL EXPENDITURES</b>	<b>1,337,784</b>	<b>1,627,784</b>	<b>1,442,416</b>	<b>185,368</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>				
	<b>483,716</b>	<b>433,716</b>	<b>518,705</b>	<b>84,989</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	42,000	42,000	38,579	(3,421)
Transfers out	(910,116)	(910,116)	(693,196)	216,920
Proceeds from sale of assets	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(868,116)</b>	<b>(868,116)</b>	<b>(654,617)</b>	<b>213,499</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(384,400)</b>	<b>(434,400)</b>	<b>(135,912)</b>	<b>298,488</b>
<b>FUND BALANCE(DEFICIT)-BEGINNING</b>	<b>831,464</b>	<b>831,464</b>	<b>831,464</b>	<b>-</b>
<b>FUND BALANCE (DEFICIT)-ENDING</b>	<b>\$ 447,064</b>	<b>\$ 397,064</b>	<b>\$ 695,552</b>	<b>\$ 298,488</b>

The accompanying notes are an integral part of this statement.

ALLEN PARISH POLICE JURY  
Oberlin, Louisiana  
Budgetary Comparison Schedule  
Solid Waste Fund  
For the Year Ended December 31, 2014

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE (OVER) FINAL
	ORIGINAL	FINAL		
<b>REVENUES</b>				
Taxes:				
Ad valorem	\$ -	\$ -	\$ -	\$ -
Sales and use	1,300,000	1,300,000	1,810,898	510,898
Intergovernmental:				
Grants - federal and state	-	-	2,346	2,346
State funds:				
Parish transportation funds	-	-	-	-
State revenue sharing	-	-	-	-
Other state funds	-	-	-	-
Fines and forfeitures	-	-	-	-
Gaming revenues	-	-	-	-
Investment earnings	1,800	1,800	1,212	(588)
Other revenues	-	-	12,425	12,425
<b>TOTAL REVENUES</b>	<b>1,301,800</b>	<b>1,301,800</b>	<b>1,826,881</b>	<b>525,081</b>
<b>EXPENDITURES</b>				
Current:				
General government:				
Judicial	-	-	-	-
Other	-	-	-	-
Public works	1,855,400	1,855,400	1,850,664	4,736
Payments to other governments	-	-	-	-
Economic development and assistance	-	-	-	-
Capital outlay	-	-	4,800	(4,800)
<b>TOTAL EXPENDITURES</b>	<b>1,855,400</b>	<b>1,855,400</b>	<b>1,855,464</b>	<b>(64)</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(553,600)</b>	<b>(553,600)</b>	<b>(28,583)</b>	<b>525,017</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(553,600)</b>	<b>(553,600)</b>	<b>(28,583)</b>	<b>525,017</b>
<b>FUND BALANCE (DEFICIT)-BEGINNING</b>	<b>575,216</b>	<b>575,216</b>	<b>575,216</b>	<b>-</b>
<b>FUND BALANCE (DEFICIT)-ENDING</b>	<b>\$ 21,616</b>	<b>\$ 21,616</b>	<b>\$ 546,633</b>	<b>\$ 525,017</b>

The accompanying notes are an integral part of this statement.

ALLEN PARISH POLICE JURY  
Oberlin, Louisiana  
Budgetary Comparison Schedule  
Compact Fund  
For the Year Ended December 31, 2014

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE (OVER) FINAL
	ORIGINAL	FINAL		
<b>REVENUES</b>				
Taxes:				
<i>Ad valorem</i>	\$ -	\$ -	\$ -	\$ -
Sales and use	-	-	-	-
Other taxes, penalties, interest, etc.	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental:				
Grants - federal and state	-	-	-	-
State funds:				
Parish transportation funds	-	-	-	-
State revenue sharing	-	-	-	-
Severance taxes	-	-	-	-
Other state funds	-	-	-	-
Fees, charges and commissions for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Gaming revenues	421,340	421,340	392,912	(28,428)
Investment earnings	275	275	197	(78)
Other revenues	-	-	-	-
<b>TOTAL REVENUES</b>	<u>421,615</u>	<u>421,615</u>	<u>393,109</u>	<u>(28,506)</u>
<b>EXPENDITURES</b>				
Current:				
General government:				
Legislative	-	-	-	-
Judicial	-	-	-	-
Executive	-	-	-	-
Elections	-	-	-	-
Financial and administrative	-	-	-	-
Other	466,000	466,000	556,201	(90,201)
Public safety	-	-	-	-
Public works	-	-	-	-
Health and welfare	-	-	-	-
Payments to other governments	-	-	-	-
Economic development and assistance	-	-	-	-
Capital outlay	501,615	501,615	101,357	400,258
<b>TOTAL EXPENDITURES</b>	<u>967,615</u>	<u>967,615</u>	<u>657,558</u>	<u>310,057</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(546,000)</u>	<u>(546,000)</u>	<u>(264,449)</u>	<u>281,551</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>(546,000)</u>	<u>(546,000)</u>	<u>(264,449)</u>	<u>281,551</u>
<b>FUND BALANCE (DEFICIT)-BEGINNING</b>	<u>644,976</u>	<u>644,976</u>	<u>644,976</u>	<u>-</u>
<b>FUND BALANCE (DEFICIT)-ENDING</b>	<u>\$ 98,976</u>	<u>\$ 98,976</u>	<u>\$ 380,527</u>	<u>\$ 281,551</u>

The accompanying notes are an integral part of this statement.

ALLEN PARISH POLICE JURY  
Oberlin, Louisiana  
Budgetary Comparison Schedule  
Parish Road Fund  
For the Year Ended December 31, 2014

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE (OVER) FINAL
	ORIGINAL	FINAL		
<b>REVENUES</b>				
Taxes:				
Ad valorem	\$ -	\$ -	\$ -	\$ -
Sales and use	-	-	-	-
Other taxes, penalties, interest, etc.	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental:				
Grants - federal and state	-	-	-	-
State funds:				
Parish transportation funds	340,000	340,000	346,713	6,713
State revenue sharing	-	-	-	-
Severance taxes	-	-	-	-
Other state funds	-	-	-	-
Fees, charges and commissions for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Gaming revenues	-	-	-	-
Investment earnings	-	-	7	7
Other revenues	-	-	-	-
	11,767	11,767	1,366	(10,401)
<b>TOTAL REVENUES</b>	<b>351,767</b>	<b>351,767</b>	<b>348,086</b>	<b>(3,681)</b>
<b>EXPENDITURES</b>				
Current:				
General government:				
Legislative	-	-	-	-
Judicial	-	-	-	-
Executive	-	-	-	-
Elections	-	-	-	-
Financial and administrative	-	-	-	-
Other	-	-	-	-
Public safety	-	-	-	-
Public works	1,139,316	1,139,316	942,295	197,021
Health and welfare	-	-	-	-
Payments to other governments	-	-	-	-
Economic development and assistance	-	-	-	-
Debt service:				
Principal payments	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	1,530	(1,530)
<b>TOTAL EXPENDITURES</b>	<b>1,139,316</b>	<b>1,139,316</b>	<b>943,825</b>	<b>195,491</b>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES				
	(787,549)	(787,549)	(595,739)	191,810
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	798,116	798,116	577,000	(221,116)
Transfers out	-	-	(3,562)	(3,562)
Proceeds from sale of assets	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>798,116</b>	<b>798,116</b>	<b>573,438</b>	<b>(224,678)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>10,567</b>	<b>10,567</b>	<b>(22,301)</b>	<b>(32,868)</b>
<b>FUND BALANCE (DEFICIT)-BEGINNING</b>	<b>(10,567)</b>	<b>(10,567)</b>	<b>(10,567)</b>	<b>-</b>
<b>FUND BALANCE (DEFICIT)-ENDING</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (32,868)</b>	<b>\$ (32,868)</b>

The accompanying notes are an integral part of this statement.

ALLEN PARISH POLICE JURY  
Oberlin, Louisiana  
Budgetary Comparison Schedule  
Road District #2 Maintenance Fund  
For the Year Ended December 31, 2014

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE (OVER) FINAL
	ORIGINAL	FINAL		
<b>REVENUES</b>				
Taxes:				
Ad valorem	\$ 610,000	\$ 610,000	\$ 711,170	\$ 101,170
Sales and use	-	-	-	-
Other taxes, penalties, interest, etc.	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental:				
Grants - federal and state	-	-	-	-
State funds:				
Parish transportation funds	-	-	-	-
State revenue sharing	42,150	42,150	39,175	(2,975)
Severance taxes	-	-	-	-
Other state funds	-	-	-	-
Fees, charges and commissions for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Gaming revenues	-	-	-	-
Investment earnings	-	-	1,872	1,872
Other revenues	5,000	5,000	4,051	(949)
<b>TOTAL REVENUES</b>	<u>657,150</u>	<u>657,150</u>	<u>756,268</u>	<u>99,118</u>
<b>EXPENDITURES</b>				
Current:				
General government:				
Legislative	-	-	-	-
Judicial	-	-	-	-
Executive	-	-	-	-
Elections	-	-	-	-
Financial and administrative	-	-	-	-
Other	-	-	-	-
Public safety	-	-	-	-
Public works	1,263,550	1,263,550	498,663	764,887
Health and welfare	-	-	-	-
Payments to other governments	-	-	-	-
Economic development and assistance	-	-	-	-
Debt service:				
Principal payments	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	7,654	(7,654)
<b>TOTAL EXPENDITURES</b>	<u>1,263,550</u>	<u>1,263,550</u>	<u>506,317</u>	<u>757,233</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(606,400)</u>	<u>(606,400)</u>	<u>249,951</u>	<u>856,351</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Proceeds from sale of assets	-	-	626	626
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>-</u>	<u>626</u>	<u>626</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>(606,400)</u>	<u>(606,400)</u>	<u>250,577</u>	<u>856,977</u>
<b>FUND BALANCE (DEFICIT)-BEGINNING</b>	<u>1,096,621</u>	<u>1,096,621</u>	<u>1,096,621</u>	<u>-</u>
<b>FUND BALANCE (DEFICIT)-ENDING</b>	<u>\$ 490,221</u>	<u>\$ 490,221</u>	<u>\$ 1,347,198</u>	<u>\$ 856,977</u>

The accompanying notes are an integral part of this statement.

ALLEN PARISH POLICE JURY  
Oberlin, Louisiana  
Budgetary Comparison Schedule  
Road District #3 Maintenance Fund  
For the Year Ended December 31, 2014

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE (OVER) FINAL
	ORIGINAL	FINAL		
<b>REVENUES</b>				
Taxes:				
Ad valorem	\$ 615,000	\$ 615,000	\$ 727,256	\$ 112,256
Sales and use	-	-	-	-
Other taxes, penalties, interest, etc.	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental:				
Grants - federal and state	-	-	-	-
State funds:				
Parish transportation funds	-	-	-	-
State revenue sharing	32,745	32,745	28,746	(3,999)
Severance taxes	-	-	-	-
Other state funds	-	-	-	-
Fees, charges and commissions for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Gaming revenues	-	-	-	-
Investment earnings	-	-	3,419	3,419
Other revenues	4,000	4,000	15,741	11,741
<b>TOTAL REVENUES</b>	<b>651,745</b>	<b>651,745</b>	<b>775,162</b>	<b>123,417</b>
<b>EXPENDITURES</b>				
Current:				
General government:				
Legislative	-	-	-	-
Judicial	-	-	-	-
Executive	-	-	-	-
Elections	-	-	-	-
Financial and administrative	-	-	-	-
Other	-	-	-	-
Public safety	-	-	-	-
Public works	2,183,145	2,183,145	640,865	1,542,280
Health and welfare	-	-	-	-
Payments to other governments	-	-	-	-
Economic development and assistance	-	-	-	-
Debt service:				
Principal payments	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	9,620	(9,620)
<b>TOTAL EXPENDITURES</b>	<b>2,183,145</b>	<b>2,183,145</b>	<b>650,485</b>	<b>1,532,660</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>				
	<b>(1,531,400)</b>	<b>(1,531,400)</b>	<b>124,677</b>	<b>1,656,077</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Proceeds from sale of assets	-	-	626	626
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>626</b>	<b>626</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(1,531,400)</b>	<b>(1,531,400)</b>	<b>125,303</b>	<b>1,656,703</b>
<b>FUND BALANCE (DEFICIT)-BEGINNING</b>	<b>1,969,471</b>	<b>1,969,471</b>	<b>1,969,471</b>	<b>-</b>
<b>FUND BALANCE (DEFICIT)-ENDING</b>	<b>\$ 438,071</b>	<b>\$ 438,071</b>	<b>\$ 2,094,774</b>	<b>\$ 1,656,703</b>

The accompanying notes are an integral part of this statement.

ALLEN PARISH POLICE JURY  
For the Year Ended December 31, 2014  
NOTES TO BUDGETARY COMPARISON SCHEDULES

Budgets and budgetary accounting:

The Police Jury follows the following procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to November 1, the department heads submit to the Police Jury a proposed operating budget for the ensuing fiscal year. The operating budget includes proposed expenditures and the means of financing them.
2. A public hearing is conducted to obtain taxpayer comments.
3. The budget is then legally enacted through passage of a resolution.
4. An amendment involving the transfer of monies from one department to another or from one program or function to another or any other increases in expenditures exceeding amounts estimated must be approved by the Police Jury.
5. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
6. The budget is employed as a management control device during the year that assists its users in financial activity analysis.

All budget appropriations lapse at year end. The budgets presented are the originally adopted budget and the final amended budget. Actual amounts may not vary more than 5% from the final amended budget.

The final budgets of the following funds were adjusted by more 10% from the original budget and are listed below:

- General Fund- Other revenue, public safety, and capital outlay.

ALLEN PARISH POLICE JURY  
 Oberlin, Louisiana  
 Schedule of Funding Progress  
 For the Year Ended December 31, 2014

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded ALL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
January 1, 2010	\$ -	\$ 1,305,619	\$ 1,305,619	0.0%	\$ 1,096,516	119%
January 1, 2011	\$ -	\$ 1,418,298	\$ 1,418,298	0.0%	\$ 1,214,408	117%
January 1, 2014	\$ -	\$ 1,114,752	\$ 1,114,752	0.0%	\$ 1,047,714	106%

The accompanying notes are an integral part of this statement.

OTHER SUPPLEMENTARY SCHEDULES

Allen Parish Police Jury  
Schedule of Compensation, Benefits and Other Payments to Agency Head  
or Chief Executive Officer  
For the Year Ended December 31, 2014

Agency Head Name: \_\_\_\_\_

Doug Sonnier

<b>Purpose</b>	<b>Amount</b>
Salary	\$ 14,400
Benefits-insurance	-
Benefits-retirement	288
Benefits-other	-
Car allowance	-
Vehicle provided by government	-
Per diem	78
Reimbursements	-
Travel	446
Registration fees	-
Conference travel	-
Continuing professional education fees	-
Housing	-
Unvouchered expenses	-
Special meals	-

The accompanying notes are an integral part of this statement.

ALLEN PARISH POLICE JURY  
Oberlin, Louisiana  
Schedule of Compensation Paid Elected Officials  
For the Year Ended December 31, 2014

Board Member	Amount
Ruffin George	\$ 14,400
John Strother	14,400
Kent Fontenot	14,400
Creig Vizena	14,400
Douglas W. Sonnier	14,400
Heath Ardoin	14,400
Matt Fontenot	14,400
	<u>\$ 100,800</u>

The accompanying notes are an integral part of this statement.

Allen Parish Police Jury  
 Supplementary Information Schedule  
 Community Grant Agreement-Coushatta Tribe of Louisiana  
 For the Year Ended December 31, 2014

<u>Revenues:</u>	
Gaming revenue	\$ 392,912
Investment earnings	197
Other	200
Total revenues	<u>\$ 393,309</u>
<u>Expenditures:</u>	
Utilities/telephone for parish buildings	\$ 149,901
Payroll & fringe benefits for Court House maintenance employees	69,077
Maintenance of parish buildings	61,160
Insurance for parish buildings	48,956
Roof-Court House	48,000
Road maintenance meeting compact agreement	227,306
Security system-Court House	37,830
Heating and cooling unit-Civic Center	2,530
Lawn maintenance equipment and trailer-parish buildings	12,997
Total expenditures	<u>\$ 657,757</u>

The accompanying notes are an integral part of this statement.

ALLEN PARISH POLICE JURY  
Oberlin, Louisiana  
Schedule of Expenditures of Federal Awards  
For the Year Ended December 31, 2014

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Housing & Urban Development - Passed Through the State Division of Administration Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii *	14.228	107-901399 B-06-DG-22-0001	\$ 305,149 <u>374,203</u> <u>679,352</u>
<u>Other Federal Awards</u>			
U.S. Department of Homeland Security - Passed Through the State Department of Military Affairs Office of Homeland Security and Emergency Preparedness Hazard Mitigation Grant	97.039	1786-003-0008 1603n-003-0004	5,210 <u>134,397</u> <u>139,607</u>
Federal Transit Administration, Department of Transportation - Passed Through the State Department of Transportation & Development Formula Grants for Rural Areas	20.509	LA-18-X027 LA-18-X030 LA-18-X031	651 109,030 <u>92,839</u> <u>202,520</u>
Federal Transit Administration, Department of Transportation Passed Through the State Department of Transportation & Development ARRA-Federal Transit Capital Investment Grants	20.500	LA-86-X001	<u>3,570</u>
U.S. Department of Transportation, FAA - Airport Improvement Program	20.106	3-22-0042-011-2014	<u>88,832</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 1,113,881</u>

\*Major federal financial assistance program

The accompanying notes are an integral part of this statement.

ALLEN PARISH POLICE JURY  
 Oberlin, Louisiana  
 Notes to Schedule of Expenditures of Federal Awards  
 For the Year Ended December 31, 2014

**NOTE A- BASIS OF PRESENTATION**

The schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of the Allen Parish Police Jury under programs of the federal government for the year ended December 31, 2014. 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*. Because the Schedule presents only a selected portion of the operations of the Allen Parish Police Jury, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Allen Parish Police Jury.

**NOTE B- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

- (1) Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*.
- (2) Pass-through entity identifying numbers are presented where available.

**NOTE C- SUBRECIPIENTS**

Of the federal expenditures presented in the Schedule, the Allen Parish Police Jury provided federal awards to subrecipients as follows:

CFDA NUMBER	Program Name	Amount Provided to Subrecipients
20.509	Formula Grants for Rural Areas	\$ 202,520
20.500	ARRA-Federal Transit Capital Investment Grants	\$ 3,570

The accompanying notes are an integral part of this statement.

INDEPENDENT AUDITOR'S REPORT SECTION



GATES & COMPANY, LLC  
—Certified Public Accountants—

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

To the Allen Parish Police Jury  
Oberlin, Louisiana

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 primary government financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Allen Parish Police Jury, as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the Allen Parish Police Jury's primary government basic financial statements, and have issued our report thereon dated June 29, 2015. The report on the Allen Parish Police Jury was adverse because the financial statements do not include financial data of all component units of the Allen Parish Police Jury.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the primary government financial statements, we considered the Allen 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 primary government financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Allen Parish Police Jury's internal control. Accordingly, we do not express an opinion on the effectiveness of the Allen Parish Police Jury's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies. See items 2014-1, 2014-2, and 2014-3.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Allen Parish Police Jury's primary government 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 or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item 2014-3.

### **Allen Parish Policy Jury's Response to Findings**

The Allen Parish Police Jury's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Allen Parish Policy Jury's response was not subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we express no opinion on it.

### **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. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



Gates & Company, LLC  
Sulphur, Louisiana  
June 29, 2015



**GATES & COMPANY, LLC**  
—Certified Public Accountants—

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON  
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

To the Allen Parish Police Jury  
Oberlin, Louisiana

**Report on Compliance for Each Major Federal Program**

We have audited Allen Parish Police Jury's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Allen Parish Police Jury's major federal programs for the year ended December 31, 2014. The Allen Parish Police Jury's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**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 compliance for each of the Allen Parish Police Jury's 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 Allen 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 Allen Parish Policy Jury's compliance.

**Opinion on Each Major Federal Program**

In our opinion, the Allen 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, 2014.

## Report on Internal Control Over Compliance

Management of the Allen 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 Allen 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 Allen 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 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, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



Gates & Company, LLC  
Sulphur, Louisiana  
June 29, 2015

**Section I Summary of Auditor's Results**

Financial Statements

Type of auditor's report issued: Adverse on aggregate discretely presented component units; qualified on aggregate remaining fund information; unmodified on all other opinion units.

Internal Control Over Financial Reporting:

Material weakness(es) identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Significant deficiencies identified	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> None reported
Noncompliance material to financial statements noted?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

Federal Awards

Internal control over major programs:

• Material weakness(es) identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
• Significant deficiencies identified	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> None reported

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?  Yes  No

Major Programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
14.228	U.S. Department of Housing & Urban Development Community Development Block Grants/State's Program & Non-Entitlement Grants in Hawaii

Dollar threshold used to distinguish between type A and B programs: \$300,000

Auditee qualified as low-risk auditee?  Yes  No

## Section II - Financial Statement Findings

### 2014-1 Segregation of Duties

Condition:	Because of the entity's size and the limited number of accounting personnel, it is not feasible to maintain a complete segregation of duties to achieve effective internal control.
Criteria:	Effective internal control requires adequate segregation of duties among client personnel.
Effect:	Without proper segregation of duties, errors within the financial records or fraud could go undetected.
Recommendation:	To the extent cost effective, duties should be segregated and management should attempt to mitigate this significant deficiency in internal control by supervision and review procedures.
Views of responsible officials and planned corrective actions:	We concur with this recommendation. Management has implemented supervision and review procedures to the extent possible.

### 2014-2 Controls over Financial Reporting

Condition:	In our judgment, the personnel of the Allen Parish Police Jury do not have the specialized accounting training necessary to generate the financial statements, together with related notes in accordance with generally accepted accounting principles (GAAP).
Criteria:	The Auditing Standards Board issued guidance to auditors related to entity's internal controls over financial reporting. Many small organizations rely on their auditor to generate the annual financial statements including footnotes. SAS No. 112 emphasizes that the auditor cannot be part of your system of internal control over financial reporting.
Effect:	Misstatements in financial statements could go undetected.
Recommendation:	In our judgment, due to the lack of resources available to management to correct this significant deficiency in financial reporting, we recommend management mitigate this significant deficiency in internal control by having a heightened awareness of all transactions being reported.
Views of responsible officials and planned corrective actions:	We concur with this recommendation. Management has implemented supervision and review procedures to the extent possible.

**2014-3 Local government budget act – Budgetary authority and control**

- Condition: Actual revenue and other sources failed to meet the total budgeted revenues and other sources by 6.8% in the Compact Fund for the year ended December 31, 2014. Actual revenue and other sources failed to meet the total budgeted revenues and other sources by 19.5% in the Parish Road Fund for the year ended December 31, 2014.
- Criteria: La. Rev. Stat. §39:1311 (A) (1). Whenever total actual revenue and other sources plus projected revenue and other sources for the remainder of the year, within a fund, are failing to meet budgeted revenues and other sources by five percent or more, the budget shall be amended.
- Effect: Violation of local government budget act.
- Recommendation: The Allen Parish Police Jury should amend the budget whenever actual revenue and other sources plus projected revenue and other sources fail to meet budgeted revenue and other sources by five percent or more.
- Views of responsible officials and planned corrective actions: We concur with this recommendation. The Allen Parish Police Jury will amend its budget whenever necessary in the future.

**Section III – Federal Award Findings and Questioned Costs**

None.

**Allen Parish Police Jury  
Status of Prior Audit Findings  
For the Year Ended December 31, 2014**

**2013-1 Segregation of Duties**

Corrective action taken – Due to the lack of sufficient financial resources, this finding cannot be resolved.  
See 2014-1.

**2013- 2 Controls over Financial Reporting**

Corrective action taken – Due to the lack of sufficient financial resources, this finding cannot be resolved.  
See 2014-2.

**2013-3 Debt Covenants-Sinking Fund Requirements**

Corrective action taken – Yes.