

ALLEN PARISH POLICE JURY
Oberlin, Louisiana

ANNUAL FINANCIAL STATEMENTS

As of December 31, 2018 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

I 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, 2018, 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

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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 my 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, 2018, 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 my 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, 2018, 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 my 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, 2018, 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 41 through 46 and the Pension information on pages 48 and 49 and Schedule of Changes in OPEB on page 50 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. I 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

My 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 51, the schedule of compensation paid elected officials on page 52, and the Community Grant Agreement-Coushatta Tribe of Louisiana on page 53 are presented for purposes of additional analysis and are 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, 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 my 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, 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*, I have also issued our report dated June 24, 2019, on my 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 my 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.

Steven M. DeRouen & Associates

Steven M. DeRouen & Associates
Lake Charles, Louisiana
June 24, 2019

BASIC FINANCIAL STATEMENTS

ALLEN PARISH POLICE JURY
Oberlin, Louisiana
Statement of Net Position - Governmental Activities
December 31, 2018

	Governmental Activities
ASSETS	
Cash	\$ 1,166,828
Investments	6,115,122
Receivables	2,437,916
Due from other governments	523,678
Inventory	45,179
Prepaid assets	7,432
Net pension asset	122,872
Capital assets, net of accumulated depreciation	23,081,144
TOTAL ASSETS	33,500,171
DEFERRED OUTFLOWS OF RESOURCES RELATED TO PENSIONS	372,093
TOTAL ASSETS AND DEFERRED OUTFLOWS	\$ 33,872,264
LIABILITIES	
Accounts payable	303,649
Accrued interest payable	3,956
Unearned revenue	48,703
Bonds payable - due within one year	291,000
Compensated absences payable - due within one year	27,362
OPEB obligations - due in more than one year	260,081
Bonds payable - due in more than one year	896,000
TOTAL LIABILITIES	1,830,751
DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS	370,315
NET POSITION	
Net investment in capital assets	21,894,144
Restricted for:	
Inventory	45,179
Judicial	701,124
Other general government	223,254
Public works	5,886,957
Sanitation	524,709
Unrestricted	2,395,831
TOTAL NET POSITION	31,671,198
TOTAL LIABILITIES, DEFERRED INFLOWS, AND NET POSITION	\$ 33,872,264

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, 2018

	Expenses	Program Revenues		Governmental Activities	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue and Change in Net Position
FUNCTIONS/PROGRAMS					
Primary Government:					
Governmental activities:					
General government	\$ 2,148,842	\$ 64,187	\$ 416,193	\$ -	\$ (1,668,462)
Public safety	422,080	-	91,901	-	(330,179)
Public works	3,448,436	-	-	-	(3,448,436)
Economic development	237,504	117,916	-	93,234	(26,354)
Sanitation	1,646,129	-	-	-	(1,646,129)
Other governments	381,048	-	-	-	(381,048)
Interest on long-term debt	25,800	-	-	-	(25,800)
Total governmental activities	<u>\$ 8,309,839</u>	<u>\$ 182,103</u>	<u>\$ 508,094</u>	<u>\$ 93,234</u>	<u>\$ (7,526,408)</u>
GENERAL REVENUES					
Taxes:					
Ad valorem					3,717,104
Sales and use					1,888,066
Severance					832,748
State revenue sharing					232,298
All other revenues					2,119,832
Investment earnings					56,763
			Total General Revenues		<u>8,846,811</u>
CHANGE IN NET POSITION					1,320,403
NET POSITION - BEGINNING					29,242,491
PRIOR PERIOD ADJUSTMENT - IMPLEMENTATION OF GASB 75					1,108,304
NET POSITION - BEGINNING, AS RESTATED					<u>30,350,795</u>
NET POSITION - ENDING					<u>\$ 31,671,198</u>

The accompanying notes are an integral part of this statement.

ALLEN PARISH POLICE JURY
Oberlin, Louisiana
Balance Sheet, Governmental Funds
December 31, 2018

	MAJOR FUNDS			
	GENERAL FUND	SOLID WASTE FUND	ROAD DISTRICT #2 MTC. FUND	ROAD DISTRICT #3 MTC. FUND
ASSETS				
Cash	\$ 150,945	\$ 367,299	\$ 60,191	\$ 57,594
Investments	1,337,509	-	775,544	1,466,805
Receivables	197,083	-	519,662	524,501
Due from other governments	237,726	160,658	-	-
Inventory	-	-	-	-
Prepaid assets	4,443	-	-	-
TOTAL ASSETS	\$ 1,927,706	\$ 527,957	\$ 1,355,397	\$ 2,048,900
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	22,090	3,248	41,189	45,349
Unearned revenue	-	-	-	-
Total Liabilities	22,090	3,248	41,189	45,349
Deferred inflows of resources:				
Unavailable revenue	21,591	-	43,758	27,517
Total Deferred Inflows of Resources	21,591	-	43,758	27,517
Fund Balances:				
Nonspendable - prepaids	4,443	-	-	-
Nonspendable - inventory	-	-	-	-
Restricted:				
Judicial	-	-	-	-
Other general government	-	-	-	-
Public works	-	-	1,270,450	1,976,034
Sanitation	-	524,709	-	-
Capital projects	-	-	-	-
Debt service	-	-	-	-
Committed:				
Other general government	-	-	-	-
Assigned:				
Other general government	-	-	-	-
Public works	-	-	-	-
Negative unassigned	-	-	-	-
Unassigned	1,879,582	-	-	-
Total Fund Balances	1,884,025	524,709	1,270,450	1,976,034
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 1,927,706	\$ 527,957	\$ 1,355,397	\$ 2,048,900

The accompanying notes are an integral part of this statement.

MAJOR FUNDS				
ROAD DISTRICT #1 MTC. FUND	ROAD DISTRICT #5 MTC. FUND	COURTHOUSE AND JAIL FUND	NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
\$ 28,131	\$ 51,209	\$ 73,541	377,918	\$ 1,166,828
\$ 201,629	\$ 449,908	422,754	1,460,973	\$ 6,115,122
257,254	345,027	271,008	323,381	2,437,916
-	-	-	125,294	523,678
-	-	-	45,179	45,179
-	-	-	2,989	7,432
<u>\$ 487,014</u>	<u>\$ 846,144</u>	<u>\$ 767,303</u>	<u>\$ 2,335,734</u>	<u>\$ 10,296,155</u>
22,545	52,135	36,670	80,423	\$ 303,649
-	-	-	48,703	48,703
<u>22,545</u>	<u>52,135</u>	<u>36,670</u>	<u>129,126</u>	<u>352,352</u>
33,847	47,452	31,970	40,649	246,784
<u>33,847</u>	<u>47,452</u>	<u>31,970</u>	<u>40,649</u>	<u>246,784</u>
-	-	-	2,989	7,432
-	-	-	45,179	45,179
-	-	698,663	2,461	701,124
-	-	-	223,254	223,254
430,622	746,557	-	1,463,294	5,886,957
-	-	-	-	524,709
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	428,782	2,308,364
<u>430,622</u>	<u>746,557</u>	<u>698,663</u>	<u>2,165,959</u>	<u>9,697,019</u>
<u>\$ 487,014</u>	<u>\$ 846,144</u>	<u>\$ 767,303</u>	<u>\$ 2,335,734</u>	<u>\$ 10,296,155</u>

ALLEN PARISH POLICE JURY
Oberlin, Louisiana
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
December 31, 2018

TOTAL FUND BALANCE FOR GOVERNMENTAL FUNDS AT DECEMBER 31, 2018		\$	9,697,019
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			23,081,144
Certain property tax revenue receivable that will not be collected within 60 days of year end are not considered available in the governmental funds.			
			127,741
Certain revenue sharing receivable that will not be collected within 60 days of year end are not considered available in the governmental funds.			
			117,452
Deferred outflows and inflows or resources related to pensions are applicable to future periods and, therefore not reported in the funds			
Deferred outflows of resources related to pensions			372,093
Deferred inflows of resources related to pensions			(370,315)
Other			
			1,591
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	\$	1,187,000	
Accrued interest payable		3,956	
OPEB obligations		260,081	
Pension liability (asset)		(122,872)	
Compensated absences payable		27,362	
			<u>(1,355,527)</u>
TOTAL NET POSITION OF GOVERNMENTAL ACTIVITIES AT DECEMBER 31, 2018		\$	<u>31,671,198</u>

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, 2018

	GENERAL FUND	MAJOR FUNDS		
		SOLID WASTE FUND	ROAD DISTRICT #2 MTC. FUND	ROAD DISTRICT #3 MTC. FUND
REVENUES				
Taxes:				
Ad valorem	\$ 343,587	\$ -	\$ 684,886	\$ 684,268
Sales and use	-	1,831,363	-	-
Other taxes, penalties, interest, etc.	-	-	-	-
Licenses and permits	107,175	-	-	-
Intergovernmental revenues:				
Federal and state grants	416,193	-	-	-
State funds:				
Parish transportation funds	-	-	-	-
State revenue sharing	19,210	-	52,249	42,716
Severance taxes	832,748	-	-	-
Other state funds	102,495	-	-	-
Fees, charges and commissions				
for services	3,137	-	-	-
Fines and forfeitures	18,542	-	-	-
Gaming revenues	-	-	-	-
Investment earnings	15,542	1,838	7,711	14,788
Other revenues	101,552	12,961	12,984	16,294
TOTAL REVENUES	1,960,181	1,846,162	757,830	758,066
EXPENDITURES				
Current:				
General government:				
Legislative	133,291	-	-	-
Judicial	3,705	-	-	-
Elections	28,289	-	-	-
Financial and administrative	159,373	-	-	-
Other	113,489	-	-	-
Public safety	399,287	-	-	-
Public works	-	-	648,491	482,828
Sanitation	-	1,646,129	-	-
Payments to other governments	273,061	-	-	-
Economic development and assistance	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest	-	-	-	-
Capital outlay	12,437	45	5,129	98,743
TOTAL EXPENDITURES	1,122,932	1,646,174	653,620	581,571
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	837,249	199,988	104,210	176,495
OTHER FINANCING SOURCES (USES):				
Bond proceeds	-	-	-	-
Transfers in	1,673,856	13,610	1,230,923	1,758,048
Transfers out	(2,444,158)	-	(1,143,533)	(1,637,270)
TOTAL OTHER FINANCING SOURCES (USES)	(770,302)	13,610	87,390	120,778
NET CHANGE IN FUND BALANCE	66,947	213,598	191,600	297,273
FUND BALANCES(DEFICIT)-BEGINNING	1,817,078	311,111	1,078,850	1,678,761
FUND BALANCES(DEFICIT)-ENDING	\$ 1,884,025	\$ 524,709	\$ 1,270,450	\$ 1,976,034

The accompanying notes are an integral part of this statement.

ROAD DISTRICT #1 MTC. FUND	ROAD DISTRICT #5 MTC. FUND	COURTHOUSE AND JAIL FUND	NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
\$ 340,249	\$ 763,640	\$ 442,627	\$ 425,915	\$ 3,685,172
			56,703	1,888,066
			-	-
			70,230	177,405
		91,901	93,234	601,328
			347,466	347,466
35,013	11,147	26,807	46,456	233,598
			-	832,748
			14,610	117,105
			178,966	182,103
			304,034	322,576
			402,696	402,696
1,629	2,608	2,874	9,773	56,763
27,538	17,434	13,737	394,837	597,337
<u>404,429</u>	<u>794,829</u>	<u>577,946</u>	<u>2,344,920</u>	<u>9,444,363</u>
			-	133,291
		348,847	489,561	842,113
			-	28,289
			-	159,373
			718,712	832,201
			-	399,287
393,163	574,291		536,088	2,634,861
			-	1,646,129
			-	273,061
			-	-
			108,020	108,020
			-	-
			230,000	230,000
			25,368	25,368
187,158	82,985	28,176	214,833	629,506
<u>580,321</u>	<u>657,276</u>	<u>377,023</u>	<u>2,322,582</u>	<u>7,941,499</u>
<u>(175,892)</u>	<u>137,553</u>	<u>200,923</u>	<u>22,338</u>	<u>1,502,864</u>
119,000	82,000	-	55,000	256,000
340,675	1,164,700	636,609	3,135,567	9,953,988
<u>(260,691)</u>	<u>(1,112,917)</u>	<u>(610,780)</u>	<u>(2,744,639)</u>	<u>(9,953,988)</u>
<u>198,984</u>	<u>133,783</u>	<u>25,829</u>	<u>445,928</u>	<u>256,000</u>
23,092	271,336	226,752	468,266	1,758,864
407,530	475,221	471,911	1,697,693	7,938,155
<u>\$ 430,622</u>	<u>\$ 746,557</u>	<u>\$ 698,663</u>	<u>\$ 2,165,959</u>	<u>\$ 9,697,019</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, 2018

NET CHANGE IN FUND BALANCE - TOTAL
 GOVERNMENTAL FUNDS \$ 1,758,864

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	\$ 574,377	
Depreciation expense	<u>(1,139,640)</u>	(565,263)

Certain property tax revenues receivable will not be collected for several months after year end are not considered available in the governmental funds.		31,932
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Other		155,247
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Certain revenue sharing receivable will not be collected for several months after year end are not considered available in the governmental funds.		(1,300)
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Repayment of bond principal is an expenditure in the governmental funds but reduces long-term liabilities in the statement of net position.		230,000
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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.

Cost of pension benefits earned net of employee contributions		(41,670)
Prior year accrued interest payable exceeded the current year		(432)
Compensated absences payable exceeded prior year payable		18,319
OPEB obligations exceed the prior year obligations		<u>(9,294)</u>

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$	<u><u>1,320,403</u></u>
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The accompanying notes are an integral part of this statement.

ALLEN PARISH POLICE JURY
Oberlin, Louisiana
Statement of Fiduciary Net Position
December 31, 2018

	<u>AGENCY FUND</u>
Assets	
Cash and cash equivalents	\$ -
Investments	15,273
Due from other governments	<u>46,320</u>
Total Assets	<u>\$ 61,593</u>
Liabilities	
Held for others	<u>\$ 61,593</u>
Total Liabilities	<u>\$ 61,593</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, 2018

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, 2020.

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:

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

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 Exp 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 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.

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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 15th of the current year, and become delinquent after December 31st. 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	11.86	11.86	2021
No. 1	22.03	22.03	2025
No. 1A	8.03	8.03	2025
No. 2	5.52	5.52	2021
No. 2	7.37	7.37	2020
No. 2	11.04	11.04	2021
No. 3	10.36	10.36	2021
No. 3	11.27	11.27	2019
No. 3	35.79	35.79	2025
No. 4	30.19	30.19	2025
No. 4	21.14	21.14	2025
No. 5	5.30	5.30	2022
No. 5	8.69	8.69	2019
No. 5A	2.79	2.79	2025

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
Martco OSB	Timber	\$ 21,672,690	26.54%
Union Pacific Railroad	Railroad	6,847,380	8.38%
Cleco Corporation	Utility	5,432,200	6.65%
Total		<u>\$ 81,667,250</u>	<u>41.57%</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. 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 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, 2018, 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.

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, 2018, the police jury has cash and cash equivalents (book balances) totaling \$1,048,517 as follows:

Demand deposits	\$	1,048,517
Total	\$	<u>1,048,517</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.

At December 31, 2018, the police jury has \$1,048,646 in deposits (collected bank balances). These deposits are secured from risk by federal deposit insurance and \$1,437,520 of pledged securities held in a custodial bank in the name of the Police Jury's name.

4. INVESTMENTS

Deposits held by LAMP at December 31, 2018, consist of \$6,115,122 in the Louisiana Asset Management Pool, Inc. (LAMP), a local government investment pool (see Summary of Significant Accounting Policies). In accordance with GASB Codification Section 150.126, the investment in LAMP is not categorized in the three risk categories provided by GASB Codification Section 150.125 because the investment is in the pool of funds (LAMP is a 2a7-like investment pool) and therefore not evidenced by securities that exist in physical or book entry form. Also, pooled investments are excluded from the concentration of credit risk 5 percent disclosure requirement and foreign currency risk is not applicable to 2a7-like pools.

LAMP is administrated by LAMP, Inc., a non-profit corporation organized under the laws of the state of Louisiana, which was formed by an initiative of the State Treasurer in 1993. The corporation is governed by a board of directors comprising the State Treasurer, representatives from various organizations of local government, the Government Finance Officers Association of Louisiana, and the Society of Louisiana CPA's. Only local governments having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term high-quality investments. LAMP is not registered with the SEC as an investment company. LAMP's annual financial statements can be obtained from the Louisiana Legislative Auditor's website.

The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. Government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities. The dollar-weighted-average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days or 762 days for U.S. Government floating/variable rate investments. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool shares. LAMP is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

At December 31, 2018, the weighted-average yield on the deposits at LAMP was 2.35% and the weighted-average maturity cannot exceed 90 days. The weighted-average maturity for LAMP's total investments was 43 days as of December 31, 2018. LAMP is rated AAAM by Standard & Poors. The District does not have credit or interest rate risk policies for investments.

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

5. RECEIVABLES

The receivables of \$2,437,916 at December 31, 2018, are as follows:

Class of Receivable	
Ad Valorem Tax	\$ 2,264,094
State Revenue Sharing	173,822
Other	<u>0</u>
Total	<u>\$ 2,437,916</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.

6. DUE FROM OTHER GOVERNMENTAL UNITS

Amounts due from other governmental units at December 31, 2018 consisted of the following:

Louisiana Department of the Treasury - general and timber severance	\$ 223,131
Allen Parish School Board - sales taxes	160,658
Louisiana Department of the Treasury - parish transportation funds	29,357
Various other	<u>110,532</u>
Total	<u>\$ 523,678</u>

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

7. CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended December 31, 2018, are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated				
Construction in progress	\$ 419,870	\$ 52,858	\$ 472,728	\$ -
Land	700,246	-	-	700,246
Total capital assets, not being depreciated	<u>\$ 1,120,116</u>	<u>\$ 52,858</u>	<u>\$ 472,728</u>	<u>\$ 700,246</u>
Capital assets being depreciated:				
Buildings	\$ 4,595,339	\$ -	\$ -	\$ 4,595,339
Improvements other than buildings	5,855,585	31,169	-	5,886,754
Furniture and fixtures	431,836	4,440	-	436,276
Vehicles	864,247	323,548	-	1,187,795
Machinery and equipment	3,888,504	162,362	-	4,050,866
Infrastructure	30,236,063	472,728	-	30,708,791
Total capital assets being depreciated	<u>45,871,574</u>	<u>994,247</u>	<u>-</u>	<u>46,865,821</u>
Less accumulated depreciation for:				
Buildings	2,196,607	171,243	-	2,367,850
Improvements other than buildings	2,894,828	102,525	-	2,997,353
Furniture and fixtures	410,537	8,914	-	419,451
Vehicles	723,670	55,211	-	778,881
Machinery and equipment	2,878,228	217,334	-	3,095,562
Infrastructure	14,241,413	584,413	-	14,825,826
Total accumulated depreciation	<u>23,345,283</u>	<u>1,139,640</u>	<u>-</u>	<u>24,484,923</u>
Total capital assets being depreciated, net	<u>\$ 22,526,291</u>	<u>\$ (145,393)</u>	<u>\$ -</u>	<u>\$ 22,380,898</u>

Depreciation expense of \$1,139,640 for the year ended December 31, 2018, was charged to the following governmental functions:

General government	\$ 136,757
Public works	797,748
Economic development	182,342
Public safety	22,793
Total	<u>\$ 1,139,640</u>

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

7. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Interfund Transfers:

<u>From</u>	<u>To</u>		
General Fund	Nonmajor Funds	\$	191,970
Nonmajor Funds	Road District #3		20,000
Nonmajor Funds	Road District #2		20,000
Nonmajor Funds	Nonmajor Funds		11,711
	Total		<u>\$ 243,681</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.

8. ACCOUNTS, SALARIES, AND OTHER PAYABLES

The payables of \$303,649 at December 31, 2018 are as follows:

Salaries	\$	27,362
Accounts		<u>276,287</u>
Total	\$	<u><u>303,649</u></u>

9. LONG-TERM OBLIGATIONS

The following is a summary of the long-term obligation transactions for the year ended December 31, 2018:

	<u>Bonded</u>	<u>Compensated</u>	<u>Other Post-</u>	<u>Pension</u>	<u>Total</u>
	Debt	Absences	Employment Benefits	Liability	
Long-term obligations					
Beginning	\$ 1,165,000	\$ 45,681	\$ 1,359,091	\$ 383,866	\$ 2,953,638
Additions	256,000	-	-	-	256,000
Deductions	234,000	18,319	1,099,010	506,738	1,351,329
Long-term obligations					
Ending	<u>\$ 1,187,000</u>	<u>\$ 27,362</u>	<u>\$ 260,081</u>	<u>\$ (122,872)</u>	<u>\$ 1,858,309</u>

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

9. LONG-TERM OBLIGATIONS

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, 2018:

	Bonded Debt	Compensated Absences	Other Post- Employment Benefits	Pension Liability (asset)	Total
Current	\$ 291,000	\$ 27,362	\$ -		\$ 318,362
Long-term	896,000	-	260,081	-122,872	1,033,209
Total	<u>\$ 1,187,000</u>	<u>\$ 27,362</u>	<u>\$ 260,081</u>	<u>(122,872)</u>	<u>\$ 1,351,571</u>

All parish bonds outstanding at December 31, 2018, for \$1,187,000 are general obligations bonds with maturities from 2016 to 2022 and interest rates from 1.957% to 3.20%. Bond principal and interest payable in the next fiscal year are \$234,000 and \$26,074 respectively. The individual issues are as follows:

Bond	Original Issue	Interest Rate	Final Payment Due	Interest to Maturity	Principal Outstanding	Funding Source
Library Bond Series 2015	1,500,000	1.957%	03/01/2022	34,838	1,090,000	Ad valorem tax
C.O.I. Series 2011	200,000	3.15%	03/01/2020	6,332	75,000	Ad valorem tax
Rd #4 COI Series 2018	55,000	2.75%	03/01/2023	4,300	55,000	Ad valorem tax
Rd #1 COI Series 2018	119,000	2.75%	03/01/2023	8,983	119,000	Ad valorem tax
Rd #5 COI Series 2018	82,000	2.75%	03/01/2023	4,750	82,000	Ad valorem tax

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. The bonds are due as follows:

Year Ending December 31,	Principal Payments	Interest Payments	Total
2019	291,000	23,213	314,213
2020	298,000	16,409	314,409
2021	278,000	10,169	288,169
2022	283,000	4,153	287,153
2023	37,000	550	37,550
Total	<u>\$ 1,187,000</u>	<u>\$ 54,494</u>	<u>\$ 1,241,494</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. Parochial Employee's Retirement System

A. Plan Description

The Parochial Employees' Retirement System of Louisiana (System) is the administrator of a cost-sharing multiple-employer defined benefit pension plan. The System was originally established by Act 205 of the 1952 regular session of the Legislature of the State of Louisiana.

The System provides retirement benefits to employees of any parish within the State of Louisiana or any governing body or a parish which employs and pays persons serving the parish. Act 765 of the year 1979, established by the Legislature of the State of Louisiana, revised the System to create Plan A and Plan B to replace the "regular plan" and the "supplemental plan". Plan A was designated for employers out of Social Security. Plan B was designated for those employers that remained in Social Security on the revision date. The Police Jury is a participating member of Plan A.

The following is a description of the plan and its benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

Eligibility Requirements

All permanent parish government employees (except those employed by Orleans, Lafourche and East Baton Rouge Parishes) who work at least 28 hours a week shall become members on the date of employment. New employees meeting the age and Social Security criteria have up to 90 days from the date of hire to elect to participate.

As of January 1997, elected officials, except coroners, justices of the peace, and parish presidents may no longer join the System.

Retirement Benefits

Any member of Plan A can retire providing he/she meets one of the following criteria:

For employees hired prior to January 1, 2007:

1. Any age with thirty (30) or more years of creditable service.
2. Age 55 with twenty-five (25) years of creditable service.
3. Age 60 with a minimum of ten (10) years of creditable service.
4. Age 65 with a minimum of seven (7) years of creditable service.

For employees hired after January 1, 2007:

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

Any member of Plan B can retire providing he/she meets one of the following criteria:

For employees hired prior to January 1, 2007:

1. Age 55 with thirty (30) years of creditable service.
2. Age 60 with a minimum of ten (10) years of creditable service.
3. Age 65 with a minimum of seven (7) years of creditable service.

For employees hired after January 1, 2007:

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

10. Parochial Employee's Retirement System

Generally, the monthly amount of the retirement allowance of any member of Plan A shall consist of an amount equal to three percent of the member's final average compensation multiplied by his/her years of creditable service. However, under certain conditions, as outlined in the statutes, the benefits are limited to specified amounts.

Survivor Benefits

Upon the death of any member of Plan A with five (5) or more years of creditable service who is not eligible for retirement, the plan provides for benefits for the surviving spouse and minor children, as outlined in the statutes.

Any member of Plan A, who is eligible for normal retirement at time of death, the surviving spouse shall receive an automatic Option 2 benefit, as outlined in the statutes.

Plan B members need ten (10) years of service credit to be eligible for survivor benefits. Upon the death of any member of Plan B with twenty (20) or more years of creditable service who is not eligible for normal retirement, the plan provides for an automatic Option 2 benefit for the surviving spouse when he/she reaches age 50 and until remarriage, if the remarriage occurs before age 55.

A surviving spouse who is not eligible for Social Security survivorship or retirement benefits, and married not less than twelve (12) months immediately preceding death of the member, shall be paid an Option 2 benefit beginning at age 50.

Deferred Retirement Option Plan

Act 338 of 1990 established the Deferred Retirement Option Plan (DROP) for the Retirement System. DROP is an option for that member who is eligible for normal retirement.

In lieu of terminating employment and accepting a service retirement, any member of Plan A or B who is eligible to retire may elect to participate in the Deferred Retirement Option Plan (DROP) in which they are enrolled for three years and defer the receipt of benefits. During participation in the plan, employer contributions are payable but employee contributions cease. The monthly retirement benefits that would be payable, had the person elected to cease employment and receive a service retirement allowance, are paid into the DROP Fund.

Upon termination of employment prior to or at the end of the specified period of participation, a participant in the DROP may receive, at his option, a lump sum from the account equal to the payments into the account, a true annuity based upon his account balance in that fund, or roll over the fund to an Individual Retirement Account. Interest is accrued on the DROP benefits for the period between the end of DROP participation and the member's retirement date.

For individuals who become eligible to participate in the Deferred Retirement Option Plan on or after January 1, 2004, all amounts which remain credited to the individual's subaccount after termination in the Plan will be placed in liquid asset money market investments at the discretion of the board of trustees. These subaccounts may be credited with interest based on money market rates of return or, at the option of the System, the funds may be credited to self-directed subaccounts. The participant in the self-directed portion of this Plan must agree that the benefits payable to the participant are not the obligations of the state or the System, and that any returns and other rights of the Plan are the sole liability and responsibility of the participant and the designated provider to which contributions have been made.

**10. Parochial Employee's Retirement System
Disability Benefits**

For Plan A, a member shall be eligible to retire and receive a disability benefit if they were hired prior to January 1, 2007, and has at least five years of creditable service or if hired after January 1, 2007, has seven years of creditable service, and is not eligible for normal retirement and has been officially certified as disabled by the State Medical Disability Board. Upon retirement caused by disability, a member of Plan A shall be paid a disability benefit equal to the lesser of an amount equal to three percent of the member's final average compensation multiplied by his years of service, not to be less than fifteen, or three percent multiplied by years of service assuming continued service to age sixty.

For Plan B, a member shall be eligible to retire and receive a disability benefit if he/she was hired prior to January 1, 2007, and has at least five years of creditable service or if hired after January 1, 2007, has seven years of creditable service, and is not eligible for normal retirement, and has been officially certified as disabled by the State Medical Disability Board. Upon retirement caused by disability, a member of Plan B shall be paid a disability benefit equal to the lesser of an amount equal to two percent of the member's final average compensation multiplied by his years of service, not to be less than fifteen, or an amount equal to what the member's normal benefit would be based on the member's current final compensation but assuming the member remained in continuous service until his earliest normal retirement age.

Cost of Living Increases

The Board is authorized to provide a cost of living allowance for those retirees who retired prior to July 1973. The adjustment cannot exceed 2% of the retiree's original benefit for each full calendar year since retirement and may only be granted if sufficient funds are available from investment income in excess of normal requirements. In addition, the Board may provide an additional cost of living increase to all retirees and beneficiaries who are over age sixty-five equal to 2% of the member's benefit paid on October 1, 1977, (or the member's retirement date, if later). Also, the Board may provide a cost of living increase up to 2.5% for retirees 62 and older. (RS 11:1937). Lastly, Act 270 of 2009 provided for further reduced actuarial payments to provide an annual 2.5% cost of living adjustment commencing at age 55.

B. Employer Contributions

According to state statute, contributions for all employers are actuarially determined each year. For the year ended December 31, 2017, the actuarially determined contribution rate was 9.35% of member's compensation for Plan A and 6.75% of member's compensation for Plan B. However, the actual rate for the fiscal year ending December 31, 2018 was 11.50% for Plan A and 7.50% for Plan B. The actual contribution rate for December 31, 2017 was 12.50% for Plan A and 7.50% for Plan B.

According to state statute, the System also receives $\frac{1}{4}$ of 1% of ad valorem taxes collected within the respective parishes, except for Orleans and East Baton Rouge parishes. The System also receives revenue sharing funds each year as appropriated by the Legislature. Tax monies and revenue sharing monies are apportioned between Plan A and Plan B in proportion to the member's compensation. These additional sources of income are used as additional employer contributions and are considered support from non-employer contributing entities.

10. Parochial Employee’s Retirement System

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

At December 31, 2018, the Police Jury reported a liability of \$122,872 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2017, and the total pension asset used to calculate the net pension asset was determined on a basis that is consistent with the manner in which contributions to the pension plan are determined. The allocation percentages were used in calculating each employer’s proportionate share of the pension amounts.

The allocation method used in determining each employer’s proportion was based on the employer’s projected contribution effort to the plan. The employers’ contribution effort was actuarially determined by the System’s actuary.

For the year ended December 31, 2018, the Police Jury recognized pension expense of \$151,658. At December 31, 2018, the Police Jury reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows	Deferred Inflows
Differences between expected and actual experience	\$ -	\$ 370,315
Net difference between projected and actual earnings on pension plan investments and changes in assumptions and proportionate share of contributions	262,105	-
Police Jury contributions made subsequent to the measurement date	109,988	
Total	\$ 372,093	\$ 370,315

The Police Jury’s contributions during the year ended December 31, 2018, reported as deferred outflows, of \$109,988 subsequent to the measurement date will be recognized as reduction of the net pension liability in the year ended December 31, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:	
2019	\$ (21,078)
2020	(97,810)
2021	(112,511)
2022	123,189

10. Parochial Employee's Retirement System

Actuarial Methods and Assumptions

The net pension liability was measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees' past periods of service, less the amount of the pension plan's fiduciary net position.

A summary of the actuarial methods and assumptions used in determining the total pension liability as of December 31, 2017 are as follows:

Valuation Date	December 31, 2017
Actuarial Cost Method	Entry Age Normal

Actuarial Assumptions:

Investment Rate of Return	6.75%, net of investment expense
Projected Salary Increases	5.25% (2.5% Inflation, 2.75% Merit)
Mortality Rates	RP-2000 Employee Table for active members RP-2000 Healthy Annuitant Table for healthy annuitants RP-2000 Disabled Lives Mortality Tables for disabled annuitants

Expected Remaining Service Lives	4 years
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Cost of Living Adjustments The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The present values do not include provisions for potential future increase not yet authorized by the Board of Trustees.

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers and non-employer contributing entities will be made at the actuarially determined contribution rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the CAPM pricing model (top-down), a treasury yield curve approach (bottom-up) and an equity building-block model (bottom-up). Risk return and correlations are projected on a forward looking basis in equilibrium, in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.00% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 7.62% for the year ended December 31, 2017.

10. Parochial Employee’s Retirement System

Best estimates of arithmetic real rates of return for each major asset class included in the System’s target asset allocation as of December 31, 2016 are summarized in the following table:

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-Term Expected Portfolio Real Rate of Return</u>
Fixed income	35%	1.24%
Equity	52%	3.57%
Alternatives	11%	0.69%
Real assets	2%	0.12%
Totals	100%	5.62%
Inflation		2.00%
Expected Arithmetic Normal Return		7.62%

The mortality rate assumption used was set based upon an experience study performed on plan data for the period January 1, 2010 through December 31, 2014. The data was then assigned credibility weighting and combined with a standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent to the estimated duration of the System’s liabilities. The RP-2000 Healthy Annuitant Mortality Sex Distinct Tables (set forward two years for males and one year for females) projected to 2031 using Scale AA was selected for annuitants and beneficiaries. For disabled annuitants, the RP-2000 Disabled Lives Mortality Table set back 5 years for males and 3 years for females was selected. For active employees, the RP-2000 Employee Sex Distinct Tables set back 4 years for males and 3 years for females was used.

Sensitivity to Changes in Discount Rate

The following presents the net pension liability (asset) of the participating employers calculated using the discount rate of 6.75%, as well as what the employers’ net pension liability would be if it were calculated using a discount rate that is one percentage point lower 6.00% or one percentage point higher 8.00% than the current rate.

		<u>Changes in Discount Rate</u>	
		<u>Current Discount Rate</u>	<u>1% Increase</u>
	1%	6.75%	7.75%
	Decrease	6.75%	Increase
	5.75%	6.75%	7.75%
Net Pension Liability (Asset)	\$605,805	\$(122,872)	\$(771,711)

Retirement System Audit Report

The Parochial Employees’ Retirement System of Louisiana has issued a stand-alone audit report on their financial statements for the year ended December 31, 2017. Access to the report can be found on the Louisiana Legislative Auditor’s website, www.lia.la.gov.

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.

In 2018, the Parish implemented Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (OPEB). This Statement addresses the fact that certain postemployment benefits other than pensions, which for the Parish consist of healthcare benefits only, are related to employee services and salaries received presently but that will benefit the employee in the future – upon retirement – and whose costs will be borne by the Parish in the future. The Statement also attempts to quantify the future “retirement” costs that have been earned by the employee during his/her active years of employment. The Parish will finance the postemployment benefits on a “pay-as-you-go” basis. GASB Statement 75 requires that the liability be recognized in the financial statements for the actuarial determined portion of the projected benefit payments to be provided to current active and inactive employees that is attributed to those employees’ past periods of service. The notes to the financial statements contain other required disclosure information from GASB Statement 75.

Actuarial valuations for OPEB plans involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. These actuarially determined amounts are subject to continual revisions as actual results are compared to past expectations and new estimates are made about the future.

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 the plan members. The actuarial calculations of the OPEB plan reflect a long-term perspective. Consistent with this perspective, 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 total OPEB liability for the January 1, 2018 actuarial valuation, with a measurement date of December 31, 2018, and inclusive of the measurement period of January 1, 2018 through December 31, 2018, was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

11. OTHER POSTEMPLOYMENT BENEFITS PLAN

Inflation Rate	Not utilized by the actuary – see discount rate information.
Discount Rate	4.10% using an average of following three 20-year bond indices: (a) Bond Byer 20 Bond GO Index.
Cost of Living Increases	Not applicable

Changes in the Total OPEB Liability: The following table shows the components of the Police Jury's total OPEB liability for the current year:

Balance at 12/31/2017	\$ 250,787
Current Period Changes:	
Service Cost	5,660
Interest on Total OPEB Liability	10,376
Differences Between Expected and Actual Experience	
Benefit Payments	(6,742)
Net Change in Total OPEB Liability	9,294
Balance at 12/31/2018	\$ 260,081

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate. The following presents the total OPEB liability of the Parish, as well as what the Parish's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.10%) or one percentage point higher (5.10%) than the current discount rate of 4.10%:

	1% Decrease (3.10%)	Discount Rate (4.10%)	1% Increase (5.10%)
Total OPEB Liability Parish	\$295,756	\$260,081	\$230,376

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate. The following presents the total OPEB liability of the Parish, as well as what the Parish's total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower (4%) or one percentage point higher (5%) than the current healthcare cost trend rate of 5%:

	1% Decrease (4%)	Healthcare Cost Trend Rate (5%)	1% Increase (6%)
Total OPEB Liability Parish	\$248,532	\$260,081	\$270,530

11. OTHER POSTEMPLOYMENT BENEFITS PLAN

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB. For the year ended December 31, 2018, the Police Jury recognized OPEB expense of \$16,036. At December 31, 2018, the Parish did not report any deferred outflows of resources or deferred inflows of resources related to OPEB since this was the first year of implementation for GASB 75 and the valuation was inclusive of January 1, 2018 through December 31, 2018 activity.

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 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, 2018. The police jury matches up to 2% of the employee's contributions to this plan. Employee contributions for the year ended December 31, 2018 were \$9,400 The police jury's contributions for the year ended December 31, 2017 were \$6,102.

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:

	Balance at Beginning of Year	Additions	Reductions	Balance at End of Year
Agency funds:				
Capital Improvement Fund	\$ 165,275	\$ 228,156	\$ 281,531	\$ 111,900
	<u>\$ 165,275</u>	<u>\$ 228,156</u>	<u>\$ 281,531</u>	<u>\$ 111,900</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 2018. 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, 2018, the police jury is involved in lawsuits. Of these lawsuits in the opinion of legal counsel for the police jury, no estimate of loss can be made for any of these.

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.

17. DEFICITS IN INDIVIDUAL FUNDS

The following funds reflect a deficit fund balance at December 31, 2018:

Coroner Fund	\$ 6,770
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18. 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, 2018:

Balance in Criminal Court bank account at December 31, 2018	<u>\$ 9,161</u>
Balance due at December 31, 2018	<u>\$ 4,581</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 2019.

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

19. 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, 2018, governmental funds' revenues that have been earned but are unavailable are \$246,784, as follows:

	Ad Valorem Taxes	State Revenue Sharing	Total
General Fund	\$ 11,361	\$ 10,230	\$ 21,591
Road District #1 Mtc. Fund	16,466	17,381	33,847
Road District #2 Mtc. Fund	17,677	26,081	43,758
Road District #3 Mtc. Fund	6,823	20,694	27,517
Road District #4 Mtc. Fund	7,327	19,222	26,549
Road District #5 Mtc. Fund	41,288	6,164	47,452
Road District #5A Mtc. Fund	8,143	3,763	11,906
Road District #1A Mtc. Fund	990	1,204	2,194
Court House & Jail Fund	17,666	14,304	31,970
	<u>\$ 127,741</u>	<u>\$ 119,043</u>	<u>\$ 246,784</u>

20. UNEARNED REVENUE

The balance in unearned revenue at December 31, 2018 consists of \$48,703 of operating grant revenue that had been received but that had not been earned as of December 31, 2018 in the Nonmajor Funds.

21. SUBSEQUENT EVENT REVIEW

The police jury's management has evaluated subsequent events through the date which the financial statements were available to be issued. The police jury's management is not aware of a subsequent event that requires disclosure in the financial statements.

22. PRIOR PERIOD ADJUSTMENT

The Police Jury implemented GASB No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which replaces GASB 45. GASB 75 requires public employers to perform periodic actuarial valuations to measure and disclose their retiree healthcare liabilities for the financial statement of the employer. As a result of this implementation, the beginning net position previously reported as December 31, 2017, has been restated to reflect the net OPEB liability as of that measurement date. The January 1, 2018, beginning balances of the net position were restated as follows:

Net position – beginning, as previously reported	\$ 29,242,491
Prior period adjustment – Implementation of GASB 75	<u>1,108,304</u>
Net position – beginning, as restated	<u>\$ 30,350,795</u>

REQUIRED SUPPLEMENTARY INFORMATION

ALLEN PARISH POLICE JURY
Oberlin, Louisiana
Budgetary Comparison Schedule
General Fund
For the Year Ended December 31, 2018

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE (OVER) FINAL
	ORIGINAL	FINAL		
REVENUES				
Taxes:				
Ad valorem	\$ 253,151	\$ 253,151	\$ 343,587	\$ 90,436
Other taxes, penalties, interest	-	-	-	-
Licenses and permits	102,000	102,000	107,175	5,175
Intergovernmental:				
Grants - federal and state	150,000	150,000	416,193	266,193
State funds:				
State revenue sharing	10,000	10,000	19,210	9,210
Severance taxes	600,000	600,000	832,748	232,748
Other state funds	115,000	115,000	102,495	(12,505)
Fees, charges and commissions for services	3,500	3,500	3,137	(363)
Fines and forfeitures	2,000	2,000	18,542	16,542
Investment earnings	500	500	15,542	15,042
Other revenues	481,450	481,450	101,552	(379,898)
TOTAL REVENUES	1,717,601	1,717,601	1,960,181	242,580
EXPENDITURES				
Current:				
General government:				
Legislative	129,550	129,550	133,291	(3,741)
Judicial	9,900	9,900	3,705	6,195
Elections	34,220	34,220	28,289	5,931
Financial and administrative	126,130	126,130	159,373	(33,243)
Other	1,718,136	1,718,136	113,489	1,604,647
Public safety	448,000	448,000	399,287	48,713
Payments to other governments	129,516	129,516	273,061	(143,545)
Capital outlay	150,000	150,000	12,437	137,563
TOTAL EXPENDITURES	2,745,452	2,745,452	1,122,932	1,622,520
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES				
	(1,027,851)	(1,027,851)	837,249	1,865,100
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	1,673,856.00	1,673,856
Transfers out	(242,000)	(237,350)	(2,444,158)	(2,206,808)
Proceeds from sale of assets	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(242,000)	(237,350)	(770,302)	(532,952)
NET CHANGE IN FUND BALANCE	(1,269,851)	(1,265,201)	66,947	1,332,148
FUND BALANCE(DEFICIT)-BEGINNING	1,269,851	1,269,851	962,219	-
FUND BALANCE (DEFICIT)-ENDING	\$ -	\$ 4,650	\$ 1,029,166	\$ 1,332,148

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, 2018

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE (OVER) FINAL
	ORIGINAL	FINAL		
REVENUES				
Taxes:				
Ad valorem	\$ -	\$ -	\$ -	\$ -
Sales and use	1,700,000	1,700,000	1,831,363	131,363
Intergovernmental:				
Grants - federal and state	-	-	-	-
State funds:				
Parish transportation funds	-	-	-	-
State revenue sharing	-	-	-	-
Other state funds	-	-	-	-
Fines and forfeitures	-	-	-	-
Gaming revenues	-	-	-	-
Investment earnings	250	250	1,838	1,588
Other revenues	-	-	12,961	12,961
TOTAL REVENUES	1,700,250	1,700,250	1,846,162	145,912
EXPENDITURES				
Current:				
General government:				
Judicial	-	-	-	-
Other	-	-	-	-
Sanitation	1,998,335	1,998,335	1,646,129	352,206
Payments to other governments	-	-	-	-
Economic development and assistance	-	-	-	-
Capital outlay	-	-	45	(45)
TOTAL EXPENDITURES	1,998,335	1,998,335	1,646,174	352,161
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(298,085)	(298,085)	199,988	498,073
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
NET CHANGE IN FUND BALANCE	(298,085)	(298,085)	199,988	498,073
FUND BALANCE (DEFICIT)-BEGINNING	298,085	298,085	342,203	-
FUND BALANCE (DEFICIT)-ENDING	\$ -	\$ -	\$ 542,191	\$ 498,073

The accompanying notes are an integral part of this statement.

ALLEN PARISH POLICE JURY
Oberlin, Louisiana
Budgetary Comparison Schedule
Road District #1
For the Year Ended December 31, 2018

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE (OVER) FINAL
	ORIGINAL	FINAL		
REVENUES				
Taxes:				
Ad valorem	\$ 307,592	\$ 307,592	\$ 340,249	\$ -
Sales and use	-	-	-	-
Other taxes, penalties, interest, etc	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental				
Grants - federal and state	-	-	-	-
State funds:				
Parish transportation fund:	-	-	-	-
State revenue sharing	20,000	20,000	35,013	-
Severance tax	-	-	-	-
Other state funds	-	-	-	-
Fees, charges and commissions for service	-	-	-	-
Fines and forfeitures	-	-	-	-
Gaming revenues	-	-	-	-
Investment earnings	500	500	1,629	1,129
Other revenues	-	-	27,538	27,538
TOTAL REVENUES	328,092	328,092	404,429	28,667
EXPENDITURES				
Current:				
General government				
Legislative	-	-	-	-
Judicial	-	-	-	-
Executive	-	-	-	-
Elections	-	-	-	-
Financial and administrative	-	-	-	-
Other	-	-	-	-
Public safety	-	-	-	-
Public works	288,800	449,881	393,163	56,718
Health and welfare	-	-	-	-
Payments to other government	-	-	-	-
Economic development and assistance	-	-	-	-
Capital outlay	31,500	191,500	187,158	4,342
TOTAL EXPENDITURES	320,300	641,381	580,321	61,060
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES				
	7,792	(313,289)	(175,892)	137,397
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	340,675	-
Transfers out	-	-	(260,691)	(260,691)
Bond proceeds	-	119,000	119,000	-
TOTAL OTHER FINANCING SOURCES (USES)	-	119,000	198,984	(260,691)
NET CHANGE IN FUND BALANCE	7,792	(194,289)	23,092	(123,294)
FUND BALANCE (DEFICIT)-BEGINNING	194,289	194,289	407,530	-
FUND BALANCE (DEFICIT)-ENDING	\$ 202,081	\$ -	\$ 430,622	\$ (123,294)

The accompanying notes are an integral part of this statement.

ALLEN PARISH POLICE JURY
Oberlin, Louisiana
Budgetary Comparison Schedule
Road District #5
For the Year Ended December 31, 2018

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE (OVER) FINAL
	ORIGINAL	FINAL		
REVENUES				
Taxes:				
Ad valorem	\$ 434,086	\$ 800,000	\$ 763,640	\$ (36,360)
Sales and use	-	-	-	-
Other taxes, penalties, interest, etc	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental				
Grants - federal and state	-	-	-	-
State funds:				
Parish transportation funds	-	-	-	-
State revenue sharing	10,000	10,000	11,147	1,147
Severance tax:				
Other state funds	-	-	-	-
Fees, charges and commissions for services	-	-	-	-
Fines and forfeitures:	-	-	-	-
Gaming revenues	-	-	-	-
Investment earnings	200	200	2,608	2,408
Other revenues	5,720	5,720	17,434	11,714
TOTAL REVENUES	450,006	815,920	794,829	(21,091)
EXPENDITURES				
Current:				
General government:				
Legislative	-	-	-	-
Judicial	-	-	-	-
Executive	-	-	-	-
Elections	-	-	-	-
Financial and administrative	-	-	-	-
Other	-	-	-	-
Public safety	-	-	-	-
Public works	560,170	926,084	574,291	351,793
Health and welfare	-	-	-	-
Payments to other governments	-	-	-	-
Economic development and assistance	-	-	-	-
Debt service:				
Principal payments:				
Interest	-	-	-	-
Capital outlay	1,500	83,500	82,985	515
TOTAL EXPENDITURES	561,670	1,009,584	657,276	352,308
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(111,664)	(193,664)	137,553	331,217
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	1,164,700	1,164,700
Transfers out	(25,985)	(25,985)	(1,112,917)	(1,086,932)
Bond proceeds	-	82,000	82,000	-
TOTAL OTHER FINANCING SOURCES (USES)	(25,985)	56,015	133,783	77,768
NET CHANGE IN FUND BALANCE	(137,649)	(137,649)	271,336	408,985
FUND BALANCE (DEFICIT)-BEGINNING	137,649	137,649	475,221	-
FUND BALANCE (DEFICIT)-ENDING	\$ -	\$ -	\$ 746,557	\$ 408,985

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, 2018

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE (OVER) FINAL
	ORIGINAL	FINAL		
REVENUES				
Taxes:				
Ad valorem	\$ 637,370	\$ 637,370	\$ 684,886	\$ 47,516
Sales and use	-	-	-	-
Other taxes, penalties, interest, etc.	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental:				
Grants - federal and state	-	-	-	-
State funds:				
Parish transportation funds	-	-	-	-
State revenue sharing	35,000	35,000	52,249	17,249
Severance taxes	-	-	-	-
Other state funds	-	-	-	-
Fees, charges and commissions for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Gaming revenues	-	-	-	-
Investment earnings	-	-	7,711	7,711
Other revenues	600	600	12,984	12,384
TOTAL REVENUES	<u>672,970</u>	<u>672,970</u>	<u>757,830</u>	<u>84,860</u>
EXPENDITURES				
Current:				
General government:				
Legislative	-	-	-	-
Judicial	-	-	-	-
Executive	-	-	-	-
Elections	-	-	-	-
Financial and administrative	-	-	-	-
Other	-	-	-	-
Public safety	-	-	-	-
Public works	1,286,981	1,286,981	648,491	638,490
Health and welfare	-	-	-	-
Payments to other governments	-	-	-	-
Economic development and assistance	-	-	-	-
Debt service:				
Principal payments	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	5,129	(5,129)
TOTAL EXPENDITURES	<u>1,286,981</u>	<u>1,286,981</u>	<u>653,620</u>	<u>633,361</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES				
	<u>(614,011)</u>	<u>(614,011)</u>	<u>104,210</u>	<u>718,221</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	1,230,923	1,230,923
Transfers out	-	-	(1,143,533)	(1,143,533)
Proceeds from sale of assets	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>87,390</u>	<u>87,390</u>
NET CHANGE IN FUND BALANCE	<u>(614,011)</u>	<u>(614,011)</u>	<u>191,600</u>	<u>805,611</u>
FUND BALANCE (DEFICIT)-BEGINNING	<u>614,011</u>	<u>614,011</u>	<u>1,078,850</u>	<u>-</u>
FUND BALANCE (DEFICIT)-ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,270,450</u>	<u>\$ 805,611</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, 2018

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE (OVER) FINAL
	ORIGINAL	FINAL		
REVENUES				
Taxes:				
Ad valorem	\$ 641,904	\$ 641,904	\$ 684,268	\$ 42,364
Sales and use	-	-	-	-
Other taxes, penalties, interest, etc.	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental:				
Grants - federal and state	-	-	-	-
State funds:				
Parish transportation funds	-	-	-	-
State revenue sharing	30,000	30,000	42,716	12,716
Severance taxes	-	-	-	-
Other state funds	-	-	-	-
Fees, charges and commissions for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Gaming revenues	-	-	-	-
Investment earnings	-	-	14,788	14,788
Other revenues	1,500	1,500	16,294	14,794
TOTAL REVENUES	673,404	673,404	758,066	84,662
EXPENDITURES				
Current:				
General government:				
Legislative	-	-	-	-
Judicial	-	-	-	-
Executive	-	-	-	-
Elections	-	-	-	-
Financial and administrative	-	-	-	-
Other	-	-	-	-
Public safety	-	-	-	-
Public works	1,898,236	1,898,236	482,828	1,415,408
Health and welfare	-	-	-	-
Payments to other governments	-	-	-	-
Economic development and assistance	-	-	-	-
Debt service:				
Principal payments	-	-	-	-
Interest	-	-	-	-
Capital outlay	1,500	1,500	98,743	(97,243)
TOTAL EXPENDITURES	1,899,736	1,899,736	581,571	1,318,165
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,226,332)	(1,226,332)	176,495	1,402,827
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	1,758,048	1,758,048
Transfers out	-	-	(1,637,270)	(1,637,270)
Proceeds from sale of assets	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	120,778	120,778
NET CHANGE IN FUND BALANCE	(1,226,332)	(1,226,332)	297,273	1,523,605
FUND BALANCE (DEFICIT)-BEGINNING	1,226,332	1,226,332	1,678,761	-
FUND BALANCE (DEFICIT)-ENDING	\$ -	\$ -	\$ 1,976,034	\$ 1,523,605

The accompanying notes are an integral part of this statement.

ALLEN PARISH POLICE JURY
For the Year Ended December 31, 2018
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.

ALLEN PARISH POLICE JURY
Oberlin, Louisiana

Parochial Employees' Retirement System of Louisiana
Schedule of the Police Jury's Contributions
For The Year Ended December 31, 2018

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Contractually required contribution	\$ 174,600	\$ 164,151	\$ 151,483	\$ 127,180	\$ 109,988
Contributions in relation to the contractually required contribution	\$ 174,600	\$ 164,151	\$ 151,483	\$ 127,180	\$ 109,988
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Police Jury's covered-employee payroll	\$ 1,091,250	\$ 1,132,076	\$ 1,165,254	\$ 1,017,437	\$ 956,466
Contributions as a percentage of covered-employee payroll	16.0%	14.5%	13.0%	12.5%	11.5%

The schedule is intended to report information for 10 years. Additional years will be displayed as they become available. The amounts presented have a measurement date of the previous fiscal year.

The notes to financial statements are an integral part of this statement.

ALLEN PARISH POLICE JURY
Oberlin, Louisiana

Parochial Employees' Retirement System of Louisiana
Schedule of the Police Jury's Proportionate Share of the Net Pension Liability
For The Year Ended December 31, 2018

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Police Jury's proportion of the net pension liability	0.212%	0.198%	0.186%	0.186%	-0.166%
Police Jury's proportionate share of the net pension liability (asset)	\$ 15,178	\$ 54,246	\$ 507,129	\$ 383,866	\$ (122,872)
Police Jury's covered-employee payroll	\$ 1,091,250	\$ 1,132,076	\$ 1,165,254	\$ 1,017,437	\$ 956,466
Police Jury's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	1.4%	4.8%	43.5%	37.7%	-12.8%
Plan fiduciary net position as a percentage of the total pension liability	99.48%	99.14%	92.23%	94.00%	104.97%

The schedule is intended to report information for 10 years. Additional years will be displayed as they become available. The amounts presented have a measurement date of the previous fiscal year.

The notes to financial statements are an integral part of this statement.

OTHER SUPPLEMENTARY SCHEDULES

ALLEN PARISH POLICE JURY
Oberlin, Louisiana
OTHER POSTEMPLOYMENT BENEFITS –
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>2018</u>
Total OPEB Liability	
Service Cost	\$ 5,660
Interest on Total OPEB Liability	10,376
Differences Between Expected and Actual	-
Benefit Payments	<u>(6,742)</u>
Net Change in Total OPEB Liability	9,294
Total OPEB Liability at Beginning of Year	<u>\$250,787</u>
Total OPEB Obligation at End of Year	<u>\$260,081</u>
Covered Employee Payroll	\$282,691
Total OPEB Liability as a Percentage of Covered	92.00%

Notes to the Schedule:

- (1) This schedule is intended to report information for ten years. Data for the full ten year period is not available but will be reported as the additional years become available.
- (2) Changes of Benefit Terms: There were no changes in benefit terms for 2018 which is the first year of implementation for Governmental Accounting Standards Board Statement (GASB) No. 75.
- (3) Changes of Assumptions: There were no changes in benefit terms for 2018 which is the first year of implementation for GASB Statement No. 75.
- (4) There were no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

INDEPENDENT AUDITOR'S REPORT SECTION

Allen Parish Police Jury
 Schedule of Compensation, Benefits and Other Payments to Agency Head
 or Chief Executive Officer
 For the Year Ended December 31, 2018

Agency Head Name:	Matt Fontenot
Purpose	Amount
Salary	\$ 14,400
Benefits-insurance	-
Benefits-retirement	-
Benefits-other	-
Car allowance	-
Vehicle provided by government	-
Per diem	-
Reimbursements	-
Travel	-
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, 2018

Board Member	Amount
Ruffin George	\$ 14,400
John Strother	14,400
Kent Fontenot	14,400
Creig Vizena	14,400
Anthony Hebert	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, 2018

Revenues:

Gaming revenue	\$ 382,864
Investment earnings and other	7,249
Total revenues	<u>\$ 390,113</u>

Expenditures:

Utilities/telephone for parish buildings	\$ 208,513
Payroll & fringe benefits for Court House maintenance employees	51,106
Maintenance of parish buildings and roads	133,898
Insurance for parish buildings	58,454
Road maintenance meeting compact agreement	64,987
Total expenditures	<u>\$ 516,958</u>

The accompanying notes are an integral part of this statement.

INDEPENDENT AUDITOR'S REPORT SECTION

STEVEN M. DEROUEN & ASSOCIATES

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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

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the 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, 2018, 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 my report thereon dated June 24, 2019. 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 my audit of the primary government financial statements, I 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 my 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, I 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.

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during my audit I did not identify any deficiencies in internal control that we consider to be material weaknesses. I did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that I consider to be significant deficiencies. See items 2018-1 and 2018-2.

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

Allen Parish Policy Jury's Response to Findings

The Allen Parish Police Jury's response to the findings identified in my 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, I 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.

Steven M. DeRouen & Associates

Steven M. DeRouen & Associates
Lake Charles, Louisiana
June 24, 2019

ALLEN PARISH POLICE JURY
Oberlin, Louisiana
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2018

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?	<u> </u> Yes	<u> X </u> No
Significant deficiencies identified	<u> X </u> Yes	<u> </u> None reported
Noncompliance material to financial statements noted?	<u> X </u> Yes	<u> </u> No

Section II - Financial Statement Findings

2018-1 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.

2018-2 Controls over Financial Reporting

Condition:	In my 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 my 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.

**Allen Parish Police Jury
Status of Prior Audit Findings
For the Year Ended December 31, 2017**

2017-1 Segregation of Duties

Corrective action taken – Due to the lack of sufficient financial resources, this finding cannot be resolved.
See 2017-1.

2017- 2 Controls over Financial Reporting

Corrective action taken – Due to the lack of sufficient financial resources, this finding cannot be resolved.
See 2017-2.

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AGREED-UPON PROCEDURES REPORT

ALLEN PARISH POLICE JURY

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

FOR THE PERIOD OF JANUARY 1, 2018 THROUGH DECEMBER 31, 2018

To the Board of Commissioners and the Louisiana Legislative Auditor:

I have performed the procedures enumerated below, which were agreed to by the Allen Parish Police Jury and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the period January 1, 2018 through December 31, 2018. The Entity's management is responsible for those C/C areas identified in the SAUPs.

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

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):
 - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget
 - b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
 - c) **Disbursements**, including processing, reviewing, and approving
 - d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
 - e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
 - f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process
 - g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases)
 - h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers
 - i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.
 - j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

Observation: *No written policies and procedures have been prepared for "receipts".*

Management's Response: *Written policies and procedures for "receipts" will be prepared and implemented.*

Board or Finance Committee

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

There were no observations noted in the prior year's testing, therefore the above procedures are not applicable.

Bank Reconciliations

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

Observation: The bank reconciliations did not include evidence that a member of management with no involvement in transactions associated with bank accounts has reviewed the bank reconciliations.

Management's Response: A member of management with no involvement in transactions associated with bank accounts has been reviewing the bank reconciliations, but did not document such review. The documentation of the review of bank reconciliations will be performed going forward.

Collections

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

There were no observations noted in the prior year's testing, therefore the above procedures are not applicable.

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

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

There were no observations noted in the prior year's testing, therefore the above procedures are not applicable.

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

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or

combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:

- a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]
- b) Observe that finance charges and late fees were not assessed on the selected statements.

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).

There were no observations noted in the prior year's testing, therefore the above procedures are not applicable.

Travel and Travel-Related Expense Reimbursements

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

- a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
- b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
- c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
- d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

There were no observations noted in the prior year's testing, therefore the above procedures are not applicable.

Contracts

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

There were no observations noted in the prior year's testing, therefore the above procedures are not applicable.

Payroll and Personnel

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

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

There were no observations noted in the prior year's testing, therefore the above procedures are not applicable.

Ethics

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above obtain ethics documentation from management, and:
 - a. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
 - b. Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

There were no observations noted in the prior year's testing, therefore the above procedures are not applicable.

Debt Service

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

There were no observations noted in the prior year's testing, therefore the above procedures are not applicable.

Other

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

There were no observations noted in the prior year's testing, therefore the above procedures are not applicable.

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

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

Steven M. DeRouen & Associates

June 24, 2019
Lake Charles, Louisiana