

ALLEN PARISH POLICE JURY
Oberlin, Louisiana

PRIMARY GOVERNMENT FINANCIAL STATEMENTS

For the Year Ended December 31, 2003
With Supplemental Information Schedules

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

Release Date 7-7-04

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Stutzman & Gates, LLC
Certified Public Accountants

Member:
American Institute of Certified Public Accountants
Society of Louisiana Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Allen Parish Police Jury
Oberlin, Louisiana

We have audited the accompanying primary government financial statements of the Allen Parish Police Jury, as of and for the year ended December 31, 2003 as listed in the table of contents. These financial statements are the responsibility of the Allen Parish Police Jury, management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

A primary government is a legal entity or body politic and includes all funds, organizations, institutions, agencies, departments, and offices that are not legally separate. Such legally separate entities are referred to as component units. In our opinion, the primary government financial statements present fairly, in all material respects, the financial position of the primary government of the Allen Parish Police Jury, as of December 31, 2003, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

However, the primary government financial statements, because they do not include the financial data of component units of the Allen Parish Police Jury, do not purport to, and do not, present fairly the financial position of the Allen Parish Police Jury, as of December 31, 2003, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 22, 2004, on our consideration of the Allen Parish Police Jury's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the primary government financial statements taken as a whole. The schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the primary government financial statements of the Allen Parish Police Jury. Such information, except for that portion marked "unaudited" on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the primary government financial statements; and, in our opinion, the information is fairly presented in all material respects in relation to the primary government financial statements taken as a whole.

Stutzman & Gates, LLC
Stutzman & Gates, LLC
June 22, 2004

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PRIMARY GOVERNMENT FINANCIAL STATEMENTS

ALLEN PARISH POLICE JURY
Oberlin, Louisiana
ALL FUND TYPES AND ACCOUNT GROUPS
Balance Sheet, December 31, 2003

	GOVERNMENTAL FUNDS				FIDUCIARY FUNDS		ACCOUNT GROUPS		TOTALS																																																																																																																																																																																																																																																																									
	General	Special Revenue	Debt Service	Capital Projects	Agency Fund	General		(Memorandum Only)	2003	2002																																																																																																																																																																																																																																																																								
						Fixed Assets	Long-Term Obligations																																																																																																																																																																																																																																																																											
ASSETS AND OTHER DEBITS																																																																																																																																																																																																																																																																																		
Assets:											Cash	\$ 139,120	\$ 2,346,169	\$ 7,955	\$ 200,870	\$ 132,972	\$ -	\$ -	\$ -	\$ 2,827,086	\$ 4,269,879	Receivables	566,121	1,917,126	-	120,907	-	-	-	-	2,604,154	2,598,576	Due from other funds	14,286	-	-	-	-	-	-	-	14,286	14,286	Fixed assets	-	-	-	-	-	12,253,313	-	-	12,253,313	11,752,828	Other Debits:											Amount available in debt service funds	-	-	-	-	-	-	7,955	-	7,955	5,999	Amount to be provided for retirement of general long-term obligations	-	-	-	-	-	-	-	3,395,449	-	3,402,824	TOTAL ASSETS AND OTHER DEBITS	\$ 719,527	\$ 4,263,295	\$ 7,955	\$ 321,777	\$ 132,972	\$ 12,253,313	\$ 3,403,404	\$ 3,395,449	\$ 21,102,243	\$ 22,044,392	LIABILITIES, EQUITY, AND OTHER CREDITS											Liabilities:											Accounts payable	\$ 22,571	\$ 258,914	\$ -	\$ 2,753	\$ -	\$ -	\$ -	\$ -	\$ 284,238	\$ 376,574	Due to other funds	-	14,286	-	-	-	-	-	-	14,286	14,286	Due to other governments	-	-	-	-	132,972	-	-	-	132,972	168,803	Capital lease payable	-	-	-	-	-	-	12,724	-	12,724	30,775	Compensated absences payable	-	-	-	-	-	-	25,680	-	25,680	103,048	General obligation bonds payable	-	-	-	-	-	-	3,365,000	-	3,365,000	3,275,000	Total Liabilities	22,571	273,200	-	2,753	132,972	-	3,403,404	-	3,834,900	3,968,486	Equity and Other Credits:											Investment in general fixed assets	-	-	-	-	-	12,253,313	-	-	12,253,313	11,752,828	Fund Balances:											Reserved for debt service	-	-	7,955	-	-	-	-	-	7,955	5,999	Unreserved - undesignated	696,956	3,990,095	-	319,024	-	-	-	-	5,006,075	6,317,079	Total Equity and Other Credits	696,956	3,990,095	7,955	319,024	-	12,253,313	-	-	17,267,343	18,075,906	TOTAL LIABILITIES, EQUITY, AND OTHER CREDITS	\$ 719,527	\$ 4,263,295	\$ 7,955	\$ 321,777	\$ 132,972	\$ 12,253,313	\$ 3,403,404	\$ 3,403,404	\$ 21,102,243	\$ 22,044,392
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The accompanying notes are an integral part of this statement

ALLEN PARISH POLICE JURY
Oberlin, Louisiana
GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended December 31, 2003

	GENERAL FUND	SPECIAL REVENUE FUNDS	DEBT SERVICE FUNDS	CAPITAL PROJECTS FUNDS	TOTALS (Memorandum Only)
	2003	2003	2003	2003	2002
REVENUES					
Taxes:					
Ad valorem	\$ 182,900	\$ 1,685,013	\$ -	\$ -	\$ 1,867,913
Sales and use	-	1,370,576	-	280,994	1,651,570
Other taxes, penalties, interest, etc	4,469	-	-	-	4,469
Licenses and permits	40,782	-	-	-	40,782
Intergovernmental revenues:					
Federal grants	157,177	19,718	-	-	176,895
State funds:					
Parish transportation funds	-	255,217	-	-	255,217
State revenue sharing (net)	17,614	155,458	-	-	173,072
Severance taxes	933,633	-	-	-	933,633
Other state funds	87,888	-	-	-	87,888
Grants	22,281	78,738	-	-	101,019
Other	-	-	-	10,000	10,000
Fees, charges, and commissions for services	134,537	-	-	-	134,537
Fines and forfeitures	-	400,434	-	-	400,434
Gaming revenues	-	789,994	-	-	789,994
Use of money and property	3,525	37,011	1,398	4,438	46,372
Other revenues	48,720	16,072	81,368	-	146,160
TOTAL REVENUES	1,633,526	4,808,231	82,766	295,432	6,819,955
EXPENDITURES					
General government:					
Legislative	151,466	-	-	-	151,466
Judicial	202,616	436,293	-	-	638,909
Elections	30,652	-	-	-	30,652
Financial and administrative	100,528	-	-	-	100,528
Other	317,716	244,673	136,209	-	698,598
Public safety	340,846	-	-	-	340,846
Health and welfare	-	4,323,533	-	-	4,323,533
Intergovernmental	3,444	-	-	1,056,962	3,444
Culture and recreation	12,396	27,330	-	-	39,726
Economic development and assistance	25	-	-	-	25
Debt service	314,678	-	1,545,000	-	1,859,678
Capital outlay	18,051	-	-	-	18,051
	1,094	216,909	-	283,582	1,384,585
	1,493,512	5,248,738	1,681,209	1,340,544	8,663,003
TOTAL EXPENDITURES	1,493,512	(440,507)	(1,598,443)	(1,043,112)	(2,944,045)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	140,014	568,738	284,323	1,338,544	(1,124,090)
Other financing sources (uses):					
Proceeds from bond issues and capital lease	-	-	1,135,000	500,000	1,635,000
Sales of assets	-	-	-	-	-
Operating transfers in	457,120	561,260	465,399	2,317	1,486,096
Operating transfers out	(377,125)	(670,181)	-	(238,790)	(1,286,096)
TOTAL OTHER FINANCING SOURCES (USES)	(120,005)	(108,921)	1,600,399	263,527	1,635,000
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	20,009	(549,428)	1,956	(781,585)	(86,731)
FUND BALANCES (DEFICIT) AT BEGINNING OF YEAR	676,947	4,539,523	5,999	1,100,609	6,409,809
FUND BALANCES (DEFICIT) AT END OF YEAR	696,956	3,990,095	7,955	319,024	6,323,078

The accompanying notes are an integral part of this statement.

ALLEN PARISH POLICE JURY
Oberlin, Louisiana
GOVERNMENTAL FUND - GENERAL FUND
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2003

	GENERAL FUND		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Taxes:			
Ad valorem	\$ 180,000	\$ 182,900	\$ 2,900
Other taxes, penalties, interest, etc	4,500	4,469	(31)
Licenses and permits	40,900	40,782	(118)
Intergovernmental:			
Federal grants	157,177	157,177	-
State funds:			
State revenue sharing (net)	18,500	17,614	(886)
Severance taxes	764,845	933,633	168,788
Other state funds	90,135	87,888	(2,247)
Grants	19,712	22,281	2,569
Fees, charges and commissions for services	115,400	134,537	19,137
Use of money and property	10,371	3,525	(6,846)
Other revenues	204,810	48,720	(156,090)
TOTAL REVENUES	1,606,350	1,633,526	27,176
EXPENDITURES			
General government:			
Legislative	147,050	151,466	(4,416)
Judicial	240,713	202,616	38,097
Elections	32,755	30,652	2,103
Financial and administrative	107,484	100,528	6,956
Other	304,569	317,716	(13,147)
Public safety	326,923	340,846	(13,923)
Health and welfare	3,644	3,444	200
Intergovernmental	12,500	12,396	104
Culture and recreation	26	25	1
Economic development and assistance	376,464	314,678	61,786
Debt service	8,468	18,051	(9,583)
Capital outlay	151,898	1,094	150,804
TOTAL EXPENDITURES	1,712,494	1,493,512	218,982
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(106,144)	140,014	246,158
Other financing sources (uses):			
Operating transfers in	582,270	457,120	(125,150)
Operating transfers out	(765,642)	(577,125)	188,517
TOTAL OTHER FINANCING SOURCES (USES)	(183,372)	(120,005)	63,367
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	(289,516)	20,009	309,525
FUND BALANCE (DEFICIT) AT BEGINNING OF YEAR	676,947	676,947	-
FUND BALANCE (DEFICIT) AT END OF YEAR	\$ 387,431	\$ 696,956	\$ 309,525

The accompanying notes are an integral part of this statement.

ALLEN PARISH POLICE JURY
Oberlin, Louisiana
GOVERNMENTAL FUND - SPECIAL REVENUE FUNDS
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2003

	SPECIAL REVENUE FUNDS		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Taxes:			
Ad valorem	\$ 1,681,250	\$ 1,685,013	\$ 3,763
Sales and use	1,385,315	1,370,576	(14,739)
Intergovernmental:			
Federal grants	-	19,718	19,718
State funds:			
Parish transportation funds	234,500	255,217	20,717
State revenue sharing (net)	160,087	155,458	(4,629)
Grants	78,739	78,738	(1)
Fines and forfeitures	375,000	400,434	25,434
Gaming revenues	789,619	789,994	375
Use of money and property	66,362	37,011	(29,351)
Other revenues	-	16,072	16,072
TOTAL REVENUES	<u>4,770,872</u>	<u>4,808,231</u>	<u>37,359</u>
EXPENDITURES			
General government:			
Judicial	439,203	436,293	2,910
Other	256,017	244,673	11,344
Public works	5,122,740	4,323,533	799,207
Intergovernmental	-	27,330	(27,330)
Capital outlay	2,082,230	216,909	1,865,321
TOTAL EXPENDITURES	<u>7,900,190</u>	<u>5,248,738</u>	<u>2,651,452</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES			
	<u>(3,129,318)</u>	<u>(440,507)</u>	<u>2,688,811</u>
Other financing sources (uses):			
Operating transfers in	661,540	561,260	(100,280)
Operating transfers out	(235,093)	(670,181)	(435,088)
TOTAL OTHER FINANCING SOURCES (USES)	<u>426,447</u>	<u>(108,921)</u>	<u>(535,368)</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES			
	<u>(2,702,871)</u>	<u>(549,428)</u>	<u>2,153,443</u>
FUND BALANCE (DEFICIT) AT BEGINNING OF YEAR			
	<u>4,539,523</u>	<u>4,539,523</u>	<u>-</u>
FUND BALANCE (DEFICIT) AT END OF YEAR			
	<u>\$ 1,836,652</u>	<u>\$ 3,990,095</u>	<u>\$ 2,153,443</u>

The accompanying notes are an integral part of this statement.

ALLEN PARISH POLICE JURY
Oberlin, Louisiana
GOVERNMENTAL FUND - DEBT SERVICE FUNDS
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2003

	DEBT SERVICE FUNDS		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Taxes:			
Ad valorem	\$ -	\$ -	\$ -
Sales and use	-	-	-
Other taxes, penalties, interest, etc	-	-	-
Licenses and permits	-	-	-
Intergovernmental:			
Federal grants	-	-	-
State funds:			
Parish transportation funds	-	-	-
State revenue sharing (net)	-	-	-
Severance taxes	-	-	-
Other state funds	-	-	-
Grants	-	-	-
Fees, charges and commissions for services	-	-	-
Fines and forfeitures	-	-	-
Gaming revenues	-	-	-
Joint service agreement	-	-	-
Use of money and property	-	1,398	1,398
Other revenues	35,100	81,368	46,268
TOTAL REVENUES	<u>35,100</u>	<u>82,766</u>	<u>47,666</u>
EXPENDITURES			
General government:			
Legislative	-	-	-
Judicial	-	-	-
Executive	-	-	-
Elections	-	-	-
Financial and administrative	-	-	-
Other	-	136,209	(136,209)
Public safety	-	-	-
Public works	-	-	-
Health and welfare	-	-	-
Intergovernmental	-	-	-
Culture and recreation	-	-	-
Economic development and assistance	-	-	-
Debt service	531,437	1,545,000	(1,013,563)
Capital outlay	-	-	-
TOTAL EXPENDITURES	<u>531,437</u>	<u>1,681,209</u>	<u>(1,149,772)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(496,337)</u>	<u>(1,598,443)</u>	<u>(1,102,106)</u>
Other financing sources (uses):			
Proceeds from bond issues and capital lease	-	1,135,000	1,135,000
Operating transfers in	523,043	465,399	(57,644)
Operating transfers out	(27,120)	-	27,120
TOTAL OTHER FINANCING SOURCES (USES)	<u>495,923</u>	<u>1,600,399</u>	<u>1,104,476</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	<u>(414)</u>	<u>1,956</u>	<u>2,370</u>
FUND BALANCE (DEFICIT) AT BEGINNING OF YEAR	<u>5,999</u>	<u>5,999</u>	<u>-</u>
FUND BALANCE (DEFICIT) AT END OF YEAR	<u>\$ 5,585</u>	<u>\$ 7,955</u>	<u>\$ 2,370</u>

The accompanying notes are an integral part of this statement.

ALLEN PARISH POLICE JURY
Oberlin, Louisiana
GOVERNMENTAL FUND - CAPITAL PROJECTS FUNDS
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2003

	CAPITAL PROJECTS FUNDS		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Taxes:			
Ad valorem	\$ -	\$ -	\$ -
Sales and use	293,100	280,994	(12,106)
Other taxes, penalties, interest, etc	-	-	-
Licenses and permits	-	-	-
Intergovernmental:			
Federal grants	-	-	-
State funds:			
Parish transportation funds	-	-	-
State revenue sharing (net)	-	-	-
Severance taxes	-	-	-
Other state funds	-	-	-
Grants	-	-	-
Other	10,000	10,000	-
Fees, charges and commissions for services	-	-	-
Fines and forfeitures	-	-	-
Gaming revenues	-	-	-
Joint service agreement	-	-	-
Use of money and property	2,839	4,438	1,599
Other revenues	15,000	-	(15,000)
TOTAL REVENUES	320,939	295,432	(25,507)
EXPENDITURES			
General government:			
Legislative	-	-	-
Judicial	-	-	-
Executive	-	-	-
Elections	-	-	-
Financial and administrative	-	-	-
Other	-	-	-
Public safety	-	-	-
Public works	-	-	-
Health and welfare	-	-	-
Intergovernmental	914,847	1,056,962	(142,115)
Culture and recreation	-	-	-
Economic development and assistance	-	-	-
Debt service	-	-	-
Capital outlay	596,450	283,582	312,868
TOTAL EXPENDITURES	1,511,297	1,340,544	170,753
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,190,358)	(1,045,112)	145,246
Other financing sources (uses):			
Proceeds from bond issues and capital lease	500,000	500,000	-
Operating transfers in	2,300	2,317	17
Operating transfers out	(265,095)	(238,790)	26,305
TOTAL OTHER FINANCING SOURCES (USES)	237,205	263,527	26,322
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	(953,153)	(781,585)	171,568
FUND BALANCE (DEFICIT) AT BEGINNING OF YEAR	1,100,609	1,100,609	-
FUND BALANCE (DEFICIT) AT END OF YEAR	\$ 147,456	\$ 319,024	\$ 171,568

The accompanying notes are an integral part of this statement.

ALLEN PARISH POLICE JURY
Oberlin, Louisiana
Notes to the Financial Statements
As of and for the Year Ended December 31, 2003

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, 2004.

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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

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

B. REPORTING ENTITY

As the governing authority of the parish, for reporting purposes, the Allen Parish Police Jury is the financial reporting entity for Allen Parish. The financial reporting entity consists of (a) the primary government (police jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which 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.

GASB Statement No. 14 established criteria for determining which component units should be considered part of the Allen Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the police jury to impose its will on that organization and/or
 - b. The potential for the organization 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.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

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

<u>Component Unit</u>	<u>Fiscal Year End</u>	<u>Criteria Used</u>
Allen Action Agency, Inc.	June 30	1
Allen Parish Clerk of Court	June 30	2 and 3
Allen Parish Library	December 31	1 and 3
Allen Parish Mosquito Abatement District	December 31	1 and 3
Allen Parish Sheriff	June 30	2 and 3
Allen Parish Tax Assessor	December 31	2 and 3
Allen Parish Tourism Commission	December 31	1 and 3
Allen Parish Ward 3 Recreation District No. 6	September 30	1 and 3
Ambulance Service Dist. No. 1	December 31	1 and 3
Bayou Blue Gravity Drainage District No. 1	December 31	1 and 3
East Allen Parish Waterworks District	December 31	1 and 3
Elizabeth Recreation District No. 3	December 31	1 and 3
Fire District No. 1 of Allen Parish	December 31	1 and 3
Fire District No. 2 of Allen Parish	December 31	1 and 3
Fire District No. 3 of Allen Parish	December 31	1 and 3
Fire District No. 4 of Allen Parish	December 31	1 and 3
Fire District No. 5 of Allen Parish	December 31	1 and 3
Fire District No. 6 of Allen Parish	December 31	1 and 3
Gravity Drainage District No. 1	December 31	1 and 3
Gravity Drainage District No. 2	December 31	1 and 3
Hospital Service District No. 3	December 31	1 and 3
Oakdale Recreation District No. 1	December 31	1 and 3
Recreation District No. 2 of Allen Parish	December 31	1 and 3
Recreation District No. 4 of Allen Parish	December 31	1 and 3
Southwest Allen Parish Waterworks District	December 31	1 and 3
Thirty-Third Judicial District Criminal Court	December 31	2 and 3
Waterworks District No. 1	December 31	1 and 3
West Allen Parish Waterworks District	December 31	1 and 3

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

These primary government (police jury) financial statements include all funds, account groups, and organizations for which the police jury maintains the accounting records. The police jury maintained the accounting records of the Criminal Court Fund for the year ended December 31, 2003.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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's (police jury) financial statements are not a substitute for the reporting entity's financial statements. The accompanying primary government financial statements have been prepared in conformity with U. S. generally accepted accounting principles as applied to governmental units. These financial statements are not intended to and do not report on the reporting entity but rather are intended to reflect only the financial statements of the primary government (police jury).

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.

C. FUND ACCOUNTING

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

A fund is a separate accounting entity with a self-balancing set of accounts. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Funds of the police jury are classified into two categories: governmental and fiduciary. In turn, each category is divided into separate fund types. The fund classifications and a description of each existing fund type follow:

Governmental Funds

Governmental funds are used to account for all or most of the police jury's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term debt. Governmental funds include:

1. General Fund - 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 legally restricted to expenditures for specified purposes.
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 recorded in the general long-term obligations account group.
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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Fiduciary Funds

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:

1. 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.

D. BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The modified accrual basis of accounting is used by all governmental funds and agency funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Ad valorem taxes and the related state revenue sharing are recorded in the year the taxes are due and payable. Ad valorem taxes are assessed on a calendar year basis and attach as an enforceable lien and become due and payable on the date the tax rolls are filed with the recorder of mortgages. Louisiana Revised Statute 47:1993 requires that the tax roll be filed on or before November 15 of each year. Ad valorem taxes become delinquent if not paid by December 31. The taxes are normally collected in December of the current year and January and February of the ensuing year.

Sales taxes are recognized in the month received by the police jury's collection agency, the Allen Parish School Board.

Federal and state grants are recorded when the police jury is entitled to the funds.

Interest income on interest bearing demand deposits is recorded at the end of the month when credited to the account.

Substantially all other revenues are recorded when they become available to the police jury.

Based on the above criteria, ad valorem taxes, state revenue sharing, sales taxes, and federal and state grants are treated as susceptible to accrual.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, except for principal and interest on general long-term obligations, which are recognized when due.

Other Financing Sources (Uses)

Proceeds from bonds and bank loans and transfers between funds which are not expected to be repaid are accounted for as other financing sources (uses) and are recognized when the underlying events occur. Transfers between funds that are not expected to be repaid are accounted for as other financing sources (uses).

E. BUDGETS

Preliminary budgets for the ensuing year are prepared 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 January 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 the regular January meeting, 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 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, 2003, the police jury adopted budgets for the General Fund, all special revenues funds, all capital projects funds, and all debt service funds.

Budget comparison statements included in the accompanying financial statements include the original adopted budgets and all four amendments.

F. CASH AND CASH EQUIVALENTS

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the police jury may deposit funds in demand deposits, interest-bearing demand deposits or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

G. INVESTMENTS

Investments are limited by R.S. 33:2955 and the police jury's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

II. FIXED ASSETS

Fixed assets of governmental funds are recorded as expenditures at the time purchased or constructed, and the related assets are reported in the general fixed assets account group. Public domain or infrastructures are not capitalized. Construction period interest is immaterial and is not capitalized. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost or estimated cost if historical cost is not available. Approximately 43 percent of general fixed assets are valued at actual cost, while the remaining 57 percent of general fixed assets are valued at estimated historical cost based on the actual cost of like items.

I. 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. Until January 10, 2000 vacation leave could be accumulated without limitation. After that date vacation leave must be used in the year earned or it is forfeited. Vacation leave accumulated up to January 10, 2000 has been recorded in the general long-term debt account group. 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.

Employees of the Thirty-Third Judicial District Criminal Court earn a maximum of 10 days of vacation leave and 5 days of sick leave each year, depending on their length of service. Vacation and sick leave do not accumulate and employees cannot be paid for unused leave 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. Employees must use earned compensatory time within one month or it will be forfeited. Unused compensatory time at the time of termination will be paid to the employee at that time. This liability has been recorded in the general long-term debt account group.

At December 31, 2003, employee leave benefits other than compensatory time and vacation leave, requiring recognition in accordance with GASB Statement No. 16, were determined to be immaterial and are not included within the general long-term obligations account group. The cost of leave privileges, computed in accordance with GASB Statement No. 16, is recognized as a current-year expenditure within the various funds when leave is actually taken.

J. LONG-TERM OBLIGATIONS

Long-term obligations expected to be financed from governmental funds are reported in the general long-term obligations account group. Expenditures for principal and interest payments for long-term obligations are recognized in the governmental funds when due.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

K. INTERFUND TRANSACTIONS

Quasi-external transactions are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

L. SALES TAXES

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

M. TOTAL COLUMNS ON COMBINED STATEMENTS

Total columns on the combined statements are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

NOTE 2 - LEVIED TAXES

The following is summary of authorized and levied ad valorem taxes for the year:

	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
Parish wide taxes:			
General	3.50	3.50	-
Special revenue funds:			
Courthouse and Jail Maintenance	3.07	3.07	2004
District Maintenance taxes:			
No. 1	9.16	9.16	2011
No. 1	21.47	21.47	2005

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

NOTE 2 - LEVIED TAXES

	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
No. 1A	8.10	8.10	2005
No. 2	7.10	7.10	2010
No. 2	15.39	15.39	2011
No. 3	8.95	8.95	2011
No. 3	11.15	11.15	2009
No. 3	34.77	34.77	2005
No. 4	30.91	30.91	2005
No. 4	21.64	21.64	2005
No. 5	5.12	5.12	2012
No. 5A	3.19	3.19	2005

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

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Assessed Valuation</u>	<u>% of Total Assessed Valuation</u>
Cleco Corporation	Utility	\$ 3,645,650	5.61%
Centurytel	Utility	3,041,110	4.68%
Transcontinental Gas	Utility	<u>3,002,830</u>	<u>4.62%</u>
Total		<u>\$ 9,689,590</u>	<u>14.91%</u>

NOTE 3 - CASH AND CASH EQUIVALENTS

At December 31, 2003, the police jury has cash and cash equivalents (book balances) totaling \$2,827,086 as follows:

Demand deposits	\$ 9,799
Interest-bearing demand deposits	2,702,125
Time deposits	115,162
Other	-
Total	<u>\$ 2,827,086</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At December 31, 2003, the police jury has \$2,904,738 in deposits (collected bank balances). These deposits are secured from risk by \$204,904 of federal deposit insurance and \$2,699,834 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

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

NOTE 3 - CASH AND CASH EQUIVALENTS

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement No.3, R.S. 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the police jury that the fiscal agent has failed to pay deposited funds upon demand.

NOTE 4 - RECEIVABLES

The following is a summary of receivables at December 31, 2003:

<u>Class of Receivable</u>	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Capital Projects Funds</u>
Taxes:			
Ad valorem	\$ 177,182	\$ 1,686,899	\$ -
Sales and use	-	88,215	-
Other	-	-	120,907
Grants:			
State	386,493	141,944	-
Other	<u>2,446</u>	<u>68</u>	<u>-</u>
Total	\$ 566,121	\$ 1,917,126	\$ 120,907

Uncollectible amounts due for property taxes and other receivables are recognized as bad debts at the time information becomes available which would indicate that the particular receivable is not collectable. This method does not result in a charge to bad debts that is materially different from the amount that would be charged if the reserve method were used.

NOTE 5 - FIXED ASSETS

The changes in general fixed assets follow:

	<u>Balance Jan. 1, 2003</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance Dec. 31, 2003</u>
Land	\$ 1,113,600	\$ -	\$ -	\$ 1,113,600
Buildings	6,969,728	1,220,107	-	8,189,835
Equipment	2,621,985	77,741	-	2,699,726
Furniture and fixtures	189,707	60,445	-	250,152
Construction in progress	<u>857,808</u>	<u>-</u>	<u>(857,808)</u>	<u>-</u>
Total	\$ 11,752,828	\$ 1,358,293	\$ (857,808)	\$ 12,253,313

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

NOTE 6 - PENSION PLAN

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

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

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

Funding Policy. Under Plan A, members are required by state statute to contribute 9.5% of their annual covered salary and the Allen Parish Police Jury is required to contribute at an actuarially determined rate. The current rate is 7.75% of annual covered payroll. Contributions to the System also include one-fourth of 1% (except Orleans and East Baton Rouge parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the Allen Parish Police Jury are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Allen Parish Police Jury's contributions to the System under Plan A for the years ending December 31, 2003, 2002, and 2001 were \$74,220, \$71,184, and \$68,833, respectively, equal to the required contributions for each year.

NOTE 7 - POSTRETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

The police jury provides certain continuing health care and life insurance benefits for its retired employees. Substantially all of the police jury's employees become eligible for these benefits if they reach normal retirement age while working for the police jury. Benefits for retirees and similar benefits for active employees are provided through an insurance company whose monthly premiums are paid jointly by the employee and

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

NOTE 7 - POSTRETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

the police jury. The police jury recognizes the cost of providing these benefits (police jury's portion of premiums) as an expenditure when paid during the year, which was \$13,299 for 2003 and \$17,310 for 2002. The cost of retiree benefits was \$6,059 for 2003 and \$9,271 for 2002. There were 4 retirees receiving benefits in 2003.

NOTE 8 - ACCOUNTS, SALARIES, AND OTHER PAYABLES

The payables of \$284,238 at December 31, 2003, are as follows:

<u>Class of Payable</u>	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Capital Projects Funds</u>
Salaries	\$ 3,127	\$ 32,785	\$ -
Accounts	12,836	165,874	2,753
Other	<u>6,608</u>	<u>60,255</u>	<u>-</u>
Total	<u>\$ 22,571</u>	<u>\$ 258,914</u>	<u>\$ 2,753</u>

NOTE 9 - COMPENSATED ABSENCES

At December 31, 2003, employees of the police jury have accumulated and vested \$25,680 of employee leave benefits, which was computed in accordance with GASB Codification Section C60. Of this amount, \$25,680 is recorded within the general long-term obligations account group.

NOTE 10- LEASES

The police jury records items under capital leases as assets and obligations in the accompanying financial statements. The following is an analysis of capital leases at December 31, 2003:

<u>Type</u>	<u>Recorded Amount</u>
Equipment	<u>\$ 120,972</u>

The following is a schedule of future minimum lease payments under capital leases and the present value of the net minimum lease payments as of December 31, 2003:

<u>Fiscal Year</u>	<u>Equipment</u>
2004	<u>\$ 13,047</u>
Total minimum lease payments	13,047
Less-amount representing interest	<u>323</u>
Present value of net minimum lease payments	<u>\$ 12,724</u>

NOTE 11- CHANGES IN GENERAL LONG-TERM OBLIGATIONS

The following is a summary of long-term obligation transactions for the year ended December 31, 2003:

	<u>Bonded Debt</u>	<u>Capital Leases</u>	<u>Compensated Absences</u>	<u>Total</u>
Long-term obligations payable at January 1, 2003 . . .	\$ 3,275,000	\$ 30,775	\$ 103,048	\$ 3,408,823
Additions	1,635,000	-	-	1,635,000
Deductions	<u>(1,545,000)</u>	<u>(18,051)</u>	<u>(77,368)</u>	<u>(1,640,419)</u>
Long-term obligations payable at December 31, 2003 .	<u>\$ 3,365,000</u>	<u>\$ 12,724</u>	<u>\$ 25,680</u>	<u>\$ 3,403,404</u>

General obligation bonds, certificates of indebtedness, et cetera, are comprised of the following individual issues:

Road District No. 3 certificate of indebtedness - \$800,000 issue of April 1, 1996 due in annual installments of \$45,000 to \$105,000 through March 1, 2006, with interest at 5.25%. Debt retirement payments are made from the Road District No. 3 Debt Service Fund	\$ 295,000
Road District No. 4 certificate of indebtedness- \$250,000 issue of April 1, 1999 due in annual installments of \$40,000 to \$60,000 through March 1, 2004, with interest at 4.50%. Debt retirement payments are made from the Road District No. 4 Debt Service Fund	60,000
Tourist Commission certificate of indebtedness - \$200,000 issue of February 1, 1999 due in annual installments of \$15,000 to \$25,000 through February 1, 2009, with interest at 4.63%. Debt retirement payments are made from the Tourist Commission Debt Service Fund	135,000
Certificate of indebtedness Series 2002-A - \$450,000 issue of August 1, 2002 due in annual installments of \$52,490 to \$58,630 through February 1, 2012, with interest at 4.40%. Debt retirement payments are made from the C.O.I. 2002-A Debt Service Fund	415,000
Certificate of indebtedness Series 2002-B - \$425,000 issue of August 1, 2002 due in annual installments of \$42,438 to \$64,113 through February 1, 2012, with interest at 4.50%. Debt retirement payments are made from the C.O.I. 2002-B Debt Service Fund	400,000

NOTE 11- CHANGES IN GENERAL LONG-TERM OBLIGATIONS

Certificate of indebtedness Series 2002-B - \$75,000 issue of August 1, 2002 due in annual installments of \$15,000 through August 1, 2007, with interest at 0%. Debt retirement payments are made from the C.O.I. 2002-B Debt Service Fund	\$ 60,000
Certificate of indebtedness Series 2002-C - \$400,000 issue of December 1, 2002 due in annual installments of \$43,125 to \$51,094 through March 1, 2012, with interest at 3.75%. Debt retirement payments are made from the C.O. I. 2002-C Debt Service Fund	365,000
Library certificate of indebtedness - \$425,000 issue of March 1, 2003 due in annual installments of \$42,640 to \$61,185 through March 1, 2013, with interest at 3.95%. Debt retirement payments are made from the C.O.I. Library Debt Service Fund	425,000
Library certificate of indebtedness - \$75,000 issue of March 1, 2003 due in annual installments of \$15,000 through March 1, 2008, with interest at 0%. Debt retirement payments are made from the C.O.I. Library Debt Service Fund	75,000
Refunding certificate of indebtedness series 2003 - \$1,135,000 issue of June 1, 2003 due in annual installments of \$198,358 to \$209,100 through February 1, 2009, with interest at .10% for 2004 and 2005, 2.00% for 2006, 2.5% for 2007, 3.3% for 2008 and 4.00% for 2009. Debt retirement payments are made from the 2003 Refunding Debt Service Fund	<u>1,135,000</u>
Total certificates of indebtedness	<u>\$3,365,000</u>

At December 31, 2003, the police jury has accumulated \$7,955 in the debt service funds for future debt requirements. The annual requirements to amortize all certificates outstanding at December 31, 2003, including interest of \$403,614, are as follows:

Fiscal Year	C.O.I. Series	C.O.I. Series	C.O.I. Series	C.O.I. Series	Road Districts		Library C.O.I.	Library C.O.I.	Refunding C.O.I.	Tourist Commission	Total
	2002-A	2002-B	2002-B	2002-C	No. 3	No. 4 '99	2003	2003	2003		
2004	\$ 52,490	\$ 42,438	\$ 15,000	\$ 43,125	\$ 103,125	\$ 61,349	\$ 38,394	\$ 15,000	\$ 186,723	\$ 25,781	\$ 583,425
2005	55,840	46,200	15,000	46,906	108,138	-	37,801	15,000	196,635	24,856	546,376
2006	54,080	44,850	15,000	45,594	107,756	-	37,209	15,000	196,543	23,931	539,963
2007	57,210	48,388	15,000	49,188	-	-	36,616	15,000	199,693	27,891	448,986
2008	55,230	61,475	-	47,688	-	-	41,024	15,000	202,318	26,734	449,469
2009-2013	228,920	251,150	-	199,156	-	-	286,491	-	209,100	25,578	1,200,395
Total	<u>\$503,770</u>	<u>\$494,501</u>	<u>\$ 60,000</u>	<u>\$431,657</u>	<u>\$ 319,019</u>	<u>\$ 61,349</u>	<u>\$ 477,535</u>	<u>\$ 75,000</u>	<u>\$ 1,191,012</u>	<u>\$ 154,771</u>	<u>\$3,768,614</u>

Certificates of indebtedness are secured by an annual ad valorem tax levy. In accordance with Louisiana Revised Statute 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 in the parish. At December 31, 2003, the statutory limit is \$6,497,857.

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

NOTE 12- CHANGES IN AGENCY FUND

	<u>Balance at Beginning of Year</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance at End of Year</u>
Assets:				
Cash	\$ 168,803	\$ 2,169	\$ 38,000	\$ 132,972
Total assets	<u>\$ 168,803</u>	<u>\$ 2,169</u>	<u>\$ 38,000</u>	<u>\$ 132,972</u>
Liabilities:				
Due to other governments	\$ 168,803	\$ 2,169	\$ 38,000	\$ 132,972
Total liabilities	<u>\$ 168,803</u>	<u>\$ 2,169</u>	<u>\$ 38,000</u>	<u>\$ 132,972</u>

NOTE 13- CRIMINAL COURT FUND

R.S. 15:571.11 requires that one-half of any balance remaining in the Criminal Court Fund at year end be transferred to the parish General Fund. The following details the amount due at December 31, 2003:

Balance due at January 1, 2003	\$ 52,102
Amount due for 2003	<u>16,593</u>
Balance due at December 31, 2003	<u>\$ 68,695</u>

The police jury does not intend to transfer the \$68,695 due to the General Fund because the police jury appropriated \$89,292 in prior years to eliminate the deficit in the Criminal Court Fund.

NOTE 14- LITIGATION

At December 31, 2003, the police jury is involved in fifteen lawsuits. Of these lawsuits, legal counsel believes the likelihood of an unfavorable outcome is: one probable, six reasonably possible and 8 remote. In the opinion of legal counsel for the police jury, no estimate of loss can be made for any of these.

NOTE 15- RISK MANAGEMENT

The police jury is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. 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.

NOTE 16- GASBS NO. 34

In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement No. 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments* (Statement). Certain of the significant changes in the Statement include the following:

- For the first time the financial statements will include:

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

NOTE 16- GASBS NO. 34

- A Management Discussion and Analysis (MD&A) section providing an analysis of the police jury's overall financial position and results of operations.
- Financial statements prepared using full accrual accounting for all of the police jury's activities, including reporting infrastructure assets (roads, bridges, etc.).
- A change in the fund financial statements to focus on the *major* funds.

The general provisions of GASBS No. 34 must be implemented by the Allen Parish Police Jury no later than the fiscal year ending December 31, 2004.

SUPPLEMENTAL INFORMATION SCHEDULES

ALLEN PARISH POLICE JURY
Oberlin, Louisiana
Supplemental Information Schedule
Schedule of Compensation Paid Police Jurors
For the Year Ended December 31, 2003

COMPENSATION PAID POLICE JURORS

The schedule of compensation paid to police jurors is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Compensation of the police jurors is included in the legislative expenditures of the General Fund. In accordance with Louisiana Revised Statute 33:1233, the police jury has elected the monthly payment method of compensation. Under this method, jurors receive \$1,200 per month.

Schedule of compensation paid to police jurors for the year ended December 31, 2003 is as follows:

	<u>2003</u>
R.E. Weatherford	\$ 14,400
Billy Reeves.	14,400
Andrew Hayes	14,400
John W. Strother, Jr.	14,400
A.M. Farris, Jr.	14,400
Matthew R. Hollins	14,400
Kenneth Hebert	<u>14,400</u>
Total	<u>\$100,800</u>

ALLEN PARISH POLICE JURY
 Oberlin, Louisiana
 Supplemental Information Schedule
 Schedule of Findings
 For the Year Ended December 31, 2003

We have audited the primary government financial statements of the Allen Parish Police Jury as of and for the year ended December 31, 2003, and have issued our report dated June 22, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of December 31, 2003 resulted in an unqualified opinion.

Section I Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified

a. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material weakness(es) identified?	<u> X </u>	Yes	<u> </u>	No
Reportable condition(s) identified that are not considered to be material weaknesses?	<u> </u>	Yes	<u> X </u>	None reported
Noncompliance material to financial statements noted?	<u> X </u>	Yes	<u> </u>	No

Section II - Financial Statement Findings

2003-1 I/C (Material weakness) Segregation of duties:

Because of the lack of a large staff, more specifically accounting personnel, there is a problem with segregation of duties necessary for proper controls. One person is currently performing the function of preparing disbursements, recording the disbursements in the journals, and posting to the general ledger. We do note that this situation is inherent to most entities of this type and is difficult to solve due to the funding limitations of the Police Jury. We recommend that the police jurors take an active interest in the review of all of the financial information. This was also a prior year finding.

2003-2 I/C (Material weakness) Amending the budget and budgetary authority and control:

2003-1 C

Criteria: La. Rev. Stat. §39:1309 and 39:1310 - Budget shall be amended whenever total actual expenditures and other uses plus projected expenditures and other uses for the remainder of the year, within a fund, are exceeding the total budgeted expenditures and other uses by five percent or more.

Condition: Actual expenditures exceeded budgeted expenditures in the Debt Service Fund by 201% for the year ended December 31, 2003.

ALLEN PARISH POLICE JURY
Oberlin, Louisiana
Schedule of Findings
For the Year ended December 31, 2003

Effect: Violation of La. Rev. Stat. §39:1309 and 39:1310 - Amending the budget and budgetary authority and control.

Cause: Administrative oversight.

Recommendation: The police jury should compare actual expenditures to budgeted expenditures monthly and amend its budget when required.

2003-3 I/C (Material weakness) Inadequate controls over fixed assets:

Criteria: Internal controls over fixed assets should include random and surprise inventories of these items.

Condition: The following fixed assets could not be accounted for during our inventory of fixed assets at the Road District #1 barn:

- 1) 1 chain saw
- 2) 1 three point farm blade
- 3) 1 fourteen horsepower Honda engine
- 4) 2 wheelbarrows
- 5) 1 hydraulic floor jack
- 6) 1 winch
- 7) 1 Stihl string trimmer

The following fixed assets were originally reported as missing to the police jury but returned from the possession of former police jury employees of that district:

- 1) 1 Husky string trimmer
- 2) 1 5000 watt Coleman Powermate generator
- 3) 1 25 or 30 gallon spray tank

The police jury maintains an inventory of all fixed assets for each road district barn. Each item has a specific identification number attached to it and this is also on the inventory sheet. These fixed assets are not traced to the inventory list during the year on a random and surprise basis.

Effect: Police jury fixed assets are susceptible to misappropriation and/or unauthorized use.

Cause: This finding has been given to the District Attorney of the Thirty-Third Judicial District for further investigation.

Recommendation: The police jury's road superintendent should conduct random and surprise inventories of fixed assets at each road district several times each year. Any items that cannot be accounted for at that time should be investigated and if the possibility of theft is present, the local law enforcement agency should be notified.

ALLEN PARISH POLICE JURY
Oberlin, Louisiana
Schedule of Findings
For the Year ended December 31, 2003

**2003-4 I/C (Material weakness) Parish Transportation Fund - Three Year Parishwide Capital Improvement Plan:
2003-2 C**

Criteria: La. Rev. Stat. §48:755(B)(1) and (2) - The parishwide capital improvement program shall list all projects to be constructed during the fiscal year. Each parish shall develop a parishwide program of construction inclusive of parish roads within municipalities to be commenced the ensuing fiscal year which shall be based upon the anticipated revenues to be appropriated by the legislature and listed in a prioritized ranking based on parishwide needs inclusive of parish roads within municipalities and shall include overlay projects. The program shall also list the projects which may reasonably be anticipated to be constructed in the following two years. All projects listed for the total three-year program shall be approved by the parish governing authority. The funds appropriated to each parish shall be used for the benefit of the parish as a whole and within the priority ranking for the parish.

Condition: The police jury adopts a three year capital improvement plan annually, however there is no indication that the plan is prioritized on a parishwide basis. Years 2 and 3 of the plan do not identify which roads will be worked on, only a dollar amount and number of miles is included. Road District #4 did not specify which roads would be worked on in 2003, only that 10 miles at a cost of \$50,000 would be chip sealed.

Effect: *Violation of the Parish Transportation Act. Parish Transportation funds could be withheld because of this. For 2003, these funds totaled \$255,217.*

Cause: Administrative oversight.

Recommendation: The police jury should include the following in its three year capital improvement plan:

- 1) Roads should be prioritized on a parishwide basis.
- 2) Years 2 and 3 of the plan should specify which roads are to be worked, if possible.
- 3) If a road is not on the three year capital improvement plan, it should not be worked on unless brought before the jury as a whole and voted on. The three year capital improvement plan should be revised at that time.

**2003-5 I/C (Material weakness) Parish Transportation Fund:
2003-3 C**

Criteria: La. Rev. Stat. §48:755(B)(2) - The funds appropriated to each parish shall be used for the benefit of the parish as a whole and within the priority ranking for the parish.

Condition: The police jury's three year capital improvement plan for 2003 included the road work planned for Road District #1. Guidry Road was the only road slated for chip sealing for 2003, with a total of 10 miles at an estimated cost of \$50,000 and 2 miles were slated for calbase or MC-800 for an estimated cost of \$15,000. Only .5 miles and .4 miles of Guidry Road was chip sealed and asphalted in 2003 for a total cost of \$17,500. Cottongin Road and Hebert Road were not budgeted for any work in 2003, however these roads were chip sealed for an estimated material cost of \$55,331 for a total of 13.61 miles. Six other roads not on the 2003 budget were chip sealed during 2003 for a total estimated material costs of \$35,350. The mileage for these roads ranged from .7 miles to 2.38 for a total of 7.65 miles.

ALLEN PARISH POLICE JURY
Oberlin, Louisiana
Supplemental Information Schedule
Schedule of Findings
For the Year Ended December 31, 2003

The total amount budgeted for chip sealing of roads in Road District #1 was \$50,000 for 10 miles for 2003. The total estimated cost for chip sealing of roads in Road District #1 was \$89,535 for 22 miles for 2003.

Effect: Violation of the Parish Transportation Act. Parish Transportation funds could be withheld because of this. For 2003, these funds totaled \$255,217.

Cause: Administrative oversight.

Recommendation: Only roads included in the three year capital improvement plan should be worked on. If a road needs to be added to the plan, it should be brought before the police jury as a whole and voted on. The three year capital improvement plan should be revised at that time.

ALLEN PARISH POLICE JURY
Oberlin, Louisiana
Supplemental Information Schedule
Management's Corrective Action Plan (Unaudited)

Section I Internal Control and Compliance Material to the Financial Statements:

2003-1 I/C Segregation of duties:

This is an ongoing finding that cannot be corrected due to lack of financial resources.

Contact person - Matthew Hollins, President

2003-2 I/C Amending the budget and budgetary authority and control:
2003-1 C

Recommendation: The police jury should compare actual expenditures to budgeted expenditures monthly and amend its budget when required.

Planned action: The police jury agrees with this recommendation and will implement it immediately.

Contact person - Matthew Hollins, President

2003-3 I/C Inadequate controls over fixed assets:

Recommendation: The police jury's road superintendent should conduct random and surprise inventories of fixed assets at each road district several times each year. Any items that cannot be accounted for at that time should be investigated and if the possibility of theft is present, the local law enforcement agency should be notified.

Planned action: The police jury agrees with this recommendation and will implement it immediately.

Contact person - Matthew Hollins, President

2003-4 I/C Parish Transportation Fund - Three year parishwide capital improvement plan:
2003-2 C

Recommendation: The police jury should include the following in its three year capital improvement plan:

- 1) Roads should be prioritized on a parishwide basis.
- 2) Years 2 and 3 of the plan should specify which roads are to be worked on, if possible.
- 3) If a road is not on the three year capital improvement plan, it should not be worked on unless brought before the jury as a whole and voted on. The three year capital improvement plan should be revised at that time.

Planned action: The police jury agrees with this recommendation and will implement it immediately.

Contact person - Matthew Hollins, President

ALLEN PARISH POLICE JURY
Oberlin, Louisiana
Supplemental Information Schedule
Management's Corrective Action Plan (Unaudited)
For the Year Ended December 31, 2003

2003-5 I/C Parish Transportation Fund:
2003-3 C

Recommendation: Only roads included in the three year capital improvement plan should be worked on. If a road needs to be added to the plan, it should be brought before the police jury as a whole and voted on. The three year capital improvement plan should be revised at that time.

Planned action: The police jury agrees with this recommendation and will implement it immediately.

Contact person - Matthew Hollins, President

ALLEN PARISH POLICE JURY
Oberlin, Louisiana
Supplemental Information Schedule
Summary Schedule of Prior Audit Findings
For the Year Ended December 31, 2003

Section 1 - Internal Control and Compliance Material to the Financial Statements

2002-1 I/C (Ongoing finding) Segregation of duties:

Corrective action taken - Due to lack of sufficient financial resources, this finding cannot be resolved. See 2003-1 I/C.

INDEPENDENT AUDITOR'S REPORT SECTION

Stutzman & Gates, LLC
Certified Public Accountants

Member:
American Institute of Certified Public Accountants
Society of Louisiana Certified Public Accountants

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

Allen Parish Police Jury
Oberlin, Louisiana

We have audited the primary government financial statements of the Allen Parish Police Jury, as of and for the year ended December 31, 2003, and have issued our report thereon dated June 22, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

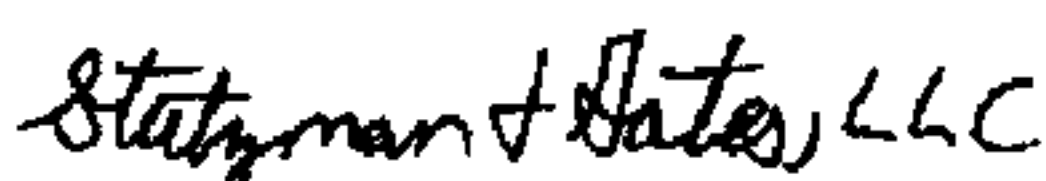
As part of obtaining reasonable assurance about whether the Allen Parish Police Jury's primary government financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards*, which are described in the accompanying schedule of findings as items 2003-1 C, 2003-2 C and 2003-3 C.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Allen Parish Police Jury's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the primary government financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Allen Parish Police Jury's ability to record, process, summarize and report financial data consistent with the assertions of management in the primary government financial statements. Reportable conditions are described in the accompanying schedule of findings as items 2003-1 I/C, 2003-2 I/C, 2003-3 I/C, 2003-4 I/C and 2003-5 I/C.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the primary government financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions described above, we consider items 2003-1 I/C, 2003-2 I/C, 2003-3 I/C, 2003-4 I/C and 2003-5 I/C to be material weaknesses.

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


Stutzman & Gates, LLC
June 22, 2004

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