

**UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA**

**FINANCIAL STATEMENTS
AND SUPPLEMENTAL INFORMATION
AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2017**



UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA

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**Required Supplemental Information (Part I)
Management's Discussion and Analysis**

Union Parish Police Jury
Farmerville, Louisiana
Management's Discussion and Analysis
December 31, 2017 (Unaudited)

As management of the Union Parish Police Jury, we offer readers of the police jury's financial statements this narrative overview and analysis of the financial activities of the police jury for the year ended December 31, 2017. We encourage readers to consider the information presented here, in conjunction with the basic financial statements, and the supplementary information provided in this report in assessing the efficiency and effectiveness of our stewardship of public resources.

Overview of the Financial Statements

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

Government-wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the police jury's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the police jury's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the police jury is improving or deteriorating.

The statement of activities presents information showing how the police jury's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (for example, earned but not taken annual leave).

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The police jury, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the current funds of the police jury are included in one category - governmental funds.

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Union Parish Police Jury

Management's Discussion and Analysis

December 31, 2017 (Unaudited)

The police jury maintains twenty-two individual governmental funds. Information is presented separately in the governmental funds' balance sheet and in the governmental funds' statement of revenues, expenditures, and changes in fund balances for the General Fund, the Road Maintenance Fund, the Road Construction Fund, the Sales Tax Landfill Fund, the Detention Center Fund, and the Workforce Investment Act Program Fund which all are considered to be major funds. Data from the other sixteen funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining schedules in the other supplemental information section of the report.

Government-wide Financial Analysis. As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The following tables focus on net position (Table 1) and changes in net position (Table 2) for the police jury's governmental activities.

Table 1
Net Position
Governmental Activities

	<u>2017</u>	<u>2016</u>
Current and other assets	\$ 20,148,685	\$ 18,880,888
Capital assets (net)	11,048,476	11,173,802
Total assets	<u>31,197,161</u>	<u>30,054,690</u>
Deferred outflows	<u>1,248,677</u>	<u>1,836,957</u>
Long-term obligations	10,238,542	10,308,458
Other liabilities	<u>2,130,376</u>	<u>2,527,258</u>
Total liabilities	<u>12,368,918</u>	<u>12,835,716</u>
Deferred inflows	<u>176,973</u>	<u>270,228</u>
Net position:		
Net investment in capital assets	10,564,896	10,798,236
Restricted for landfill closure/post-closure care	530,000	5,959,905
Unrestricted	<u>8,805,051</u>	<u>2,027,562</u>
Total net position	<u>\$ 19,899,947</u>	<u>\$ 18,785,703</u>

Union Parish Police Jury
Management's Discussion and Analysis
December 31, 2017 (Unaudited)

Table 2
Changes in Net Assets
Governmental Activities

	<u>2017</u>	<u>2016</u>
Revenues		
Program revenues:		
Charges for services	\$ 5,279,462	\$ 4,050,610
Operating grants	3,313,078	1,396,708
Capital grants	768,574	130,598
General revenues:		
Property taxes	2,737,829	2,772,909
Sales taxes	2,552,231	2,285,433
Unrestricted grants and contributions	689,134	731,358
Other general revenues	238,697	739,851
Total revenues	<u>15,579,005</u>	<u>12,107,467</u>
Program expenses		
General government	1,616,011	1,639,851
Public safety	4,683,445	4,145,216
Public works	4,649,989	6,698,079
Health and welfare	2,632,308	1,017,407
Culture and recreation	523,433	552,351
Economic development and assistance	52,733	39,511
Transportation	161,072	160,818
Interest expense	9,865	11,857
OPEB obligation	135,904	136,593
Total expenses	<u>14,464,760</u>	<u>14,401,683</u>
Increase (decrease) in net position	<u>\$ 1,114,245</u>	<u>\$(2,294,216)</u>

At the close of the fiscal year, assets of the police jury exceeded liabilities by \$19,899,947. Of net position, \$10,564,896 represents the police jury's investment in capital assets net of accumulated depreciation and related debt. Those assets are not available for future spending. The remaining balance of net position is made up of bank balances, time deposits, and receivables.

Table 3 presents the cost of each of the police jury's major functions as well as the net cost for each function (total cost less revenues generated by those functions). The net cost shows the financial burden placed on the parish's taxpayers for each of those functions.

Union Parish Police Jury
Management's Discussion and Analysis
December 31, 2017 (Unaudited)

Table 3
Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2017	2016	2017	2016
General government	\$ 1,616,011	\$ 1,639,851	\$ 1,248,192	\$ 1,283,013
Public safety	4,683,445	4,145,216	893,971	1,512,404
Public works	4,649,989	6,698,079	2,419,804	4,899,541
Health and welfare	2,632,308	1,017,407	24,439	405,923
Culture and recreation	523,433	552,351	470,303	504,705
Economic development and assistance	52,733	39,511	52,733	39,511
Transportation	161,072	160,818	(151,565)	30,220
Interest expense	9,865	11,857	9,865	11,857
OPEB obligation	135,904	136,593	135,904	136,593
Totals	\$ 14,464,760	\$ 14,401,683	\$ 5,103,646	\$ 8,823,767

Significant variances in expenses were a decrease in public works and increases in public safety and health and welfare of \$2,048,090, \$507,405 and \$1,453,474, respectively. The decrease in public works was primarily due to the landfill liability. The increase in public safety was due to contract labor and work release. The increase in health and welfare was due to the workforce investment act program.

Financial Analysis of the Government's Funds. The police jury uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the governmental funds is to provide information on near-term revenue, expenditures, and balances of expendable resources. This information is used in assessing the financing requirements of the police jury. Unassigned fund balances may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of December 31, 2017, combined governmental fund balances of \$18,479,035 showed an increase of \$1,927,589 over December 31, 2016. The General Fund's balance of \$1,563,610 is less than the 2016 balance by \$134,976. Other significant variances included increases in Sales Tax Landfill Fund and Detention Center of \$835,343 and \$743,783, respectively.

Union Parish Police Jury
 Management's Discussion and Analysis
 December 31, 2017 (Unaudited)

General Fund revenues increased \$163,027, primarily due to intergovernmental revenue, federal funds and severance taxes. General Fund expenditures increased \$22,890 due primarily to an increase in public safety, feed and maintenance of prisoners and transporting prisoners.

Revenues of the Road Construction Fund decreased by \$7,611. Expenditures decreased \$510,031 due to road projects and workman's compensation insurance.

Revenues of the Sales Tax Landfill Fund increased \$296,953. Expenditures of the fund decreased \$600,835 due to equipment repair and contracts.

Budgetary Highlights

The following table illustrates the changes between final and original budgets of the major funds:

	<u>General</u>	<u>Road Maintenance</u>	<u>Road Construction</u>	<u>Sales Tax Landfill</u>	<u>Detention Center</u>
Revenues:					
Original	\$ 2,680,134	\$ 1,543,096	\$ 844,500	\$ 3,287,500	\$ 2,210,400
Final	<u>2,259,100</u>	<u>1,904,327</u>	<u>879,977</u>	<u>3,851,091</u>	<u>2,917,387</u>
Change	<u>\$ (421,034)</u>	<u>\$ 361,231</u>	<u>\$ 35,477</u>	<u>\$ 563,591</u>	<u>\$ 706,987</u>
Expenditures:					
Original	\$ 2,735,822	1,806,924	1,303,725	3,846,075	3,133,550
Final	<u>2,383,618</u>	<u>1,462,868</u>	<u>831,200</u>	<u>1,635,487</u>	<u>3,122,391</u>
Change	<u>\$ 352,204</u>	<u>\$ 344,056</u>	<u>\$ 472,525</u>	<u>\$ 2,210,588</u>	<u>\$ 11,159</u>

All major fund budgets were amended to reflect actual beginning equity.

The General Fund amended budget included decreases in intergovernmental revenues and general government, public safety and health and welfare expenditures.

Capital Asset and Debt Administration

Capital Assets. The police jury's investment in capital assets for its governmental activities as of December 31, 2017, amounts to \$11,048,476 (net of accumulated depreciation). This investment includes land, buildings and improvements, furniture and equipment, vehicles, public works equipment and fire, water and sewer system improvements. During the year, the police jury purchased assets totaling \$844,557 and disposed of assets totaling \$69,439. Additions include the purchase of an asphalt zipper for the Road Department, a hydro-seeder at the Landfill, and vehicles for the Detention Center.

Long-Term Obligations. At the end of the year, police jury had total long-term obligations of \$10,702,970 up from \$10,558,295 at December 31, 2016. The obligations consisted of accrued and unused employee annual leave, debt, other post-employment benefits, net pension liability, and landfill closure/post closure care.

Union Parish Police Jury

Management's Discussion and Analysis

December 31, 2017 (Unaudited)

Economic Factors and Next Year's Budgets

The police jury's financial plan for this upcoming year is well underway since the adoption of a realistic budget that meets the needs of the parish while protecting the long-term financial stability of the parish.

Requests for Information

This financial report is designed to be a summary of the Union Parish Police Jury's finances. If there are any questions regarding any information, a request can be made in writing to the Union Parish Police Jury, at P.O. Box 723, Farmerville, Louisiana 71241. Our telephone number is (318) 368-3296.

INDEPENDENT AUDITOR'S REPORT

To the Honorable President and Members of the
Union Parish Police Jury
Farmerville, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Union Parish Police Jury, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the basic financial statements of the Police Jury's primary government as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Summary of Opinions

<u>Opinion Unit</u>	<u>Type of Opinion</u>
Governmental Activities	Unmodified
Aggregate Discretely Presented Component Units	Adverse
Governmental Fund General Fund	Unmodified
Governmental Fund Road Maintenance Fund	Unmodified
Governmental Fund Road Construction Fund	Unmodified
Governmental Fund Sales Tax Landfill	Unmodified
Governmental Fund Detention Center	Unmodified
Aggregate Remaining Fund Information	Qualified

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. Because of this departure from accounting principles generally accepted in the United States of America, the assets, liabilities, net position, revenues, and expenses of the aggregate discretely presented component units are understated by the amount of assets, liabilities, net position, revenues, and expenses of the aggregate discretely presented component units. In addition, the assets, liabilities, fund balances, revenues, and expenditures of the aggregate remaining fund information would have increased by the amount of assets, liabilities, fund balances, revenues, and expenditures of the omitted component units. The amounts by which this departure would affect the financial statements are not reasonably determinable.

Adverse Opinion

In our opinion, because of the significance of the matter described in the "Basis for Adverse Opinion on Aggregate Discretely Presented Component Units and Qualified Opinion on Aggregate Remaining Fund Information" paragraph, the financial statements referred to above do not present fairly the financial position of the aggregate discretely presented component units of the Police Jury, as of December 31, 2017, or the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Qualified Opinion

In our opinion, except for the effects of the matter described in the "Basis for Adverse Opinion on Aggregate Discretely Presented Component Units and Qualified Opinion on Aggregate Remaining Fund Information" paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the aggregate remaining fund information of the Union Parish Police Jury, as of December 31, 2017, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Police Jury, as of December 31, 2017, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (pages 1-6), budgetary comparison information (pages 53-57), Employee Health Care Plan – Schedule of Funding Progress (page 59), Schedule of Employer's Proportionate Share of Net Pension Liability (page 60), and Schedule of Employer's Contributions to Pension Plans (page 61), be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Union Parish Police Jury
Farmerville, Louisiana
Independent Auditor's Report
December 31, 2017

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Union Parish Police Jury's basic financial statements. The combining nonmajor fund financial statements; the schedule of compensation paid police jurors; and the schedule of compensation, benefits, reimbursements, and other payments to or on behalf of the agency head; are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulation part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not required part of the basic financial statements.

The combining nonmajor fund financial statements; the schedule of compensation paid police jurors; and the schedule of compensation, benefits, reimbursements, and other payments to or on behalf of the agency head; and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor fund financial statements; the schedule of compensation paid police jurors; and the schedule of compensation, benefits, reimbursements, and other payments to or on behalf of the agency head; and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2018, on our consideration of the Union Parish Police Jury's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Union Parish Police Jury's internal control over financial reporting and compliance.

BOSCH & STATHAM, LLC

Bosch & Statham

Ruston, Louisiana
June 26, 2018

Basic Financial Statements

UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA

GOVERNMENTAL ACTIVITIES
STATEMENT OF NET POSITION
AS OF DECEMBER 31, 2017

ASSETS	
Cash and cash equivalents	\$ 7,564,567
Investments	8,894,813
Receivables	3,689,305
Capital assets, net of accumulated depreciation	<u>11,048,476</u>
TOTAL ASSETS	<u>31,197,161</u>
DEFERRED OUTFLOWS	
Deferred outflows - pension related	<u>1,248,677</u>
LIABILITIES	
Cash overdraft	205,916
Accounts, salaries and other payables	1,027,155
Deposits due others	432,877
Compensated absences	239,848
Capital lease payable	204,580
Public building revenue bonds due within one year	20,000
Public building revenue bonds due in more than one year	158,000
Sales tax bonds payable	101,000
Net OPEB obligation	1,658,503
Net pension liability	944,189
Landfill closure/postclosure care	<u>7,376,850</u>
TOTAL LIABILITIES	<u>12,368,918</u>
DEFERRED INFLOWS	
Deferred inflows - pension related	173,271
Grant revenues pending	<u>3,702</u>
Total deferred inflows	<u>176,973</u>
NET POSITION	
Net investment in capital assets	10,564,896
Restricted for landfill closure/postclosure care	530,000
Unrestricted	<u>8,805,051</u>
TOTAL NET POSITION	<u>\$19,899,947</u>

The accompanying notes are an integral part of these financial statements.

UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA

GOVERNMENTAL ACTIVITIES
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017

FUNCTIONS - GOVERNMENTAL ACTIVITIES	EXPENSES	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	
General government	\$ 1,616,011	\$ 317,091	\$ 50,728	\$ -	\$ (1,248,192)
Public safety	4,683,445	3,627,833	161,641	-	(893,971)
Public works	4,649,989	1,310,303	851,086	68,796	(2,419,804)
Health and welfare	2,632,308	7,020	2,206,458	394,391	(24,439)
Culture and recreation	523,433	17,215	35,915	-	(470,303)
Economic development and assistance	52,733	-	-	-	(52,733)
Transportation	161,072	-	7,250	305,387	151,565
Interest expense	9,865	-	-	-	(9,865)
OPEB obligation	135,904	-	-	-	(135,904)
Total governmental activities	<u>\$ 14,464,760</u>	<u>\$ 5,279,462</u>	<u>\$ 3,313,078</u>	<u>\$ 768,574</u>	<u>(5,103,646)</u>
General revenues:					
Property taxes levied for:					
General purposes					634,661
Public works					1,615,994
Health and welfare					40
Culture and recreation					487,134
Sales and use taxes levied for public works					2,552,231
Other taxes, penalties and interest					19,646
Grants and contributions not restricted to specific programs					689,134
Unrestricted investment earnings					14,347
Restricted investment earnings					27,824
Donations					2,832
Other					174,048
Total general revenues					<u>6,217,891</u>
Change in net position					<u>1,114,245</u>
Net position at beginning of year, restated					<u>18,785,702</u>
Net position at end of year					<u>\$ 19,899,947</u>

The accompanying notes are an integral part of these financial statements.

**UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA**

**GOVERNMENTAL FUNDS - BALANCE SHEET
AS OF DECEMBER 31, 2017**

ASSETS	GENERAL	ROAD MAINTENANCE	ROAD CONSTRUCTION	SALES TAX LANDFILL	DEIETION CENTER	CAPITAL PROJECTS AIRPORT GRANT	OTHER GOVERN- MENTAL FUNDS	TOTAL GOVERN- MENTAL FUNDS
Cash and cash equivalents	\$ 638,641	\$ 994,340	\$ 890,764	\$ 2,698,096	\$ 504	\$ 228,922	\$ 2,113,300	\$ 7,564,567
Investments	506,746	154,668	295,418	7,305,978	38,567	-	593,436	8,894,813
Receivables	814,144	917,775	750,517	367,443	260,573	21,429	557,424	3,689,305
Total assets	<u>\$ 1,959,531</u>	<u>\$ 2,066,783</u>	<u>\$ 1,936,699</u>	<u>\$ 10,371,517</u>	<u>\$ 299,644</u>	<u>\$ 250,351</u>	<u>\$ 3,264,160</u>	<u>\$ 20,148,685</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND EQUITY								
Liabilities:								
Cash overdraft	\$ -	\$ -	\$ -	\$ -	\$ 205,916	\$ -	\$ -	\$ 205,916
Accounts payable	223,965	55,787	33,382	46,413	77,719	234,070	58,436	729,772
Salaries and related payables	171,956	21,009	46	11,250	65,583	-	27,539	297,383
Deposits due others	-	430,877	2,000	-	-	-	-	432,877
Total liabilities	<u>395,921</u>	<u>507,673</u>	<u>35,428</u>	<u>57,663</u>	<u>349,218</u>	<u>234,070</u>	<u>85,975</u>	<u>1,665,948</u>
Deferred inflows:								
Grant revenues pending	-	-	-	-	-	-	3,702	3,702
Fund equity - fund balances:								
Restricted	-	1,559,110	1,901,271	10,313,854	-	16,281	3,174,483	16,964,999
Unassigned	1,563,610	-	-	-	(49,574)	-	-	1,514,036
Total fund equity - fund balances	<u>1,563,610</u>	<u>1,559,110</u>	<u>1,901,271</u>	<u>10,313,854</u>	<u>(49,574)</u>	<u>16,281</u>	<u>3,174,483</u>	<u>18,479,035</u>
Total liabilities, deferred inflows, and fund equity	<u>\$ 1,959,531</u>	<u>\$ 2,066,783</u>	<u>\$ 1,936,699</u>	<u>\$ 10,371,517</u>	<u>\$ 299,644</u>	<u>\$ 250,351</u>	<u>\$ 3,264,160</u>	<u>\$ 20,148,685</u>

The accompanying notes are an integral part of these financial statements.

UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA

RECONCILIATION OF THE GOVERNMENTAL FUNDS' BALANCE
SHEET TO THE STATEMENT OF NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2017

Total fund balances - governmental funds	\$ 18,479,035
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources	11,048,476
Deferred items for pension related items are not reported in the fund statements:	
Deferred outflows	1,248,677
Deferred inflows	(173,271)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the fund statements:	
Compensated absences	(239,848)
Capital lease payable	(204,580)
Revenue bonds	(178,000)
Sales tax bonds	(101,000)
Net OPEB obligation	(1,658,503)
Net pension liability	(944,189)
Landfill closure/postclosure obligation	(7,376,850)
Net position of governmental activities	<u>\$ 19,899,947</u>

The accompanying notes are an integral part of these financial statements.

**UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA**

**GOVERNMENTAL FUNDS - STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2017**

	GENERAL	ROAD MAINTENANCE	ROAD CONSTRUCTION	SALES TAX LANDFILL	DETECTION CENTER	WORKFORCE INVESTMENT ACT	CAPITAL PROJECTS AIRPORT GRANT	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
Revenues:									
Taxes:									
Ad valorem	\$ 634,661	\$ 881,087	\$ 734,907	\$ -	\$ -	\$ -	\$ -	\$ 487,174	\$ 2,737,829
Sales and use	-	-	-	2,552,231	-	-	-	-	2,552,231
Other taxes, penalties, and interest	19,646	-	-	-	-	-	-	-	19,646
Licenses and permits	139,096	-	-	-	-	-	-	-	139,096
Intergovernmental funds:									
Federal funds	396,623	363,381	4,106	-	-	1,643,696	265,803	594,939	3,268,548
State funds:									
Severance taxes	651,529	-	-	-	-	-	-	-	651,529
State revenue sharing	44,128	60,072	60,073	-	-	-	-	35,915	200,188
Parish transportation	-	357,612	-	-	-	-	-	-	357,612
Fire insurance rebate	102,227	-	-	-	-	-	-	-	102,227
Other state funds	64,290	69,558	-	-	-	-	39,584	7,250	180,682
Local funds	-	-	-	10,000	-	-	-	-	10,000
Fees, charges and commissions for services	49,964	11,062	-	1,299,241	2,909,696	-	-	684,994	4,954,957
Fines and forfeitures	-	-	-	-	-	-	-	134,741	134,741
Use of money and property	37,398	1,488	2,842	17,073	371	-	-	33,667	92,839
Other revenues	37,164	22,317	-	-	22,308	-	-	56,076	137,865
Donations	-	-	-	-	-	-	-	2,832	2,832
Total revenues	2,176,726	1,766,577	801,928	3,878,545	2,932,375	1,643,696	305,387	2,037,588	15,542,822
Expenditures:									
Current:									
General government:									
Legislative	151,785	-	-	-	-	-	-	-	151,785
Judicial	248,972	-	-	-	-	-	-	131,803	380,775
Elections	32,426	-	-	-	-	-	-	-	32,426
Finance and administrative	282,223	-	-	-	-	-	-	12,154	294,377
Other general government	533,382	-	-	-	-	-	-	-	533,382

The accompanying notes are an integral part of these financial statements.

UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA

GOVERNMENTAL FUNDS - STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2017

	GENERAL	ROAD MAINTENANCE	ROAD CONSTRUCTION	SALES TAX LANDFILL	DETENTION CENTER	WORKFORCE INVESTMENT ACT	CAPITAL PROJECTS AIRPORT GRANT	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
Public safety	\$ 708,750	\$ -	\$ -	\$ -	\$ 3,138,592	\$ -	\$ -	\$ 638,266	\$ 4,485,608
Public works	-	1,365,768	783,795	898,173	-	-	-	796,786	3,844,522
Health and welfare	287,387	-	-	-	-	1,643,696	-	688,297	2,619,380
Culture and recreation	1,800	-	-	-	-	-	-	429,857	431,657
Economic development and assistance	49,977	-	-	-	-	-	-	-	49,977
Transportation	-	-	-	-	-	-	-	21,502	21,502
Debt service	-	-	-	102,249	-	-	-	27,616	129,865
Capital outlay	-	273,493	-	92,780	-	-	327,954	150,330	844,557
Total expenditures	<u>2,296,702</u>	<u>1,639,261</u>	<u>783,795</u>	<u>1,093,202</u>	<u>3,138,592</u>	<u>1,643,696</u>	<u>327,954</u>	<u>2,896,611</u>	<u>13,819,813</u>
Excess (deficiency) of revenues over expenditures	(119,976)	127,316	18,133	2,785,343	(206,217)	-	(22,567)	(859,023)	1,723,009
Other sources (uses):									
Operating transfers in	950,000	-	-	-	950,000	-	-	1,015,000	2,915,000
Proceeds from the sale of assets	-	-	-	-	-	-	-	-	-
Proceeds from the issuance of debt	-	204,580	-	-	-	-	-	-	204,580
Proceeds from insurance	-	-	-	-	-	-	-	-	-
Operating transfers out	(965,000)	-	-	(1,950,000)	-	-	-	-	(2,915,000)
Total other sources (uses)	<u>(15,000)</u>	<u>204,580</u>	<u>-</u>	<u>(1,950,000)</u>	<u>950,000</u>	<u>-</u>	<u>-</u>	<u>1,015,000</u>	<u>204,580</u>
Net change in fund balances	(134,976)	331,896	18,133	835,343	743,783	-	(22,567)	155,977	1,927,589
Fund balances (deficit) at beginning of year	<u>1,698,586</u>	<u>1,227,214</u>	<u>1,883,138</u>	<u>9,478,511</u>	<u>(793,357)</u>	<u>-</u>	<u>38,848</u>	<u>3,018,506</u>	<u>16,551,446</u>
Fund balances (deficit) at end of year	<u>\$ 1,563,610</u>	<u>\$ 1,559,110</u>	<u>\$ 1,901,271</u>	<u>\$ 10,313,854</u>	<u>\$ (49,574)</u>	<u>\$ -</u>	<u>\$ 16,281</u>	<u>\$ 3,174,483</u>	<u>\$ 18,479,035</u>

The accompanying notes are an integral part of these financial statements.

UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017

Net change in fund balances - total governmental funds	\$ 1,927,589
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.	
Capital outlays	844,557
Depreciation	(969,883)
Governmental funds report the retirement of long-term debt as an expenditure. However, in the government-wide financial statements, that amount representing principal on long-term debt is not treated as an expense but is instead applied against outstanding long-term debt on the Statement of Net Position.	
	120,000
Some items reported in the statement of activities, such as a net decrease or increase in compensated absences, do not require the use of current financial resources, nor do they provide any, and therefore are not reported as expenditures or revenues in the governmental funds.	
Proceeds from capital lease	(204,580)
Payments of long-term debt, including contributions to the OPEB obligation, are reported as expenditures in governmental funds. However, these amounts are a reduction of long-term liabilities in the Statement of Net Position and are not reflected in the Statement of Activities.	
Net change in compensated absences payable	(10,011)
Net change in OPEB liability	(135,904)
Net change in net pension liability and deferred items	(154,500)
Net change in landfill closure/postclosure liability	(303,023)
Change in net position of governmental activities	<u>\$ 1,114,245</u>

The accompanying notes are an integral part of these financial statements.

UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA

FIDUCIARY FUND TYPE - AGENCY FUNDS
STATEMENT OF NET POSITION
AS OF DECEMBER 31, 2017

ASSETS

Cash and cash equivalents	\$ 120,810
TOTAL ASSETS	<u>\$ 120,810</u>

LIABILITIES

Due to inmates	\$ 92,067
Due to others	<u>28,743</u>
TOTAL LIABILITIES	<u>\$ 120,810</u>

The accompanying notes are an integral part of these financial statements.

UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2017

Introduction

Union Parish Police Jury is the parish governing authority governed by an elected board referred to as the "police jury" (similar to county boards in other states) and is a political subdivision of the State of Louisiana. The police jury is governed by nine police jurors representing the various districts within the parish. The jurors are elected by the voters of their respective districts and serve four-year terms. The current terms of jurors expire in January 2020. Jurors receive compensation for their service on the police jury as provided by Louisiana Revised Statute 33:1233.

Union Parish, established by Act 12 of the Louisiana Legislature in 1839, is located in the north central part of the state and occupies 878 square miles of land with a population of 22,571 residents, based on the last census. State law gives the police jury various powers and functions in regulating and directing the affairs of the parish and its inhabitants. The more notable of those are the power to make regulations for their own government; to construct and maintain roads and bridges, drainage systems, sewerage systems, water works systems, parish prisons, health units, and hospitals; to manage solid waste disposal; to provide for fire protection, recreation, and parks, road lighting and marking, and the health and welfare of the poor, disadvantaged, and unemployed; to promote economic development and tourism; and to regulate the sale of alcoholic beverages in the parish. The police jury also houses and maintains the Courts and the offices of the Assessor, Clerk of Court, Registrar of Voters, District Attorney and the Sheriff. Funding to accomplish these tasks is provided by ad valorem taxes, sales taxes, beer and alcoholic beverage permits, parish licenses, state revenue sharing, severance taxes and various other state and federal grants.

In accomplishing its objectives, the police jury employs approximately 170 employees (5 in the central office, 4 in the courthouse, 5 in the 911 office, 12 in the library, 3 at the health unit, 1 in emergency preparedness, 75 at the detention center and 65 in public works). In addition to maintaining drainage and bridges in the parish, the police jury currently maintains 1,016 miles of parish roads.

The police jury also has the authority to create special districts (component units) within the parish to help in fulfilling its functions. The districts perform specialized functions, such as fire protection, water distribution, sewerage collection and disposal, drainage control, library facilities, and health care facilities.

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*. The accompanying financial statements and notes thereto are presented in accordance with Statement No. 34.

GASB Statement No. 14, *The Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the jury is considered a primary government, since it is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement No. 14, fiscally independent means that the police jury may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. In accordance with GASB Statement 14, the reporting entity for Union Parish consist of (a) the primary government (police jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

UNION PARISH POLICE JURY
 FARMERVILLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
 AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2017

Introduction (Continued)

GASB Statement No. 14 established criteria for determining which component units should be considered part of Union 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. These criteria include:

- The police jury appoints a voting majority of the organization’s governing body and is either able to impose its will on the organization or there is a potential financial benefit/burden to the police jury.
- The entity is fiscally dependent on the police jury.
- The nature and significance of the relationship between the police jury and the entity is such that exclusion would cause the financial statements of the police jury to be misleading or incomplete.

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

Component Units:	Fiscal Year End	Criteria Used
Union Parish:		
Tax Assessor	December 31	2 & 3
Sheriff	June 30	2 & 3
Clerk of Court	December 31	2 & 3
Communications District	December 31	1 & 3
Tourist Commission	December 31	1 & 3
Library	December 31	2 & 3
Third Judicial District Criminal Court (Union Parish)	December 31	2 & 3
Waterworks District No. 1	December 31	1 & 3
Rocky Branch Waterworks District	December 31	1 & 3
Tri-Ward Hospital Service District	December 31	1 & 3
East Union Hospital Service District	March 31	1 & 3
West Sterlington Sewer District	December 31	1 & 3
Rocky Branch-Crossroads Fire Protection District	December 31	1 & 3
Ward 5 Fire Protection District	December 31	1 & 3
North Union Fire Protection District	December 31	1 & 3
Spencer-West Sterlington Fire Protection District	December 31	1 & 3
Northeast Union Fire Protection District	December 31	1 & 3
Sadie-Tiger Bend Fire Protection District	December 31	1 & 3
Bernice Area Fire Protection District	December 31	1 & 3
Farmerville Area Fire Protection District	December 31	1 & 3

UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2017

Introduction (Continued)

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

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

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 primary government financial statements. These financial statements are not intended to and do not report on the Union Parish reporting entity but rather are intended to reflect only the financial statements of the primary government (police jury).

The primary government financial statements include all funds, account groups, and organizations for which the police jury maintains the accounting records. The organizations for which the police jury maintains the accounting records are considered part of the primary government (police jury) and include the Union Parish Library, the Union Parish Detention Center, Union Parish Communications District, and the Third Judicial District Criminal Court.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the non-fiduciary 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 is 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, where applicable, proprietary and fiduciary funds, even though fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds and, where applicable, major individual enterprise funds are reported as separate columns in the fund financial statements.

UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 proprietary and fiduciary fund financial statements, where applicable. 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.

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.

Ad valorem taxes, sales taxes, state revenue sharing, and federal and state grants 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 police jury.

The police jury's current year financial statements include the following major governmental funds:

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 Road Maintenance Fund accounts for the maintenance of the parish highways, roads, bridges, and drainage systems. Financing is provided by the State of Louisiana Parish Transportation Fund, sales and use taxes, a specific parish wide ad valorem tax, state revenue sharing funds, and interest earnings.

The Road Construction Fund accounts for major upgrades and repairs of parish highways, streets, and bridges. Financing is provided by state revenue sharing, interest earnings, and a specific parish wide ad valorem tax.

The Sales Tax Landfill Fund accounts for operation of the Union Parish Sanitary Landfill. Financing is provided by a parish wide sales tax, dumping fees, and interest earned on deposits. In accordance with the tax proposition, excess taxes not required for operation of the landfill are transferred to other funds for road construction and maintenance, solid waste collection, and the retirement of long-term debt associated with operation of the landfill.

The Detention Center Commission Fund accounts for the cost of housing prisoners convicted of state and federal offenses at the parish prison. Financing is provided by fees charged the state and federal governments and transfers from the General Fund.

UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement focus, basis of accounting, and financial statement presentation (Continued)

The Workforce Investment Act (WIA) Fund accounts for grants from the United States Department of Labor through the Louisiana Department of Labor. Grants flow through the police jury, the grant recipient, to Workforce Investment Board #82, the program operator. The program, more fully discussed at note 13, provides job training and related assistance to economically disadvantaged individuals. The ultimate goal of the program is to move trainees into permanent, self-sustaining employment. The program is reported on a June 30 year end.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

When both restricted and unrestricted resources are available for use, it is the police jury's policy to use restricted resources first, then unrestricted resources as they are needed.

Fund Balance Type Definitions

In accordance with Government Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, Union Parish Police Jury classifies governmental fund balances as follows:

- Non-spendable Includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints.
- Restricted Includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.
- Committed Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority and does not lapse at year-end. Fund balance may be committed by the Union Parish Police Jury.
- Assigned Includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund balance may be assigned by the Union Parish Police Jury.
- Unassigned Includes positive fund balance within the General Fund which has not been classified within the above-mentioned categories and negative fund balances in other governmental funds.

UNION PARISH POLICE JURY
 FARMERVILLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
 AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 allows the police jury to invest in collateralized certificates of deposits, government backed securities, commercial paper, the Louisiana Asset Management Pool (a state sponsored investment pool), and mutual funds consisting solely of government backed securities. Currently, all investments of the police jury consist of deposits in the Louisiana Asset Management Pool and a trust account at a bank. Investments for the police jury are reported at fair value.

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."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All property tax receivables are shown net of uncollectible accounts. 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 15th. 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. The following is a summary of authorized and levied ad valorem taxes:

	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration</u>
Parishwide taxes:			
General	4.00	2.79	Indefinite
Road Maintenance	6.15	6.15	2026
Road Construction	5.13	5.13	2026
Library	2.40	2.40	2026
Library - Support	1.00	1.00	2019
Council on Aging	1.50	1.63	2022

UNION PARISH POLICE JURY
 FARMERVILLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
 AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Receivables and payables.

The difference between authorized and levied millage is the result of reassessments of taxable property within the parish as required by Article 7, Section 18 of the Louisiana Constitution of 1974. The following are the principal taxpayers for the parish and their 2017 assessed valuation (amounts expressed in thousands):

	2017 Assessed Valuation	Percent of Total Assessed Valuation
Midcontinent Express Pipeline, LLC	\$19,469,080	10.40%
Gulf Crossing Pipeline Company	9,838,440	5.25%
Foster Poultry Farms	8,633,965	4.61%
Claiborne Electric Coop	5,177,130	2.77%
Enable Gas Transmission, LLC	3,618,470	1.93%
Entergy Louisiana, Inc.	3,309,600	1.77%
Enervest Operating Company	2,998,825	1.60%
Trans-Union Interstate Pipeline	2,751,470	1.47%
Weyerhaeuser Company	1,902,037	1.02%
CenturyTel Service Group, LLC	1,976,511	1.06%
Total	<u>\$59,675,528</u>	<u>31.87%</u>

Union Parish has a one percent sale and use tax, which was passed by the voters on April 30, 1983, for an indefinite period. The net proceeds of the tax (after necessary costs of collection) are used: (1) to construct, acquire, improve, maintain, and operate solid waste collection and disposal facilities; (2) to construct, improve, and maintain streets, roads, and bridges; and (3) to fund the retirement of bonds issued to construct any of the above capital facilities. The Lincoln Parish Sales and Use Tax Commission, through an agreement with the Union Parish Sales and Use Tax Commission, serves as the sales tax collection agency for the parish.

The Commission provides collection services for a fee of one and one-quarter percent of amounts actually collected.

Capital assets

Capital assets, which include property, plant, equipment, etc., are reported in the governmental activities column in the government-wide financial statements. Capital assets are capitalized at historical cost.

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 \$5,000 or more for capitalizing assets.

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

UNION PARISH POLICE JURY FARMERVILLE,
LOUISIANA

NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

<u>Description</u>	<u>Estimated Lives</u>
Land improvements	20 - 30 Years
Buildings and improvements	20 - 40 Years
Fire, sewer and water systems improvements	20 - 30 Years
Public works equipment	5 - 15 Years
Vehicles	3 - 7 Years
Office furniture and equipment	5 - 10 Years
Library materials	5 Years

Compensated absences

The following policies relating to vacation and sick leave are currently in effect:

Full-time employees of the Union Parish Library earn from 8 to 20 days of annual leave each year, depending upon their classification and length of service. After ten years of continuous service, employees receive an additional two days of annual leave each year. Annual leave cannot be carried forward to succeeding years. Full-time employees earn 12 days of sick leave each year while employees working between 20 and 40 hours per week earn sick leave on a pro rata basis. Sick leave may be accumulated without limitation. Upon reaching retirement, an employee has the option of being paid for accumulated leave up to 100 hours at his or her current rate of pay or having it applied toward the retirement benefit calculation.

Employees of the district attorney's office paid from the Criminal Court Special Revenue Fund earn 12 days of annual leave and 12 days of sick leave per year. Leave cannot be accumulated and carried forward to succeeding years. There is no formal leave policy for employees of the district judge's office paid from the Criminal Court Fund.

All full-time employees of the police jury earn annual leave at rates varying from 6 to 18 days per year, depending upon their length of service. All permanent part-time employees earn annual leave on a pro rata basis. Annual leave may be accumulated to an unlimited number of days. Upon resignation, retirement, or death, accumulated annual leave of up to 300 hours is paid at the employee's current rate of pay. In addition, all full-time employees earn 12 days of sick leave each year and all permanent part-time employees earn sick leave on a pro rata basis. Sick leave may be accumulated to an unlimited number of days. Employees have the option, upon retirement, of being paid for sick leave up to 100 hours or applying sick leave to retirement.

UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated absences (continued)

The entire compensated absence liability, determined in accordance with the provisions of GASB Codification Section C60, is reported on the government-wide financial statements. For governmental fund financial statements, the current portion of unpaid compensated absences is the amount that is normally expected to be paid using expendable available financial resources. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated leave are paid. The noncurrent portion of the liability is not reported in the governmental funds.

Long-term obligations

In the government-wide financial statements, long-term obligations, such as certificates of indebtedness and compensated absences are reported as liabilities in the applicable governmental activities. In the fund financial statements, governmental fund types recognize long-term obligations only to the extent that they will be paid with current resources.

Restricted net position

For the government-wide statement of net position, net position is reported as restricted when constraints placed on net asset use are either:

1. Externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments.
2. Imposed by law through constitutional provisions or enabling legislation.

When both restricted and unrestricted resources are available for use, it is the Police Jury's policy to use restricted resources first, then the unrestricted resources as they are needed.

Extraordinary and special items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events within the control of the police jury, which are either unusual in nature or infrequent in occurrence.

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.

UNION PARISH POLICE JURY
 FARMERVILLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
 AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 2 - CASH AND CASH EQUIVALENTS

Custodial credit risk is the risk that the police jury's deposits may not be returned to it in the event of a bank failure. The police jury's policy to ensure that there is no exposure to this risk is to require each financial institution to pledge its own securities to cover any amount in excess of Federal Depository Insurance Coverage. Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the police jury that the fiscal agent bank has failed to pay deposited funds upon demand.

Under state law, the police jury may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having principal offices in Louisiana. At December 31, 2017, the police jury has cash and cash equivalents (book balances) totaling \$14,184,901 (including \$6,499,218 in the landfill assurance trust account classified as investments on the governmental funds' balance sheet and statement of net position and \$46,189 in the inmate banking agency fund) as follows:

Demand deposits	\$14,165,852
Time deposits	10,129
Cash on hand	8,014
Petty cash	600
Total	<u>\$14,184,595</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. As of December 31, 2017, the police jury had bank balances of \$13,976,864 (including \$6,499,218 classified as investments on the governmental funds balance sheet and statement of net position in the landfill assurance trust account and \$39,176 in the inmate banking agency fund) of which \$13,450,468 was exposed to custodial credit risk as follows:

	Origin Bank	Marion Bank
Insured by FDIC	<u>\$ 510,129</u>	<u>\$ 16,267</u>
Uninsured and uncollateralized	-	-
Collateralized by pledged securities not in the Police Jury's name	<u>13,863,759</u>	<u>-</u>
Total balances exposed to custodial credit risk	<u>13,863,759</u>	<u>-</u>
Total bank balances	<u>\$ 13,960,597</u>	<u>\$ 16,267</u>

UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 3 - INVESTMENTS

Investments held at December 31, 2017, consist of \$6,499,218 in the Landfill Assurance Trust account and \$2,395,595 in the Louisiana Asset Management Pool (LAMP), a local government investment pool. LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities 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. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LSA - R.S. 33:2955.

Effective August 1, 2001, LAMP's investment guidelines were amended to permit the investment in government only money market funds. In its 2001 Regular Session, the Louisiana Legislature (Senate Bill No. 512, Act 701) enacted LSA - R.S. 33:2955(A)(1)(h) which allows all municipalities, parishes, school boards, and any other political subdivisions of the State to invest in "investment grade (A-I/P-1) commercial paper of domestic United States corporations." Effective October 1, 2001, LAMP's Investment Guidelines were amended to allow the limited investment in A-1 or A-1+ commercial paper.

GASB Statement No. 40, *Deposit and Investment Risk Disclosure*, requires disclosure of credit risk, custodial credit risk, concentration of credit risk, interest rate risk, and foreign currency risk for all public entity investments. LAMP is a 2a7-like investment pool. The following facts are relevant for 2a7-like investment pools: (1) credit risk: LAMP is rated AAAM by Standard & Poor's; (2) custodial credit risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required; (3) concentration of credit risk: Pooled investments are excluded from the 5 percent disclosure requirement; (4) interest rate risk: GASB No. 40 excludes 2a7-like investment pools from this disclosure requirement; and, (5) foreign currency risk: Not applicable to 2a7-like pools.

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. 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, Inc. 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.

UNION PARISH POLICE JURY
 FARMERVILLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
 AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 4 - RECEIVABLES

The receivables of \$3,689,305 at December 31, 2017, are as follows:

	Taxes	Due From Other Governments		Fines and Forfeitures	Accounts and Other	Total
		Federal	State			
General	\$ 598,474	\$ -	\$ 207,230	\$ -	\$ 8,440	\$ 814,144
Road Maintenance	827,725	-	89,657	-	393	917,775
Road Construction	690,445	-	60,072	-	-	750,517
Sales Tax Landfill	259,725	-	-	-	107,718	367,443
Detention Center	-	-	137,115	-	123,458	260,573
Airport Grant	-	21,429	-	-	-	21,429
Other governmental	457,564	-	93,193	4,999	1,668	557,424
Total	<u>\$ 2,833,933</u>	<u>\$ 21,429</u>	<u>\$ 587,267</u>	<u>\$ 4,999</u>	<u>\$ 241,677</u>	<u>\$ 3,689,305</u>

NOTE 5 - INTERFUND TRANSFERS

Interfund transfers during the year ended December 31, 2017, were as follows:

	Transfers out		
	General	Sales Tax	Total
Transfers in General	\$ -	\$ 950,000	\$ 950,000
Detention Center	950,000	-	950,000
Nonmajor Funds	15,000	1,000,000	1,015,000
Total	<u>\$ 965,000</u>	<u>\$ 1,950,000</u>	<u>\$ 2,915,000</u>

Transfers from the General Fund to other funds were operating transfers. Transfers to the General Fund from the Sales Tax Landfill Fund were unrestricted dumping fees. Transfers from the Sales Tax Landfill Fund to the Solid Waste Collection Fund were surplus sales taxes, as provided by the tax proposition.

UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 6 – CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended December 31, 2017, is as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets not being depreciated:				
Land	\$ 962,888	\$ -	\$ -	\$ 962,888
Construction in Progress	179,162	327,954	-	507,116
Total capital assets not being depreciated	<u>1,142,050</u>	<u>327,954</u>	<u>-</u>	<u>1,470,004</u>
Capital assets being depreciated:				
Infrastructure:				
Land improvements	1,793,309	-	-	1,793,309
Buildings and improvements	9,285,405	-	(27,000)	9,258,405
Other improvements	1,838,085	-	-	1,838,085
Fire, sewer and water system improvements	1,885,608	-	-	1,885,608
Public works equipment	5,916,400	366,273	-	6,282,673
Vehicles	1,790,054	45,700	-	1,835,754
Office furniture and equipment	169,077	-	-	169,077
Library:				
Building and improvements	230,302	-	-	230,302
Vehicle	105,530	-	-	105,530
Office furniture and equipment	128,378	-	-	128,378
Books and videos	881,015	104,630	(42,439)	943,206
Total capital assets being depreciated	<u>24,023,163</u>	<u>516,603</u>	<u>(69,439)</u>	<u>24,470,327</u>
Less accumulated depreciation for :				
Infrastructure:				
Land improvements	773,395	59,348	-	832,743
Buildings and improvements	4,721,440	226,665	(27,000)	4,921,105
Other improvements	232,193	81,508	-	313,701
Fire, sewer and water system improvements	1,381,987	41,570	-	1,423,557
Public works equipment	4,013,704	382,300	-	4,396,004
Vehicles	1,654,446	79,345	-	1,733,791
Office furniture and equipment	138,385	8,672	-	147,057
Library:				
Building and improvements	199,588	4,527	-	204,115
Vehicle	84,424	10,553	-	94,977
Office furniture and equipment	128,378	-	-	128,378
Books and videos	663,471	75,395	(42,439)	696,427
Total accumulated depreciation	<u>13,991,411</u>	<u>969,883</u>	<u>(69,439)</u>	<u>14,891,855</u>
Total capital assets being depreciated, net	<u>10,031,752</u>	<u>(453,280)</u>	<u>-</u>	<u>9,578,472</u>
Total capital assets, net	<u>\$ 11,173,802</u>	<u>\$ (125,326)</u>	<u>\$ -</u>	<u>\$ 11,048,476</u>

UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 6 – CAPITAL ASSETS (CONTINUED)

Depreciation expense for the year was charged to the following governmental functions:

General government	\$ 30,729
Public safety	193,599
Public works	498,657
Health and welfare	13,108
Culture and recreation	91,464
Economic development and assistance	2,756
Transportation	139,570
	<u>\$ 969,883</u>

NOTE 7 - LONG-TERM OBLIGATIONS

The following is a summary of long-term obligation transactions for the year ended December 31, 2017:

	Beginning Balance	Additions	De ductions	Adjustments	Ending Balance
Public Revenue Bonds, Series 2011	\$ 198,000	\$ -	\$ (20,000)	\$ -	\$ 178,000
Sales Tax Bonds, Series 2015	201,000	-	(100,000)	-	101,000
Equipment Lease - Purchase Zipper	-	204,580	-	-	204,580
Compensated Absences	229,837	250,032	(246,625)	6,604	239,848
OPEB Obligation	1,522,599	135,904	-	-	1,658,503
Net Pension Liability	1,333,032	-	(388,843)	-	944,189
Landfill Closure/Post Closure Care	7,073,827	303,023	-	-	7,376,850
Total	<u>\$ 10,558,295</u>	<u>\$ 893,539</u>	<u>\$ (755,468)</u>	<u>\$ 6,604</u>	<u>\$ 10,702,970</u>

As discussed in Note 1, upon separation from service, employees are paid for accumulated leave at their then current rate of pay. Adjustments to the compensated absence liability include adjusting the ending liability to ending pay rates and to limitations on the hours for which an employee will be paid.

UNION PARISH POLICE JURY
 FARMERVILLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
 AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 7 - LONG-TERM OBLIGATIONS (CONTINUED)

Outstanding certificates of indebtedness consist of the following individual issues:

Public Building Revenue Bonds, Series 2011 - \$325,000 dated May 3, 2011, for the purchase of a building for the Union Parish Assessor, principal due in annual installments of \$12,000 to \$25,000 through August 1, 2025, interest 1.25% to 4.4% per annum, payments made from Tax Assessor Building Fund. \$ 178,000

Sales Tax Bonds, Series 2015 - \$300,000 dated June 23, 2015, for the purchase of a 25 ton off-road articulating dumpster truck to be used at the Landfill, principal due in annual installments of \$15,000 to \$86,000 through May 1, 2018, interest 1.75% per annum, payments made from Sales Tax Landfill Fund. \$ 101,000

Equipment Lease-Purchase Agreement - \$204,580 dated October 30, 2017, for the purchase of an Asphalt Zipper, principal due in annual installments of about \$45,000 through October 31, 2022, interest 2.9% per month \$ 204,580

The annual requirements to amortize all certificates of indebtedness outstanding at December 31, 2017, are as follows:

Public Building Revenue Bonds, Series 2011 - \$325,000			
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 20,000	\$ 7,016	\$ 27,016
2019	20,000	6,376	26,376
2020	21,000	5,676	26,676
2021	22,000	4,899	26,899
2022	23,000	4,041	27,041
2023-2025	72,000	6,330	78,330
Totals	<u>\$ 178,000</u>	<u>\$ 34,338</u>	<u>\$ 212,338</u>

Sales Tax Bonds, Series 2015 - \$300,000			
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 101,000	\$ 753	\$ 101,753
Totals	<u>\$ 101,000</u>	<u>\$ 753</u>	<u>\$ 101,753</u>

**UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2017**

NOTE 7 - LONG-TERM OBLIGATIONS (CONTINUED)

	Equipment Lease-Purchase, Zipper - \$204,580		
	Principal	Interest	Total
2018	38,747	5,572	44,319
2019	39,802	4,516	44,319
2020	40,886	3,432	44,319
2021	42,000	2,319	44,319
2022	43,144	1,175	44,319
Totals	<u>\$ 204,580</u>	<u>\$ 17,014</u>	<u>\$ 221,594</u>

NOTE 8 – RETIREMENT SYSTEMS

Parochial Employees' Retirement System of Louisiana (System)

Plan Description

The Union Parish Police Jury contributes to the Parochial Employees' Retirement System of Louisiana (System) which is a cost sharing multiple employer defined benefit pension plan. All permanent employees working at least 28 hours per week are eligible to participate in the System. As of January 1997, elected officials, except coroners, justices of the peace, and parish presidents may no longer join PERS. Section 1901 through 2025 of Title 11 of the Louisiana Revised Statutes (La. R.S. 11:1901-2025) and other general laws of the State of Louisiana govern PERS.

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.

Any member of Plan A who was hired prior to January 1, 2007, can retire providing he/she meets one of the following criteria:

1. Any age after 30 years of creditable service.
2. Age 55 after 25 years of creditable service.
3. Age 60 after 10 years of creditable service.
4. Age 65 after seven years creditable service.

Eligibility for retirement for Plan A members hired on or after January 1, 2007 is as follows:

1. Age 55 after 30 years of creditable service.
2. Age 62 after 10 years of creditable service.
3. Age 67 after seven years of creditable service.

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 employee's final compensation multiplied by his or her years of creditable service. However, under certain conditions as outlined in the statutes, the benefits are limited to specified amounts.

The System also provides death and disability benefits. Benefits are established or amended by state statute

UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 8 – RETIREMENT SYSTEMS (CONTINUED)

For the year ended December 31, 2017, the Union Parish Police Jury's total payroll for all employees was \$3,627,647. Total covered payroll was \$2,843,611. Covered payroll refers to all compensation paid by the Union Parish Police Jury to active employees covered by the Plan.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. The report may be obtained by writing to the Parochial Employees Retirement System of Louisiana, 7509 Wrenwood Boulevard, Baton Rouge, Louisiana 70809, or by calling (225) 928-1361, or by visiting the System's website www.persla.org.

Contributions

According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ended December 31, 2017, the actual employer contribution rate was 12.50% for Plan A, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. In accordance with state statute, the System receives ad valorem taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities but are not considered special funding situations.

Under Plan A, members are required by state statute to contribute 9.50% of their annual covered salary. The contributions are deducted from the employee's wages or salary and remitted by the Union Parish Police Jury to the System quarterly. The Union Parish Police Jury's contributions to the System under Plan A for the year ending December 31, 2017 were \$355,452.

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

At December 31, 2017, the Employer reported a liability of \$919,274 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of December 31, 2016 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The Union Parish Police Jury's proportion of the Net Pension Liability was based on a projection of the Police Jury's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At December 31, 2016, the Police Jury's proportion was 0.446355%, which was a decrease of 0.047860% from its proportion measured as of December 31, 2015.

For the year ended December 31, 2017, the Union Parish Police Jury recognized pension expense of \$546,037 plus employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, which was (\$357,264). Total pension expense for the Union Parish Police Jury for the year ended December 31, 2017 was \$188,773.

UNION PARISH POLICE JURY
 FARMERVILLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
 AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 8 – RETIREMENT SYSTEMS (CONTINUED)

At December 31, 2017, the Union Parish Police Jury reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$-	\$160,864
Changes in assumption	174,529	-
Net difference between projected and actual earnings on pension plan investments	713,391	-
Changes in employer’s portion of beginning net pension liability	(1,825)	2,407
Differences between employer contributions and proportionate share of employer contributions	(4,752)	(1,743)
Subsequent measurement contributions	355,452	-
Total	\$1,236,795	\$161,528

Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year ended December 31,	
2018	\$268,817
2019	268,817
2020	268,817
2021	268,817

UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 8 – RETIREMENT SYSTEMS (CONTINUED)

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of December 31, 2016, are as follows:

Valuation Date	December 31, 2016
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Investment Rate of Return	7.00% (net of investment expense, including inflation)
Salary increases	5.25% (2.75% merit, 2.50% inflation)
Mortality rates	RP-2000 Employee Sex Distinct Table was selected for employees. RP-2000 Healthy Annuitant Sex Distinct Tables were selected for annuitants and beneficiaries. RP-2000 Disabled Lives Mortality Table was selected for disabled annuitants.
Expected remaining service lives	4 years
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 increases not yet authorized by the Board of Trustees.

The discount rate used to measure the total pension liability was 7.00% for Plan A and 7.00% for Plan B. 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 capital asset 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 7.66% for the year ended December 31, 2016.

UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 8 – RETIREMENT SYSTEMS

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:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed income	35%	1.24%
Equity	52%	3.63%
Alternatives	11%	0.67%
Real Assets	2%	0.12%
Totals	100%	5.66%
Inflation		2.00%
Expected arithmetic nominal return		7.66%

Discount Rate

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate 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.

Sensitivity of the Union Parish Police Jury's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Union Parish Police Jury's proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the Police Jury's proportionate share of the 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:

	1.0% Decrease (6.00%)	Current Discount Rate (7.00%)	1.0% Increase (8.00%)
Employer's proportionate share of net pension liability	\$2,749,918	\$919,274	(\$628,591)

Payables to the Pension Plan

These financial statements include a payable to the pension plan of \$160,628, which is the legally required contribution due at December 31, 2017. This amount is recorded in accrued expenses.

**UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2017**

NOTE 8 – RETIREMENT SYSTEMS (CONTINUED)

Plan Fiduciary Net Position

Detailed information about the Plan's fiduciary net position is available in the separately issued Parochial Employees' Retirement System of Louisiana Audit Report at www.persla.org.

Registrar of Voters Employees' Retirement System of Louisiana (System)

Plan Description

The Union Parish Registrar of Voters contributes to the Registrar of Voters Employees' Retirement System of Louisiana (System) which is a cost sharing multiple employer defined benefit pension plan. The System was established on January 1, 1955 by Louisiana Revised Statute 11:2032, as amended, for registrars of voters, their deputies, and their permanent employees in each parish.

Any member of the Plan who was hired prior to January 1, 2013, can retire providing he/she meets one of the following criteria:

5. Age 55 after 20 years of creditable service.
6. Age 60 after 10 years of creditable service.
7. Any age after 30 years of creditable service.

Eligibility for retirement for members hired on or after January 1, 2013 is as follows:

4. Age 55 after 30 years of creditable service.
5. Age 60 after 20 years of creditable service.
6. Age 62 after 10 years of creditable service.

The monthly amount of the retirement allowance of any member hired before January 1, 2013, is calculated as 3.33% of the average annual earned compensation for the highest consecutive 60 months multiplied by the number of years of creditable service, not to exceed 100% of average annual compensation. Regular retirement benefits for members hired on or after January 1, 2013 are calculated at 3.00% of the average annual earned compensation for the highest consecutive 60 months multiplied by the numbers of years of creditable service, not to exceed 100% of average annual compensation.

The System also provides death and disability benefits. Benefits are established or amended by state statute.

For the year ended December 31, 2017, the Union Parish Registrar of Voters' total payroll for all employees was \$15,545. Total covered payroll was \$15,545. Covered payroll refers to all compensation paid by the Union Parish Registrar of Voters to active employees covered by the Plan.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. The report may be obtained by writing to the Registrar of Voters Employees' Retirement System of Louisiana, Post Office Box 57, Jennings, Louisiana 70546, or by calling (800) 810-8515, or by visiting the System's website www.larovers.com.

UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 8 – RETIREMENT SYSTEMS (CONTINUED)

Contributions

According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ended December 31, 2017, the actual employer contribution rate was 20.00% for January through June and 17.00% for July through December, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. In accordance with state statute, the System receives ad valorem taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities but are not considered special funding situations.

Plan members are required by state statute to contribute 7.00% of their annual covered salary. The contributions are deducted from the employee's wages or salary and remitted by the Union Parish Registrar of Voters to the System monthly. The Union Parish Registrar of Voters' contributions to the System for the year ending December 31, 2017 were \$2,876.

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

At December 31, 2017, the Employer reported a liability of \$24,915 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2017 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The Union Parish Registrar of Voter's proportion of the Net Pension Liability was based on a projection of the Registrar of Voters' long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2017, the Registrar of Voters' proportion was 0.113502%, which was an increase of 0.000322% from its proportion measured as of June 30, 2016.

For the year ended December 31, 2017, the Union Parish Registrar of Voters recognized pension expense of \$4,774 plus employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, which was (\$2,864). Total pension expense for the Union Registrar of Voters for the year ended December 31, 2017 was \$1,910.

UNION PARISH POLICE JURY
 FARMERVILLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
 AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 8 – RETIREMENT SYSTEMS (CONTINUED)

At December 31, 2017, the Union Parish Registrar of Voters reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$-	\$4,632
Changes in assumption	2,393	805
Net difference between projected and actual earnings on pension plan investments	2,803	-
Changes in employer’s portion of beginning net pension liability	4,933	6,306
Differences between employer contributions and proportionate share of employer contributions	429	-
Subsequent measurement contributions	1,321	-
Total	\$11,880	\$11,743

The \$1,321 reported as deferred outflows of resources related to pensions resulting from the Union Parish Registrar of Voters contributions subsequent to the measurement date will be recognized as a reduction of Net Pension Liability in the year ended December 31, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year ended December 31,	
2018	\$27
2019	27
2020	27
2021	27
2022	27

UNION PARISH POLICE JURY
 FARMERVILLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 8 – RETIREMENT SYSTEMS

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2017, are as follows:

Valuation Date	June 30, 2017
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Investment Rate of Return	6.75%, net of investment expense
Salary increases	6.00% (2.5% inflation, 3.5% merit)
Mortality rates	RP-2000 Combined Healthy Mortality Table for active members, healthy annuitants and beneficiaries RP-2000 Disabled Lives Mortality Tables for disabled annuitants
Expected remaining service lives	2017-5 years 2016-5 years 2015-5 years 2014-4 years
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 increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.

UNION PARISH POLICE JURY
 FARMERVILLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
 AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 8 – RETIREMENT SYSTEMS (CONTINUED)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges 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 ranges 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. The resulting long-term rate of return is 8.39% for the year ended June 30, 2017. The best estimates of arithmetic real rates of return for each major asset class based on the System’s target asset allocation as of June 30, 2017, were as follows:

Asset Class	Target Allocation	Real Return Arithmetic Basis	Long-Term Expected Real Rate of Return
Domestic equities	40%	7.50%	3.00%
International equities	15	8.50	1.28
Domestic fixed income	20	2.50	0.50
International fixed income	10	3.50	0.35
Alternative investments	5	6.24	0.31
Real estate	10	4.50	0.45
Totals	100%		5.89%
Inflation			2.50
Expected arithmetic nominal return			8.39%

Discount Rate

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 will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the System’s actuary. 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.

UNION PARISH POLICE JURY
 FARMERVILLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
 AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 8 – RETIREMENT SYSTEMS (CONTINUED)

Sensitivity of the Union Parish Registrar of Voters’ Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Union Parish Registrar of Voters’ proportionate share of the net pension liability calculated using the discount rate of 6.75%, as well as what the Registrar of Voters’ proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (5.75%) or one percentage-point higher (7.75%) than the current rate:

	1.0% Decrease (5.75%)	Current Discount Rate (6.75%)	1.0% Increase (7.75%)
Employer’s proportionate share of net pension liability	\$38,082	\$24,915	\$13,583

Payables to the Pension Plan

These financial statements include a payable to the pension plan of \$933, which is the legally required contribution due at December 31, 2017. This amount is recorded in accrued expenses.

Plan Fiduciary Net Position

Detailed information about the Plan’s fiduciary net position is available in the separately issued Registrar of Voters’ Employees’ Retirement System of Louisiana at www.larover.com.

NOTE 9 - POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS

Plan description

The Union Parish Police Jury contributes to a single-employer defined benefit healthcare plan ("the Retiree Health Plan"). The plan provides healthcare insurance for eligible employees until such employees reach the age of 65 through the Police Jury's group health insurance plan, which covers both active and retired members. Benefit provisions are established by the Union Parish Police Jury. The Retiree Health Plan does not issue a publicly available financial report.

Effective with the Year ending December 31, 2009, the Union Parish Police Jury implemented Government Accounting Standards Board Statement Number 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions* (GASB 45). This statement has been implemented prospectively.

UNION PARISH POLICE JURY
 FARMERVILLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
 AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 9 - POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Using this method, the beginning other post-employment benefit (OPEB) liability is set at zero and the actuarially determined OPEB liability relative to past service (prior to January 1, 2009) will be amortized and recognized as an expense over thirty years.

Funding policy

The Union Parish Police Jury contributes 100% of the cost of medical premiums of eligible retirees until they reach the age of 65. For the year ended December 31, 2017, the Police Jury contributed \$48,876.

Annual OPEB cost and net OPEB obligation

The Police Jury's annual OPEB cost (expense) is calculated based on the annual required contribution (ARC) of the employer. The Police Jury has elected to calculate the ARC and related information using the alternative measurement method permitted by GASB 45 for employers in plans with fewer than one hundred total plan members. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the Police Jury's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Police Jury's net OPEB obligation to the Retiree Health Plan:

Annual required contribution	\$ 184,414
Interest on prior year net OPEB obligation	41,580
Adjustment to annual required contribution	<u>(41,214)</u>
Annual OPEB cost (expense)	184,780
Contributions made	<u>(48,876)</u>
Increase in net OPEB obligation	135,904
Net OPEB obligation, beginning of year	<u>1,522,599</u>
Net OPEB obligation, end of year	<u>\$ 1,658,503</u>

The Police Jury's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the year 2017 was \$184,780, 26%, and \$1,658,503 respectively.

Funded status and funding progress

As of December 31, 2017, the actuarial accrued liability for benefits was \$1,658,503 all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$3,821,506 and the ratio of the unfunded actuarial accrued liability to the covered payroll was 42.89%.

UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 9 - POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

The projection of future benefit payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. The year ended December 31, 2017 was the first year the police jury obtained an actuarial valuation of the liability. Therefore, only one year of data is presented. The police jury will now update the calculation every three years.

Methods and assumptions

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

Retirement age for active employees - Based on the historical average retirement age for the covered group, active plan members were assumed to retire at age 55, or at the first subsequent year in which the member would qualify for benefits.

Mortality - Life expectancies were based on RP-2000 Combined Table M/F Projection AA 2015.

Turnover - Non-group-specific age-based turnover data from GASB Statement 45 were used as the basis for assigning active members a probability of remaining employed until the assumed retirement age and for developing an expected future working lifetime assumption for purposes of allocating to periods the present value of total benefits to be paid.

Healthcare cost trend rate - An initial rate of 8.00% for 2013 grading down to a level rate of 5.50% in 2018 and after.

Health insurance premiums - 2013 age adjusted health insurance premiums for retirees were used as the basis for calculation of the present value of total benefits to be paid.

Inflation rate - An inflation rate of 3.00% was used.

Payroll growth rate - The expected long-term payroll growth rate was assumed to be 3.90%.

**UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2017**

NOTE 9 - POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Based on the historical and expected returns of the Police Jury's short-term investment portfolio, a discount rate of 3 percent (0.00% real rate of return plus 3.00% inflation) was used. In addition, a simplified version of the entry age actuarial cost method was used. The unfunded actuarial accrued liability is being amortized for thirty years as a level percentage of projected payroll on an open basis.

NOTE 10 – DEFICIT FUND BALANCES

At December 31, 2017, the Detention Center Commission Fund had a deficit fund balance of \$49,574. The Detention Center Commission is considering all available options for eliminating the deficit.

NOTE 11 - RISK MANAGEMENT

The police jury is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; liability; and injuries to employees or others. To handle such risk of loss, the police jury maintains commercial insurance policies covering automobile liability and medical payments, workers' compensation, general liability, and surety bond coverage on the secretary/treasurer and other employees handling money. No claims were paid on any of the policies during the past three years which exceeded the policies' coverage amounts.

NOTE 12 – COMMITMENTS AND CONTINGENCIES

At December 31, 2017, the police jury has several contracts in progress that are funded at least in part by grant funds. Total contracts, expenditures to date, and contract balances remaining are \$1,346,198, \$727,839, and \$618,358, respectively.

At December 31, 2017, the police jury was involved in two litigation cases. The police jury is the plaintiff in one case in which it expects the outcome to be favorable for the jury. In the other case, the jury is a defendant. Counsel for the jury has not estimated potential damages. The jury intends to continue defending the litigation.

NOTE 13 - LANDFILL CLOSURE AND POST-CLOSURE CARE COSTS

State and federal laws and regulations require the police jury to place a final cover on its landfill when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although final closure and post-closure care costs will be paid only near or after the date that the landfill stops accepting waste, the police jury reports a portion of those closure and post-closure care costs in long-term debt on the Statement of Net Position, based on cumulative landfill capacity used as of December 31 of each year.

The \$7,376,850 reported as landfill closure and post-closure care liability at December 31, 2017, represents sixty-four percent of the estimated capacity of the currently active cells. For the year ended December 31, 2017, the Police Jury recognized expenses of \$303,023. The police jury will recognize the remaining estimated cost of closure and post-closure care of \$4,161,346 as the remaining capacity is filled. These amounts are based on what it would cost to perform all closure and post-closure care in 2017. The police jury expects to close the landfill in 2020. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

**UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2017**

NOTE 13 - LANDFILL CLOSURE AND POST-CLOSURE CARE COSTS (CONTINUED)

In its landfill permit, the police jury agreed to restrict \$1 for each ton of Type II waste received into the landfill for post-closure care costs. At December 31, 2017, there is approximately 1,523,353 tons of Type II waste in the landfill. As shown on the statement of net position, the police jury has restricted \$7,376,850 at December 31, 2017, for landfill post-closure care costs. The estimated closure and post-closure care costs were updated in 2015. The new estimate has been used in these financial statements. An estimate is required to provide the Louisiana Department of Environmental Quality with a financial assurance plan. The purpose of the plan is to demonstrate that the police jury will have the financial resources to properly close the landfill at its completion and also establish and maintain ground water monitoring activities for a period of thirty years. The closure and post-closure care cost estimates will be adjusted annually based on the United States Department of Commerce's Producer Price Index. Over the years since the jury's first estimate in 1995, the methodology for depositing waste into the landfill has changed to allow for more deposits than originally planned on the same area of ground.

NOTE 14 - EMERGENCY 911 WIRELESS SERVICE

Louisiana Revised Statutes (LRS) 33:9109-9131 provides for the accessibility of emergency 911 services for wireless telephone users. The statutes provide that any emergency 911 communications district may levy a service charge, to be collected by the wireless service provider, to finance the costs of implementing such service. LRS 33:9101(D) further provide that parishes, such as Union Parish, with a population between 20,000 and 30,000, and wireless service providers in the district shall complete all necessary enhancements for wireless 911 service within eighteen months of the initial levy of the service charge. Union Parish Communications District started collecting the service charge in March 2000. Wireless service providers were notified by letter dated May 29, 2001, that all action necessary to implement the enhancements should be completed by September 1, 2001. The district was notified by Alltel on February 8, 2002, that cellular site data had been collected and submitted to the third-party provider. At December 31, 2010, all work necessary to implement wireless service had been completed.

NOTE 15 - SUBSEQUENT EVENTS

Management has evaluated subsequent events through June 26, 2018, the date on which the financial statements were available to be issued.

UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 16 – NEW ACCOUNTING STANDARDS

GASB has issued the following statements:

Issued in June of 2015, GASB Statement 74, Financial Reporting for Postemployment Benefit Plans Other than Pension Plans, and GASB Statement 75, Accounting and Financial Reporting for Postemployment Benefits Other than Pensions, aim to improve accounting and financial reporting for OPEB, resulting from a comprehensive review of the effectiveness of existing standards. The requirements of these Statements will improve financial reporting through enhanced note disclosures and schedules of RSI that will be presented by OPEB plans. These Statements establish standards for recognizing and measuring liabilities, deferred outflows and inflows of resources, and expenses/expenditures. GASB 74 is effective for years beginning after May 26, 2016, and GASB 75 is effective for years beginning after June 15, 2017. The Police Jury is not impacted by the provisions of this Statement.

GASB Statement No. 80, Blending Requirements for Certain Component Units—an amendment of GASB Statement No. 14, was issued in January 2016. This Statement amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The additional criterion does not apply to component units included in the financial reporting entity pursuant to the provisions of Statement No. 39, Determining Whether Certain Organizations Are Component Units. The requirements of this Statement are effective for reporting periods beginning after June 15, 2016. Earlier application is encouraged. This statement does not affect the Police Jury's financial statements.

GASB Statement No. 81, Irrevocable Split-Interest Agreements, was issued in March 2016. This Statement requires that a government that receives resources pursuant to an irrevocable split-interest agreement recognize assets, liabilities, and deferred inflows of resources at the inception of the agreement. Furthermore, this Statement requires that a government recognize assets representing its beneficial interests in irrevocable split-interest agreements that are administered by a third party, if the government controls the present service capacity of the beneficial interests. This Statement requires that a government recognize revenue when the resources become applicable to the reporting period. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2016 and should be applied retroactively. Earlier application is encouraged. This statement does not affect the Police Jury's financial statements.

UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 16 – NEW ACCOUNTING STANDARDS (CONTINUED)

GASB Statement No. 82, *Pension Issues*—an amendment of GASB Statements No. 67, No. 68, and No. 73, was issued in March 2016. This Statement clarifies that a deviation, as the term is used in Actuarial Standards of Practice issued by the Actuarial Standards Board, from the guidance in an Actuarial Standard of Practice is not considered to be in conformity with the requirements of Statement 67, Statement 68, or Statement 73 for the selection of assumptions used in determining the total pension liability and related measures. This Statement clarifies that payments that are made by an employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements should be classified as plan member contributions for purposes of Statement 67 and as employee contributions for purposes of Statement 68. It also requires that an employer's expense and expenditures for those amounts be recognized in the period for which the contribution is assessed and classified in the same manner as the employer classifies similar compensation other than pensions (for example, as salaries and wages or as fringe benefits). The requirements of this Statement are effective for reporting periods beginning after June 15, 2016, except for the requirements of this Statement for the selection of assumptions in a circumstance in which an employer's pension liability is measured as of a date other than the employer's most recent fiscal year-end. In that circumstance, the requirements for the selection of assumptions are effective for that employer in the first reporting period in which the measurement date of the pension liability is on or after June 15, 2017. Earlier application is encouraged. This statement will not have a significant effect on the Police Jury's financial statements.

GASB Statement No. 83, *Certain Asset Retirement Obligations*, was issued in November 2016. This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. Earlier application is encouraged. This statement is not expected to affect the Police Jury's financial statements.

GASB Statement No. 84, *Fiduciary Activities*, was issued in January 2017. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Earlier application is encouraged. This statement is not expected to affect the Police Jury's financial statements.

GASB Statement No. 85, *Omnibus 2017*, was issued in March 2017. The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]). The requirements of this Statement are effective for reporting periods beginning after June 15, 2017. Earlier application is encouraged. This statement is not expected to have a significant impact on the Police Jury's financial statements.

UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 16 – NEW ACCOUNTING STANDARDS (CONTINUED)

GASB Statement No. 86, *Certain Debt Extinguishment Issues*, was issued in May 2017. The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. The requirements of this Statement are effective for reporting periods beginning after June 15, 2017. Earlier application is encouraged. This statement is not expected to affect the Police Jury’s financial statements.

GASB Statement No. 87, *Leases*, was issued in June 2017. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments’ financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments’ leasing activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged.

GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*, was issued in April 2018. The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. This Statement defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. This Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. For notes to financial statements related to debt, this Statement also requires that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. Earlier application is encouraged.

Required Supplemental Information (Part II)

UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2017

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		
Revenues:				
Taxes:				
Ad valorem	\$ 670,600	\$ 701,460	\$ 634,661	\$ (66,799)
Other taxes, penalties, and interest	20,000	19,324	19,646	322
Licenses and permits	130,000	139,397	139,096	(301)
Intergovernmental funds:				
Federal funds	2,000	2,232	396,623	394,391
Severance taxes	780,000	668,522	651,529	(16,993)
State revenue sharing	43,000	44,128	44,128	-
Fire insurance rebate	95,500	102,227	102,227	-
Other state funds	837,517	484,970	64,290	(420,680)
Fees, charges, and commissions for services	46,867	53,760	49,964	(3,796)
Use of money and property	23,650	36,300	37,398	1,098
Other revenues	31,000	6,780	37,164	30,384
Total revenues	<u>2,680,134</u>	<u>2,259,100</u>	<u>2,176,726</u>	<u>(82,374)</u>
Expenditures:				
Current:				
General government:				
Legislative	143,175	151,316	151,785	469
Judicial	236,010	248,475	248,972	497
Elections	57,645	32,862	32,426	(436)
Finance and administrative	279,950	292,303	282,223	(10,080)
Other general government	615,955	552,563	533,382	(19,181)
Public safety	1,077,867	752,797	708,750	(44,047)
Health and welfare	286,720	299,030	287,387	(11,643)
Culture and recreation	1,800	1,800	1,800	-
Economic development and assistance	35,700	52,472	49,977	(2,495)
Capital outlay	1,000	-	-	-
Total expenditures	<u>2,735,822</u>	<u>2,383,618</u>	<u>2,296,702</u>	<u>(86,916)</u>
Excess (deficiency) of revenues over expenditures	<u>(55,688)</u>	<u>(124,518)</u>	<u>(119,976)</u>	<u>4,542</u>
Other sources (uses):				
Operating transfers in	950,000	950,000	950,000	-
Operating transfers out	<u>(960,000)</u>	<u>(965,000)</u>	<u>(965,000)</u>	<u>-</u>
Total other sources (uses)	<u>(10,000)</u>	<u>(15,000)</u>	<u>(15,000)</u>	<u>-</u>
Net change in fund balances	(65,688)	(139,518)	(134,976)	4,542
Fund balances at beginning of year	<u>981,500</u>	<u>1,698,586</u>	<u>1,698,586</u>	<u>-</u>
Fund balances at end of year	<u>\$ 915,812</u>	<u>\$ 1,559,068</u>	<u>\$ 1,563,610</u>	<u>\$ 4,542</u>

UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA

BUDGETARY COMPARISON SCHEDULE - ROAD MAINTENANCE FUND
FOR THE YEAR ENDED DECEMBER 31, 2017

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		
Revenues:				
Taxes:				
Ad valorem	\$ 933,750	\$ 974,400	\$ 881,087	\$ (93,313)
Intergovernmental funds:				
Federal funds	4,500	363,381	363,381	-
State revenue sharing	58,000	60,072	60,072	-
Parish transportation	375,000	389,750	357,612	(32,138)
Other state funds	69,796	69,733	69,558	(175)
Fees, charges, and commissions for services	100,000	23,206	11,062	(12,144)
Use of money and property	550	1,470	1,488	18
Other revenues	1,500	22,315	22,317	2
Total revenues	<u>1,543,096</u>	<u>1,904,327</u>	<u>1,766,577</u>	<u>(137,750)</u>
Expenditures:				
Current:				
General government:				
Public works	1,736,924	1,392,868	1,365,768	(27,100)
Capital outlay	70,000	70,000	273,493	203,493
Total expenditures	<u>1,806,924</u>	<u>1,462,868</u>	<u>1,639,261</u>	<u>176,393</u>
Excess (deficiency) of revenues over expenditures	<u>(263,828)</u>	<u>441,459</u>	<u>127,316</u>	<u>(314,143)</u>
Other sources (uses):				
Proceeds from the issuance of debt	-	-	204,580	204,580
Total other sources (uses)	<u>-</u>	<u>-</u>	<u>204,580</u>	<u>204,580</u>
Net change in fund balances	(263,828)	441,459	331,896	(109,563)
Fund balances at beginning of year	288,000	1,227,214	1,227,214	-
Fund balances at end of year	<u>\$ 24,172</u>	<u>\$ 1,668,673</u>	<u>\$ 1,559,110</u>	<u>\$ (109,563)</u>

UNION PARISH POLICE JURY
 FARMERVILLE, LOUISIANA

BUDGETARY COMPARISON SCHEDULE - ROAD CONSTRUCTION FUND
 FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
Revenues:				
Taxes:				
Ad valorem	\$ 780,000	\$ 813,000	\$ 734,907	\$ (78,093)
Intergovernmental funds:				
Federal funds	3,500	4,105	4,106	1
State revenue sharing	60,000	60,072	60,073	1
Use of money and property	1,000	2,800	2,842	42
Total revenues	<u>844,500</u>	<u>879,977</u>	<u>801,928</u>	<u>(78,049)</u>
Expenditures:				
Current:				
General government:				
Public works	<u>1,303,725</u>	<u>831,200</u>	<u>783,795</u>	<u>(47,405)</u>
Total expenditures	<u>1,303,725</u>	<u>831,200</u>	<u>783,795</u>	<u>(47,405)</u>
Excess (deficiency) of revenues over expenditures	<u>(459,225)</u>	<u>48,777</u>	<u>18,133</u>	<u>(30,644)</u>
Net change in fund balances	(459,225)	48,777	18,133	(30,644)
Fund balances at beginning of year	<u>1,253,000</u>	<u>1,883,138</u>	<u>1,883,138</u>	<u>-</u>
Fund balances at end of year	<u>\$ 793,775</u>	<u>\$ 1,931,915</u>	<u>\$ 1,901,271</u>	<u>\$ (30,644)</u>

UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA

BUDGETARY COMPARISON SCHEDULE - SALES TAX LANDFILL FUND
FOR THE YEAR ENDED DECEMBER 31, 2017

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		
Revenues:				
Taxes:				
Sales and use	\$2,000,000	\$2,515,000	\$ 2,552,231	\$ 37,231
Fees, charges, and commissions for services	1,277,000	1,309,206	1,299,241	(9,965)
Use of money and property	10,500	16,885	17,073	188
Total revenues	<u>3,287,500</u>	<u>3,851,091</u>	<u>3,878,545</u>	<u>27,454</u>
Expenditures:				
Current:				
General government:				
Public works	3,643,825	1,533,238	898,173	(635,065)
Debt service	102,250	102,249	102,249	-
Capital outlay	100,000	-	92,780	92,780
Total expenditures	<u>3,846,075</u>	<u>1,635,487</u>	<u>1,093,202</u>	<u>(542,285)</u>
Excess (deficiency) of revenues over expenditures	<u>(558,575)</u>	<u>2,215,604</u>	<u>2,785,343</u>	<u>569,739</u>
Other sources (uses):				
Operating transfers out	<u>(1,950,000)</u>	<u>(1,950,000)</u>	<u>(1,950,000)</u>	<u>-</u>
Total other sources (uses)	<u>(1,950,000)</u>	<u>(1,950,000)</u>	<u>(1,950,000)</u>	<u>-</u>
Net change in fund balances	(2,508,575)	265,604	835,343	569,739
Fund balances at beginning of year	<u>5,332,000</u>	<u>9,478,511</u>	<u>9,478,511</u>	<u>-</u>
Fund balances at end of year	<u>\$2,823,425</u>	<u>\$9,744,115</u>	<u>\$10,313,854</u>	<u>\$ 569,739</u>

UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA

BUDGETARY COMPARISON SCHEDULE - DETENTION CENTER
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
Revenues:				
Fees, charges, and commissions for services	\$ 2,200,000	\$ 2,895,775	\$ 2,909,696	\$ 13,921
Use of money and property	200	365	371	6
Other revenues	10,200	21,247	22,308	1,061
Total revenues	<u>2,210,400</u>	<u>2,917,387</u>	<u>2,932,375</u>	<u>14,988</u>
Expenditures:				
Current:				
General government:				
Public safety	3,128,550	3,121,503	3,138,592	17,089
Capital outlay	5,000	888	-	(888)
Total expenditures	<u>3,133,550</u>	<u>3,122,391</u>	<u>3,138,592</u>	<u>16,201</u>
Excess (deficiency) of revenues over expenditures	<u>(923,150)</u>	<u>(205,004)</u>	<u>(206,217)</u>	<u>(1,213)</u>
Other sources (uses):				
Operating transfers in	950,000	950,000	950,000	-
Total other sources (uses)	<u>950,000</u>	<u>950,000</u>	<u>950,000</u>	<u>-</u>
Net change in fund balances	26,850	744,996	743,783	(1,213)
Fund balances at beginning of year	<u>(1,846,000)</u>	<u>(793,357)</u>	<u>(793,357)</u>	<u>-</u>
Fund balances at end of year	<u>\$(1,819,150)</u>	<u>\$(48,361)</u>	<u>\$(49,574)</u>	<u>\$(1,213)</u>

**UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA**

**NOTES TO BUDGETARY COMPARISON SCHEDULES FOR MAJOR FUNDS FOR THE YEAR
ENDED DECEMBER 31, 2017**

Preliminary budgets for the ensuing year are prepared by the secretary/treasurer during October of each year. During November, 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 proposed budgets are then advertised in the official journal. During a December meeting, the police jury holds a public hearing on the proposed budgets in order to receive comments from residents of the parish. 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 a December meeting, and a notice of the adoption is then published in the official journal.

During the year, the police jury receives monthly budgetary comparison statements which are used as a management tool to control operations of the parish. The secretary/treasurer presents necessary budget amendments to the police jury during the year when, in her judgment, actual operations are differing materially from those anticipated in the original budget. During a meeting, the police jury reviews the proposed amendments, makes changes as it deems necessary, and formally adopts the amendments. The adoption of the amendments is included in police jury minutes published in the official journal.

The police jury exercises budgetary control at the functional level. Within functions the secretary/treasurer has the discretion to make changes as she deems necessary for proper control. Unexpended appropriations lapse at year end and must be re-appropriated in the next year's budget to be expended. The police jury does not use encumbrances in its accounting system.

For the year ended December 31, 2017, the police jury adopted modified accrual-based budgets for the General Fund and all special revenue funds except the Criminal Court Special Revenue Fund, which is exempt from the requirements of the Local Government Budget Act, and the Workforce Investment Act Special Revenue Fund, which is accounted for on a June 30th fiscal year basis. The budgetary comparison statements included in the accompanying financial statements include the original adopted budgets and all subsequent amendments.

UNION PARISH POLICE JURY
 FARMERVILLE, LOUISIANA

EMPLOYEE HEALTH CARE PLAN
 SCHEDULE OF FUNDING PROGRESS
 AS OF DECEMBER 31, 2017

<u>Actuarial Valuation Date</u>	<u>Actuarial Valuation of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
January 1, 2013	\$ -	\$1,408,522	\$1,408,522	0%	\$3,543,571	39.75%
January 1, 2016	\$ -	\$1,638,930	\$1,638,930	0%	\$3,821,506	42.89%

UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA

SCHEDULE OF EMPLOYER'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
FOR THE YEAR ENDED DECEMBER 31, 2017

	2017	2016	2015
Public Employees' Retirement System:			
Employer's proportion of the net pension liability (asset)	0.446355%	0.494215%	0.490343%
Employer's proportionate share of the net pension liability (asset)	\$ 919,274	\$ 1,300,916	\$ 134,064
Employer's covered employee payroll	\$ 2,843,611	\$ 2,628,403	\$ 2,835,592
Employer's proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	34.97%	49.49%	4.73%
Plan fiduciary net pension as a percentage of the total pension liability	94.15%	92.23%	99.00%
Registrar of Voters Retirement System:			
Employer's proportion of the net pension liability (asset)	0.113502%	0.113180%	0.114605%
Employer's proportionate share of the net pension liability (asset)	\$ 24,915	\$ 32,116	\$ 28,067
Employer's covered employee payroll	\$ 15,545	\$ 15,545	\$ 15,545
Employer's proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	160.27%	206.60%	180.55%
Plan fiduciary net pension as a percentage of the total pension liability	80.51%	73.98%	76.86%

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

**UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA**

**SCHEDULE OF EMPLOYER'S CONTRIBUTIONS TO RETIREMENT SYSTEMS
FOR THE YEAR ENDED DECEMBER 31, 2017**

	2017	2016	2015
Public Employees' Retirement System:			
Contractually required contribution	\$ 355,452	\$ 341,695	\$ 411,162
Contributions in relation to contractually required contribution	\$ 355,452	\$ 341,695	\$ 411,162
Contribution deficiency (excess)	\$ -	\$ -	\$ -
Employer's covered employee payroll	\$2,843,611	\$2,628,403	\$2,835,592
Contributions as a percentage of covered employee payroll	12.50%	13.00%	14.50%
Registrar of Voters Retirement System:			
Contractually required contribution	\$ 2,876	\$ 3,303	\$ 3,634
Contributions in relation to contractually required contribution	\$ 2,876	\$ 3,303	\$ 3,634
Contribution deficiency (excess)	\$ -	\$ -	\$ -
Employer's covered employee payroll	\$ 15,545	\$ 15,545	\$ 15,545
Contributions as a percentage of covered employee payroll	18.50%	21.25%	23.38%

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Other Supplemental Schedules

**UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA**

**NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
FOR THE YEAR ENDED DECEMBER 31, 2017**

ASSETS	SPECIAL REVENUE
Cash and cash equivalents	\$ 2,113,300
Investments	593,436
Receivables	<u>557,424</u>
Total assets	<u>\$ 3,264,160</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND EQUITY	
Liabilities:	
Accounts payable	58,436
Salaries and related payables	<u>27,539</u>
Total liabilities	<u>85,975</u>
Deferred inflows - grant revenues pending	<u>3,702</u>
Fund equity - fund balances:	
Restricted	<u>3,174,483</u>
Total fund equity - fund balances	<u>3,174,483</u>
Total liabilities, deferred inflows, and fund equity	<u>\$ 3,264,160</u>

**NONMAJOR GOVERNMENTAL FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2017**

	SPECIAL REVENUE	TAX ASSESSOR BUILDING DEBT SERVICE	TOTAL
Revenues:			
Taxes:			
Ad valorem	\$ 487,174	\$ -	\$ 487,174
Intergovernmental funds:			
Federal funds	594,939	-	594,939
State revenue sharing	35,915	-	35,915
Other state funds	7,250	-	7,250
Fees, charges, and commissions for services	684,994	-	684,994
Fines and forfeitures	134,741	-	134,741
Use of money and property	6,050	27,617	33,667
Other revenues	56,076	-	56,076
Donations	2,833	-	2,833
Total revenues	<u>2,009,972</u>	<u>27,617</u>	<u>2,037,589</u>
Expenditures:			
Current:			
General government:			
Judicial	131,803	-	131,803
Finance and administrative	12,154	-	12,154
Public safety	638,266	-	638,266
Public works	796,786	-	796,786
Health and welfare	688,297	-	688,297
Culture and recreation	429,857	-	429,857
Transportation	21,502	-	21,502
Debt service	-	27,617	27,617
Capital outlay	150,330	-	150,330
Total expenditures	<u>2,868,995</u>	<u>27,617</u>	<u>2,896,612</u>
Excess (deficiency) of revenues over expenditures	<u>(859,023)</u>	<u>-</u>	<u>(859,023)</u>
Other sources (uses):			
Operating transfers in	1,015,000	-	1,015,000
Total other sources (uses)	<u>1,015,000</u>	<u>-</u>	<u>1,015,000</u>
Net change in fund balances	155,977	-	155,977
Fund balances at beginning of year	<u>3,018,506</u>	<u>-</u>	<u>3,018,506</u>
Fund balances at end of year	<u>\$3,174,483</u>	<u>\$ -</u>	<u>\$3,174,483</u>

UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA

SUPPLEMENTAL INFORMATION SCHEDULES
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2017

Nonmajor Special Revenue Funds

Solid Waste Collection Fund

The Solid Waste Collection Fund was established to monitor operations and costs associated with the collection of solid waste in the parish separate from those operations and costs associated with the parish landfill discussed above. Financing is provided by transfers from the Sales Tax Fund and interest earnings.

Library Fund

The Library Fund is primarily financed by a 3.40 mill parish wide ad valorem tax and is used to furnish books, periodicals, and other related materials for the citizens of Union Parish. Additional financing is provided by a special state grant.

Health Unit Fund

The Health Unit Fund accounts for the maintenance and operation of the parish health unit. Until 2017, financing was provided by a specific parish wide ad valorem tax, interest earnings, vending machine commissions, and state revenue sharing. The fund currently has no source of financing.

HUD Section 8 Housing Fund

The HUD Section 8 Housing Fund accounts for the operations of the lower income housing assistance program, which provides aid to very low-income families in obtaining decent, safe, and sanitary rental housing. Financing is provided by a federal grant.

Unemployment Fund

The employment fund accounts for the jury's self-insurance program. Funds are provided by transfers from other funds.

Airport Fund

The Airport Fund accounts for the general operating expenditures of the Airport. Financing is provided by transfers from the General Fund and the rental of hangers.

UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
AS OF DECEMBER 31, 2017

ASSETS	JUDICIAL AND PUBLIC SAFETY FUNDS	SOLID WASTE COLLEC- TION	LIBRARY	HEALTH UNIT	HUD SECTION 8 HOUSING	UNEMPLOY- MENT	AIRPORT	TOTAL
Cash and cash equivalents	\$276,906	\$350,707	\$ 832,842	\$ 597,686	\$ 37,378	\$ 1,034	\$16,747	\$ 2,113,300
Investments	17,843	-	122,162	453,431	-	-	-	593,436
Receivables	62,642	-	494,177	5	-	-	600	557,424
Total assets	<u>\$357,391</u>	<u>\$350,707</u>	<u>\$1,449,181</u>	<u>\$1,051,122</u>	<u>\$ 37,378</u>	<u>\$ 1,034</u>	<u>\$17,347</u>	<u>\$ 3,264,160</u>
LIABILITIES AND FUND EQUITY								
Liabilities:								
Accounts payable	\$ 5,504	\$ 18,934	\$ 32,371	\$ 1,099	\$ 209	\$ -	\$ 319	\$ 58,436
Salaries and related payables	5,457	16,334	1,067	3,381	1,300	-	-	27,539
Total liabilities	<u>10,961</u>	<u>35,268</u>	<u>33,438</u>	<u>4,480</u>	<u>1,509</u>	<u>-</u>	<u>319</u>	<u>85,975</u>
Deferred inflows - grant revenues pending	-	-	-	-	3,702	-	-	3,702
Fund equity - fund balances:								
Restricted	346,430	315,439	1,415,743	1,046,642	32,167	1,034	17,028	3,174,483
Total fund equity - fund balances	<u>346,430</u>	<u>315,439</u>	<u>1,415,743</u>	<u>1,046,642</u>	<u>32,167</u>	<u>1,034</u>	<u>17,028</u>	<u>3,174,483</u>
Total liabilities and fund equity	<u>\$357,391</u>	<u>\$350,707</u>	<u>\$1,449,181</u>	<u>\$1,051,122</u>	<u>\$ 37,378</u>	<u>\$ 1,034</u>	<u>\$17,347</u>	<u>\$ 3,264,160</u>

**UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA**

**NONMAJOR SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2017**

	JUDICIAL AND PUBLIC SAFETY FUNDS	SOLID WASTE COLLEC- TION	LIBRARY	HEALTH UNIT	HUD SECTION 8 HOUSING	UNEMPLOY- MENT	AIRPORT	TOTAL
Revenues:								
Taxes:								
Ad valorem	\$ -	\$ -	\$ 487,134	\$ 40	\$ -	\$ -	\$ -	\$ 487,174
Intergovernmental funds:								
Federal funds	59,414	-	2,721	-	532,804	-	-	594,939
State revenue sharing	-	-	35,915	-	-	-	-	35,915
Other state funds	-	-	-	-	-	-	7,250	7,250
Fees, charges, and commissions for services	675,009	-	9,985	-	-	-	-	684,994
Fines and forfeitures	126,631	-	3,380	-	4,730	-	-	134,741
Use of money and property	513	-	1,175	4,362	-	-	-	6,050
Other revenues	24,204	-	963	-	-	12,142	18,767	56,076
Donations	-	-	2,833	-	-	-	-	2,833
Total revenues	<u>885,771</u>	<u>-</u>	<u>544,106</u>	<u>4,402</u>	<u>537,534</u>	<u>12,142</u>	<u>26,017</u>	<u>2,009,972</u>
Expenditures:								
Current:								
General government:								
Judicial	131,803	-	-	-	-	-	-	131,803
Finance and administrative	-	-	-	-	-	12,154	-	12,154
Public safety	638,266	-	-	-	-	-	-	638,266
Public works	-	796,786	-	-	-	-	-	796,786
Health and welfare	-	-	-	144,729	543,568	-	-	688,297
Culture and recreation	-	-	429,857	-	-	-	-	429,857
Transportation	-	-	-	-	-	-	21,502	21,502
Capital outlay	45,700	-	104,630	-	-	-	-	150,330
Total expenditures	<u>815,769</u>	<u>796,786</u>	<u>534,487</u>	<u>144,729</u>	<u>543,568</u>	<u>12,154</u>	<u>21,502</u>	<u>2,868,995</u>

**UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA**

**NONMAJOR SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2017**

	JUDICIAL AND PUBLIC SAFETY FUNDS	SOLID WASTE COLLEC- TION	LIBRARY	HEALTH UNIT	HUD SECTION 8 HOUSING	UNEMPLOY- MENT	AIRPORT	TOTAL
Excess (deficiency) of revenues over expenditures	<u>70,002</u>	<u>(796,786)</u>	<u>9,619</u>	<u>(140,327)</u>	<u>(6,034)</u>	<u>(12)</u>	<u>4,515</u>	<u>(859,023)</u>
Other sources (uses):								
Operating transfers in	<u>5,000</u>	<u>1,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,000</u>	<u>1,015,000</u>
Total other sources (uses)	<u>5,000</u>	<u>1,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,000</u>	<u>1,015,000</u>
Net change in fund balances	75,002	203,214	9,619	(140,327)	(6,034)	(12)	14,515	155,977
Fund balances at beginning of year	<u>271,428</u>	<u>112,225</u>	<u>1,406,124</u>	<u>1,186,969</u>	<u>38,201</u>	<u>1,046</u>	<u>2,513</u>	<u>3,018,506</u>
Fund balances at end of year	<u>\$346,430</u>	<u>\$ 315,439</u>	<u>\$1,415,743</u>	<u>\$ 1,046,642</u>	<u>\$ 32,167</u>	<u>\$ 1,034</u>	<u>\$17,028</u>	<u>\$3,174,483</u>

UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA

SUPPLEMENTAL INFORMATION SCHEDULES
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2017

Nonmajor Special Revenue -
Judicial and Public Safety Funds

Judicial Funds

Criminal Court Fund

The Third Judicial District Criminal Court Fund (Union Parish) is established under Section 571.11 of Title 15 of the Louisiana Revised Statutes of 1950, which provides that fines and forfeitures imposed by the district courts and district attorney conviction fees in criminal cases be transferred to the parish treasurer and deposited into a special account to be used for the expenses of the criminal court of the parish. Expenditures are made from the fund on motion of the district attorney and approval of the district judge. The statute also requires that one-half of the funds (fund balance) remaining in the Criminal Court Fund at December 31 of each year be transferred to the parish General Fund.

Off-duty Officer Witness Fee Fund

The Off-Duty Officer Witness Fee Fund pays law enforcement officers who are required to appear in court as witnesses on their days off. Financing is provided by court costs assessed on cases tried in the district court.

Parish Litter Court

The Litter Court Fund accounts for operations of the parish litter court. Financing is provided by fines and court costs assessed against individuals found guilty by the court.

Public Safety Funds

Communications District Fund

The Communications District Fund accounts for the establishment, maintenance, and operation of the 911 emergency telephone system for Union Parish. Financing is provided by a 5 percent service charge on local telephone service within the parish.

Inmate Welfare Fund

The Inmate Welfare Fund accounts for commissary sales and purchases at the Union Parish Detention Center. Profits from commissary operations are used for the benefit of inmates and are used to provide items which are not necessarily required by law for the commission to provide or are required by law to be made available for inmates but for which an individual inmate has no money to purchase.

Homeland Security Fund

The Homeland Security Fund accounts for grants from the United States Department of Homeland Security, passed through the Louisiana Department of Public Safety and Corrections and the Louisiana Department of Military Affairs. Grants are used to improve emergency preparedness and reduce the threat of terrorist activity in the parish.

UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA

NONMAJOR JUDICIAL AND PUBLIC SAFETY SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
AS OF DECEMBER 31, 2017

ASSETS	JUDICIAL			PUBLIC SAFETY			TOTAL
	CRIMINAL COURT	OFF-DUTY OFFICER WITNESS FEE	PARISH LITTER COURT	COMMUNI-CATIONS DISTRICT	INMATE WELFARE	HOMELAND SECURITY	
Cash and cash equivalents	\$ 3,229	\$ 8,039	\$ 153	\$ 41,312	\$ 224,114	\$ 59	\$ 276,906
Investments	-	13	-	17,830	-	-	17,843
Receivables	5,137	227	-	57,278	-	-	62,642
Total assets	\$ 8,366	\$ 8,279	\$ 153	\$ 116,420	\$ 224,114	\$ 59	\$ 357,391
LIABILITIES AND FUND EQUITY							
Liabilities:							
Accounts payable	\$ 2,311	\$ -	\$ -	\$ 3,193	\$ -	\$ -	\$ 5,504
Salaries and related payables	-	-	-	5,457	-	-	5,457
Total liabilities	2,311	-	-	8,650	-	-	10,961
Fund equity - fund balances:							
Restricted	6,055	8,279	153	107,770	224,114	59	346,430
Total fund equity - fund balances	6,055	8,279	153	107,770	224,114	59	346,430
Total liabilities and fund equity	\$ 8,366	\$ 8,279	\$ 153	\$ 116,420	\$ 224,114	\$ 59	\$ 357,391

UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA

NONMAJOR JUDICIAL AND PUBLIC SAFETY SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2017

	JUDICIAL			PUBLIC SAFETY			TOTAL
	CRIMINAL COURT	OFF-DUTY OFFICER WITNESS FEE	PARISH LITTER COURT	COMMUNI-CATIONS DISTRICT	INMATE WELFARE	HOMELAND SECURITY	
Revenues:							
Taxes:							
Intergovernmental funds:							
Federal funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 59,414	\$ 59,414
Fees, charges, and commissions for services	-	-	-	314,705	360,304	-	675,009
Fines and forfeitures	120,258	4,123	2,250	-	-	-	126,631
Use of money and property	-	-	-	172	341	-	513
Other revenues	8,558	-	-	14,710	936	-	24,204
Total revenues	128,816	4,123	2,250	329,587	361,581	59,414	885,771
Expenditures:							
Current:							
General government:							
Judicial	128,197	1,100	2,506	-	-	-	131,803
Public safety	-	-	-	287,120	291,733	59,413	638,266
Total expenditures	128,197	1,100	2,506	287,120	337,433	59,413	815,769
Excess (deficiency) of revenues over expenditures	619	3,023	(256)	42,467	24,148	1	70,002
Other financing sources (uses):							
Operating transfers in	-	-	-	5,000	-	-	5,000
Total other financing sources (uses)	-	-	-	5,000	-	-	5,000
Net change in fund balances	619	3,023	(256)	47,467	24,148	1	75,002
Fund balances at beginning of year	5,436	5,256	409	60,303	199,966	58	271,428
Fund balances at end of year	\$ 6,055	\$ 8,279	\$ 153	\$ 107,770	\$ 224,114	\$ 59	\$ 346,430

UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA

SCHEDULE OF COMPENSATION PAID POLICE JURORS
FOR THE YEAR ENDED DECEMBER 31, 2017

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 \$600 per month. The president receives an additional \$100 per month for expenses incurred in fulfilling the responsibilities of his office.

Nathan Futch	\$ 7,200
Glenn W. Hutto	7,200
Michael Jones	7,200
Derek Kennedy	7,200
Lanny Parker	7,200
Charles Sawyer, President	8,400
Stanley Smith	7,200
Jerry Taylor	7,200
John Watley	7,200
Total	<u>\$ 66,000</u>

UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA

SCHEDULE OF COMPENSATION, BENEFITS, REIMBURSEMENTS,
AND OTHER PAYMENTS TO AGENCY HEAD (SECRETARY-TREASURER)
FOR THE YEAR ENDED DECEMBER 31, 2017

Paula Strickland, Secretary-Treasurer	
Salary	\$ 54,615
Benefits:	
Health insurance	8,362
Retirement - PERS	6,070
Medicare	785
Workers' Compensation Insurance	1,578
Reimbursements:	
Mileage	179
Other items paid on behalf of Secretary-Treasurer:	
Dues	175
Registration fees, lodging, and meals	1,717
Total	<u>\$ 73,481</u>

**UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2017**

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR NAME/ PROGRAM TITLE	CFDA NUMBER	PASS-THROUGH GRANTOR'S NUMBER	FEDERAL EXPENDITURES
UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Passed through Office of the Governor, Division of Administration -			
Community Development Block Grant	14.228	B-16-DC-22-0001	\$ 394,391
Direct - Section 8 Housing Choice Vouchers	14.871	LA-48V196	<u>\$ 532,804</u>
Total United States Department of Housing and Urban Development			<u>927,195</u>
UNITED STATES DEPARTMENT OF INTERIOR			
Direct - payment in lieu of taxes	15.000	N/A	<u>13,979</u>
UNITED STATES DEPARTMENT OF LABOR			
Passed through Louisiana Department of Labor -			
Workforce Investment Act:			
Adult Program	17.258	N/A	632,276
Youth Activities	17.259	N/A	614,668
Dislocated Workers	17.278	N/A	235,325
Disability Program Navigator	17.266	N/A	32,684
LWC National Emergency Grant	17.277	N/A	81,762
National Dislocated Worker Grant	17.277	N/A	<u>46,981</u>
Total United States Department of Labor			<u>1,643,696</u>
UNITED STATES DEPARTMENT OF TRANSPORTATION			
Airport Improvement Program - Taxiway Reconfiguration	20.106	3-22-0017-013-2015	<u>265,803</u>
Total United States Department of Transportation			<u>265,803</u>
UNITED STATES DEPARTMENT OF HOMELAND SECURITY			
Passed through State of Louisiana - Governor's Office of Homeland Security and Emergency Preparedness -			
Disaster Grants - Public Assistance	97.036	PW	358,461
Emergency Management Performance Grant - 2015	97.067	EMW-2015-EP-00062-SO1	9,070
Emergency Management Performance Grant - 2016	97.067	EMW-2016-EP-00062-SO1	25,286
State Homeland Security Grant Program - 2015	97.067	EMW-2015-SS-00075-SO1	3,099
State Homeland Security Grant Program - 2016	97.067	EMW-2016-SS-00075-SO1	<u>21,957</u>
Total United States Department of Homeland Security			<u>417,873</u>
Total federal expenditures			<u>\$ 3,268,546</u>

UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2017**

NOTES:

General

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

Basis of Accounting

The Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting, which is described in Note 1 to the Police Jury's financial statements. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts in, or used in the preparation of, the basic financial statements.

Other Reports



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 Honorable President and Members
Union Parish Police Jury
Farmerville, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the primary government financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Union Parish Police Jury, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise Union Parish Police Jury's primary government financial statements, and have issued our report thereon dated June 26, 2018 .

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Union Parish Police Jury's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Union Parish Police Jury's internal control. Accordingly, we do not express an opinion on the effectiveness of Union 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 financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be material weaknesses (2017-1, 2017-2, and 2017-3).

Union Parish Police Jury
Farmerville, Louisiana
Independent Auditor's Report – GAGAS
December 31, 2017

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Union Parish Police Jury's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items (2017-1).

Union Parish Police Jury's Response to Findings

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Although the intended use of this report may be limited, under Louisiana Revised Statute 24:513, it is issued by the Legislative Auditor as a public document.

BOSCH & STATHAM, LLC



Ruston, Louisiana
June 26, 2018



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Honorable President and Members
Union Parish Police Jury
Farmerville, Louisiana

We have audited Union Parish Police Jury's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Union Parish Police Jury's major federal programs for the year ended December 31, 2017. Union Parish Police Jury's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Union Parish Police Jury's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Union Parish Police Jury's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, Union Parish Police Jury complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2017.

Report on Internal Control over Compliance

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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose. Although the intended use of this report may be limited, under Louisiana Revised Statute 24:513, it is issued by the Legislative Auditor as a public document.

BOSCH & STATHAM, LLC



Ruston, Louisiana
June 26, 2018

UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA

SCHEDULE OF FINDINGS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2017

A. SUMMARY OF AUDIT RESULTS

1. The police jury issues primary government financial statements. The auditor's report expresses unqualified opinions on the financial statements of the governmental activities and each major fund of the Union Parish Police Jury. The auditor's report expresses a qualified opinion on the aggregate remaining fund information and an adverse opinion discretely presented component units as the component units are omitted from the financial statements. The component units issue separate financial statements.
2. Three material weaknesses are reported in the Independent Auditor's Report on Compliance and Internal Control over Financial Reporting.
3. One instance of noncompliance material to the financial statements of the Union Parish Police Jury, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No significant deficiencies in internal control over major federal award programs are reported in the Independent Auditor's Report on Compliance For Each Major Program And On Internal Control Over Compliance Required By The Guidance.
5. The auditor's report on compliance for the major federal award programs for the Union Parish Police Jury expresses an unmodified opinion on all major federal programs.
6. No audit findings relative to the major federal award programs are required to be reported in accordance with 2 CFR section 200.516(a).
7. The following programs were tested as major programs
 - a. United States Department of Housing and Urban Development – Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii (CFDA 14.228)
 - b. United States Department of Labor – Workforce Investment Act (WIA) cluster (CFDA 17.258, 17.259, and 17.260)
8. The threshold for distinguishing Type A and B programs was \$750,000.
9. The Union Parish Police Jury was determined not to be a low-risk auditee.

**UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2017**

B. FINDINGS - FINANCIAL STATEMENT AUDIT

2017-001 Detention Center Commission Deficit

First Reported

2013

Type

Material Weakness in Internal Control

Condition

The following summarizes activity in the Detention Center Fund for the year ended December 31, 2017:

Fund deficit, beginning of year	\$(793,357)
Revenues	2,932,375
Expenditures	<u>3,138,592</u>
Excess (deficiency) of revenues over expenditures	(206,217)
Transfers from General Fund	<u>950,000</u>
Net change in fund deficit	743,783
Fund deficit, end of year	<u><u>\$(49,574)</u></u>

The Detention Center Commission's final amended budget for the year ended December 31, 2017, included a budgeted deficit of \$1,819,150.

Criteria

Common prudent business practice requires that the Detention Center Commission operate within its available resources.

The Louisiana Local Budget Act prohibits budgeting a deficit. LRS 39:1305 (E) states, "The total of proposed expenditures shall not exceed the total of estimated funds available for the ensuing fiscal year."

Generally speaking, funds of a special revenue fund cannot be loaned to other funds as those funds are generally restricted to the purpose provided for by approved tax millages or by grant contracts.

Cause

Rising costs and declining revenues are making it difficult for the Commission to meet costs. The police jury's General Fund has limited funds available to support the Detention Center.

Effect

The continued practice of operating at a deficit has resulted in significant transfers from the General Fund and noncompliance with the Louisiana Local Government Budget Act. Also, as the police jury operates a Master Bank Fund whereby almost all of the funds included in its financial statements are part of a pooled bank account, the Detention Center has essentially borrowed from other funds when its cash account on the general ledger has been in an overdraft position.

**UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2017**

Recommendation

The Detention Center Commission must take the necessary steps to reduce expenditures to a level that does not exceed its expected income including the amount the police jury will be able to provide.

Management's Response

See management's Corrective Action Plan

2017-002 Errors in Payroll Records

First Reported

2015

Type

Material Weakness in Internal Control

Condition

For several years, the audit has detected errors in payroll processing, leave records, and benefits processing. Improvements were made for 2017 but we still identified errors in our testing. The jury purchased the payroll module of its existing software which improved some areas.

Additionally, the accounting for the Office of Homeland Security Fund (OHSEP) is maintained in a separate software from the jury's primary accounting funds. There is an OHSEP Fund in the primary accounting software (GFA) that is linked to the Master Bank Fund (pooled cash). At December 31, 2017, the OHSEP Fund in GFA reflects a cash overdraft of \$157k because payroll transactions that affect cash are being posted to the OHSEP Fund.

Criteria

Proper internal control requires that payroll transactions be properly reviewed and authorized and that such authorization be documented. Proper internal control should also include procedures to ensure that leave records are accurately maintained.

The Master Bank Fund should reflect actual cash positions of each primary accounting fund. Each fund should reflect actual accounting transactions and balances.

Cause

Mathematical errors and input errors are prevalent. The jury's software provider made errors in setting up the payroll module and designing reports for changes in leave. The internal control system is not properly designed.

Effect

Lack of proper documentation leaves an improper audit trail and could result in incorrect payments. Failure to accurately record leave transactions could result in an employee receiving unearned leave or failing to receive earned leave. There are misstatements in General Fund, OHSEP Fund, and Master Bank Fund. Audit adjusting entries were required. General Fund is affected because the OHSEP Fund reflects an overdraft in the Master Bank Fund. The overdraft has to be absorbed by another fund.

**UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2017**

Recommendation

Since audit fieldwork, the jury has approved a contract with a CPA to outsource payroll processing. We agree with that corrective action. We also recommend that management design the control system to include reconciliation of Master Bank Fund equity to funds and investigation into overdraft positions, and review of the general ledger for posting errors by someone other than the persons responsible for posting transactions.

Management's Response

See management's Corrective Action Plan

2017-003 Detention Center Purchasing and Disbursements

First Reported

2017

Type

Material Weakness in Internal Control

Condition

We selected for testing checks issued during the audit period that exceeded \$9,999 excluding payroll related disbursements, fund transfers, and certain repetitive disbursements. The sample included for the Detention Center ten checks. The results were as follows:

- Two disbursements did not have proper invoice(s) or other support
- One disbursement included at least one invoice for which the police jury's receipt of goods was not documented or there was documentation that certain goods were not received but the invoice(s) were paid in full
- Nine included at least one invoice that we could not trace to proper authorization either in a properly completed and approved purchase order or in the jury's meeting minutes
- Expenditures included in two disbursements were found to be posted to an incorrect account

Criteria

Best practices include proper support for disbursements and proper posting.

Cause

The internal control system is not properly designed.

Effect

The Detention Center Commission could pay for goods or services that are not valid and proper expenditures of the jury. Internal reports and external financial statements could include misstatements.

Recommendation

We recommend that management of the Detention Center work with management of the police jury to design the internal control system to ensure the following:

- Expenditures are not incurred without proper authorization
- Disbursements are not processed without proper documentation
- Disbursements are not posted to incorrect accounts

**UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2017**

Management's Response

See management's Corrective Action Plan

2017-004 Quotes for Vehicle Purchased by Detention Center Commission

First Reported

2017

Type

Noncompliance with Laws

Condition

We compared purchase documentation for the purchase of a vehicle for the Detention Center to the requirements of the Louisiana Public Bid Law. The purchase appeared to require three quotations. The documentation included three quotes. However, the two quotes that were not accepted were identical with respect to the typing format, the verbiage, the price, and the signatures. It appears that the vendor from whom the vehicle was purchased provided all three quotations. We inquired of management and one of the vendors. The vendor we spoke to said he submitted a bid to the Detention Center.

Criteria

The Louisiana Public Bid Law requires three quotes for a purchase of materials and supplies between \$10,000 and \$30,000.

Cause

We were unable to determine the cause of condition.

Effect

Management of the Detention Center may have violated the Louisiana Public Bid Law by acting contrary to the spirit of the law. The Detention Center may not have paid the lowest price available for the vehicle.

Recommendation

We recommend that the Detention Center's purchasing policy and procedures be evaluated and modified to ensure that employees and officials are knowledgeable of laws and regulations and that transactions involve a monitoring process to ensure compliance with laws and proper conduct.

Management's Response

See management's Corrective Action Plan

UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2017

C. SUMMARY OF PRIOR YEAR FINDINGS

2016-001 Detention Center Commission Deficit

This finding is repeated as 2017-001.

2016-002 Errors in Payroll Records

This finding is repeated as 2017-002.

2016-003 Detention Center Inmate Welfare Fund – Failure in Controls over Disbursements

This finding is repeated as 2017-003.

Union Parish Police Jury

P.O. BOX 723 303 EAST WATER STREET FARMERVILLE, LA 71241
PHONE 318- 368-3296 FAX 318-368-8342

June 26, 2018

OFFICERS:

JERRY W. TAYLOR
PRESIDENT

DEREK KENNEDY
VICE-PRESIDENT

PAULA STRICKLAND
SEC-TREASURER

Bosch & Statham, LLC
Post Office Box 2377
Ruston, LA 71273-2377

In connection with your engagement to apply agreed-upon procedures to certain control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's Statewide Agreed-Up Upon Procedures (SAUPs), for the fiscal period *January 1, 2017 through December 31, 2017*, we confirm to the best of our knowledge and belief, the following representations made to you during your engagement.

MEMBERS:

DISTRICT 1
CHARLES SAWYER

1. We are responsible for the C/C areas identified in the SAUPs, including written policies and procedures; board or finance committee; bank reconciliations; collections; disbursements; credit/debit/fuel/purchasing cards; travel and expense reimbursement; contracts; payroll and personnel; ethics; debt service; and other areas (*should be customized by entity, as applicable*).

Yes No

DISTRICT 2
LANNY PARKER

2. For the fiscal period *January 1, 2017 through December 31, 2017*, the C/C areas were administered in accordance with the best practice criteria presented in the SAUPs.

Yes No

DISTRICT 3
JERRY W. TAYLOR

DISTRICT 4
GLENN HUTTO

3. We are responsible for selecting the criteria and procedures and for determining that such criteria and procedures are appropriate for our purposes.

Yes No

DISTRICT 5
DEREK S. KENNEDY

4. We have disclosed to you all known matters contradicting the results of the procedures performed in C/C areas.

Yes No

DISTRICT 6
NATHAN FUTCH

DISTRICT 7
STAN SMITH

5. We have disclosed to you any communications from regulatory agencies, internal auditors, other independent practitioners or consultants, and others affecting the C/C areas, including communications received between *December 31, 2017*, and *June 26, 2018*.

Yes No

DISTRICT 8
MIKE JONES

6. We have provided you with access to all records that we believe are relevant to the C/C areas and the agreed-upon procedures.

Yes No

DISTRICT 9
JOHN W. WATLEY

7. We represent that the listing of bank accounts provided to you is complete.
Yes No
8. We represent that the listing of cash/check/money order (cash) collection locations provided to you is complete.
Yes No
9. We represent that the listing of entity disbursements or the general ledger population of entity disbursements provided to you is complete.
Yes No
10. We represent that the listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards), including the card numbers and the names of the persons who maintained possession of the cards, provided to you is complete.
Yes No
11. We represent that the listing of all travel and related expense reimbursements, by person, during the fiscal period or the general ledger population of travel and related expense reimbursements provided to you is complete.
Yes No
12. We represent that the listing of all contracts in effect during the fiscal period or the general ledger population of contract payments provided to you is complete.
Yes No
13. We represent that the listing of employees (and elected officials, if applicable) with their related salaries provided to you is complete.
Yes No
14. We represent that the listing of employees (and elected officials, if applicable) that terminated during the fiscal period provided to you is complete.
Yes No
15. We have disclosed to you *[list other matters as you have deemed appropriate]*.
Yes No
16. We have responded fully to all inquiries made by you during the engagement.
Yes No

17. We are not aware of any events that have occurred subsequent to December 31, 2017, that would require adjustment to or modification of the results of the agreed-upon procedures.

Yes No

The previous responses have been made to the best of our belief and knowledge.

Signature Paula Strickland Date 6/28/18

Title Secretary-Treasurer

Signature Greg W. Tapp Date 6-28-18

Title President



Independent Accountant's Report
on Applying Agreed-Upon Procedures

To the Union Parish Police Jury
and the Louisiana Legislative Auditor

We have performed the procedures enumerated below, which were agreed to by Union Parish Police Jury (UPPJ) 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 fiscal period January 1, 2017 through December 31, 2017. 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, we 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 the entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the entity does not have any written policies and procedures), as applicable:

- a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget

We obtained the Police Jury's budgeting policy.

Exceptions: None

- 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.

We obtained the Police Jury's purchasing policy.

Exceptions: The policy does not address item (4), controls to ensure compliance with the public bid law.

Management's Response: See Management's Corrective Action Plan

- c) ***Disbursements***, including processing, reviewing, and approving

We obtained the Police Jury's disbursement policy.

Exceptions: The policy did not address the reviewing or approving processes.

Management's Response: See Management's Corrective Action Plan

- d) **Receipts**, including receiving, recording, and preparing deposits
We obtained the Police Jury's receipts policy.
Exceptions: None
- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
We obtained the Police Jury's payroll/personnel policy.
Exceptions: The policy does not address the reviewing of the records or approving overtime worked.
Management's Response: See Management's Corrective Action Plan
- 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
We obtained the Police Jury's contracting policy.
Exceptions: The policy did not address item (2), terms and conditions or item (5), monitoring process.
Management's Response: See Management's Corrective Action Plan
- 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, and (5) monitoring card usage
We obtained the Police Jury's credit cards policy.
Exceptions: The policy did not address item (2), allowable business uses or item (4), required approvers.
Management's Response: See Management's Corrective Action Plan
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers
We obtained the Police Jury's travel and expense policy.
Exceptions: None
- 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. Note: Ethics requirements are not applicable to nonprofits.
We obtained the Police Jury's ethics policy.
Exceptions: The policy did not discuss (1), the prohibitions as defined in La Revised Statute 42:1111-1121 or (3), system to monitor possible ethics violations.
Management's Response: See Management's Corrective Action Plan
- j) **Debt Service**, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
We obtained the Police Jury's debt service policy.
Exceptions: The policy did not address (2), EMMA reporting requirements or (4), debt service requirements.
Management's Response: See Management's Corrective Action Plan

Board (or Finance Committee, if applicable)

2. Obtain and review the board/committee minutes for the fiscal period, and:
- a) Report whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.
- We obtained the board/committee minutes for the Police Jury, Detention Center, 911, and the Library. The Police Jury met at least monthly. We did not note requirements for frequency for the other three boards. The Detention Center met nearly monthly. The 911 and Library boards met sporadically throughout the year.*
- Exceptions: None*
- b) Report whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the entity's prior audit (GAAP-basis).
- The minutes did not reference or include monthly budget-to-actual comparisons.*
- Exceptions: See above.*
- Management's Response: See management's corrective action plan.*
- If the budget-to-actual comparisons show that management was deficit spending during the fiscal period, report whether there is a formal/written plan to eliminate the deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, report whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan.
- The minutes did not reference or include monthly budget-to-actual comparisons.*
- c) Report whether the minutes referenced or included non-budgetary financial information (e.g. approval of contracts and disbursements) for at least one meeting during the fiscal period.
- The minutes did reference approval of monthly disbursements and various contracts/agreements.*
- Exceptions: None.*

Bank Reconciliations

3. Obtain a listing of client bank accounts from management and management's representation that the listing is complete.
- We obtained a listing and management's representation.*
- Exceptions: Three bank accounts for the detention center were not included on the entity's list.*
- Management's Response: See management's corrective action plan.*

4. Using the listing provided by management, select all of the entity's bank accounts (if five accounts or less) or one-third of the bank accounts on a three-year rotating basis (if more than 5 accounts). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School Board student activity fund accounts may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* For each of the bank accounts selected, obtain bank statements and reconciliations for all months in the fiscal period and report whether:

- a) Bank reconciliations have been prepared;

For the three bank accounts tested, two accounts had bank reconciliations prepared for all twelve months. There were no bank reconciliations for the third account. The third account was a grant account for which the bank balance normally agrees to the book balance.

Exceptions: None

- b) Bank reconciliations include evidence that a member of management or a board member (with no involvement in the transactions associated with the bank account) has reviewed each bank reconciliation; and

The bank reconciliations did not include evidence that a member of management or a board member had reviewed each bank reconciliation.

Exceptions: See above.

Management's Response: See management's corrective action plan.

- c) If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period.

The bank reconciliations did not include documentation reflecting that management had researched reconciling items that had been outstanding for more than 6 months as of the end of the fiscal period, if applicable.

Exceptions: See above

Management's Response: See management's corrective action plan.

Collections

5. Obtain a listing of cash/check/money order (cash) collection locations and management's representation that the listing is complete.

We received the listing and the representation.

Exceptions: None

6. Using the listing provided by management, select all of the entity's cash collection locations (if five locations or less) or one-third of the collection locations on a three-year rotating basis (if more than 5 locations). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School Board student activity funds may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* **For each cash collection location selected:**

- a) Obtain existing written documentation (e.g. insurance policy, policy manual, job description) and report whether each person responsible for collecting cash is (1) bonded, (2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account (report if there are compensating controls performed by an outside party), and (3) not required to share the same cash register or drawer with another employee.

The employees are bonded under LRPIC, the police jury's insurance group.

The employee responsible for collecting cash is not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account. Collectors are not required to share the same cash register or drawer with another employee.

Exceptions: None.

- b) Obtain existing written documentation (e.g. sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and report whether the entity has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the cash collection location selected.

We obtained the receipt books, the general ledger, and the Police Jury's policies and procedures. We noted the entity does not have a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers by a person who is not responsible for cash collections.

Exceptions: See above.

Management's Response: See management's corrective action plan.

- c) Select the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:

We selected the highest week of collections, the week of January 8, 2017 to January 14, 2017.

Using entity collection documentation, deposit slips, and bank statements, trace daily collections to the deposit date on the corresponding bank statement and report whether the deposits were made within one day of collection. If deposits were not made within one day of collection, report the number of days from receipt to deposit for each day at each collection location.

There were two deposits during the selected week. One of the two deposits was an electronic transfer from the Louisiana Department of Revenue. The remaining deposit included sixty-eight separate receipts. Of the sixty-eight receipts, three were not supported by a receipt. Fifty-five receipts were deposited within more than one day of receipt.

Exceptions: See above.

Management's Response: See management's corrective action plan.

- Using sequentially numbered receipts, system reports, or other related collection documentation, verify that daily cash collections are completely supported by documentation and report any exceptions.

A receipt could not be located for one cash collection.

Exceptions: See above.

Management's Response: See management's corrective action plan.

7. Obtain existing written documentation (e.g. policy manual, written procedure) and report whether the entity has a process specifically defined (identified as such by the entity) to determine completeness of all collections, including electronic transfers, for each revenue source and 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) by a person who is not responsible for collections.

We obtained the available documentation.

Exceptions: None noted.

Disbursements – General (excluding credit card/debit card/fuel card/P-Card purchases or payments)

8. Obtain a listing of entity disbursements from management or, alternately, obtain the general ledger and sort/filter for entity disbursements. Obtain management's representation that the listing or general ledger population is complete.

We obtained a check register and management's representation.

Exceptions: None

9. Using the disbursement population from #8 above, randomly select 25 disbursements (or randomly select disbursements constituting at least one-third of the dollar disbursement population if the entity had less than 25 transactions during the fiscal period), excluding credit card/debit card/fuel card/P-card purchases or payments. Obtain supporting documentation (e.g. purchase requisitions, system screens/logs) for each transaction and report whether the supporting documentation for each transaction demonstrated that:

We selected 25 disbursements from the check register.

- a) Purchases were initiated using a requisition/purchase order system or an equivalent electronic system that separates initiation from approval functions in the same manner as a requisition/purchase order system.

Of the 25 disbursements selected, nine required a purchase order. Two of the nine disbursements were not supported by a purchase order.

Exceptions: See above.

Management's Response: See management's corrective action plan.

- b) Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase.

Of the seven purchase orders present, one was not approved by a person who did not initiate the purchase.

Exceptions: See above.

Management's Response: See management's corrective action plan.

- c) Payments for purchases were not processed without (1) an approved requisition and/or purchase order, or electronic equivalent; a receiving report showing receipt of goods purchased, or electronic equivalent; and an approved invoice.

Out of 25 disbursements selected for testing, nine required purchase orders. Support for 14 checks should have included documentation that goods were received. The support included such documentation as well as approval of invoices.

Exceptions: None

10. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the person responsible for processing payments is prohibited from adding vendors to the entity's purchasing/disbursement system.

The Assistant Treasurer is responsible for processing payments to vendors. The Assistant Treasurer is also responsible for adding or deleting vendors to the purchasing/disbursement system.

Exceptions: See above.

Management's Response: See management's corrective action plan.

11. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the persons with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases.

A selected Juror has final authorization for purchases. The Juror has no authority/responsibility in initiating or recording purchases.

Exceptions: none

12. Inquire of management and observe whether the supply of unused checks is maintained in a locked location, with access restricted to those persons that do not have signatory authority and report any exceptions. Alternately, if the checks are electronically printed on blank check stock, review entity documentation (electronic system control documentation) and report whether the persons with signatory authority have system access to print checks.

We inquired of the Secretary-Treasurer and observed the various supplies of checks. Checks are stored in three offices depending on the account. The offices are sometimes left unlocked and unattended. Some of the custodians also have signatory authority.

Exceptions: See above

Management's Response: See management's corrective action plan.

13. If a signature stamp or signature machine is used, inquire of the signer whether his or her signature is maintained under his or her control or is used only with the knowledge and consent of the signer. Inquire of the signer whether signed checks are likewise maintained under the control of the signer or authorized user until mailed. Report any exceptions.

The Police Jury does not use a signature stamp or machine. The checks are signed by two of four authorized signers. The Jury president, a selected juror, the Assistant Treasurer, and the Secretary Treasurer are the authorized signers.

Exceptions: None

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

14. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards), 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.

We obtained a listing of cards and management's representation that the listing is complete.

Exceptions: None

15. Using the listing prepared by management, randomly select 10 cards (or at least one-third of the cards if the entity has less than 10 cards) that were used during the fiscal period, rotating cards each year. If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner.

Obtain the monthly statements, or combined statements if multiple cards are on one statement, for the selected cards. Select the monthly statement or combined statement with the largest dollar activity for each card (for a debit card, select the monthly bank statement with the largest dollar amount of debit card purchases) and:

- a) Report whether there is evidence that the monthly statement or combined statement and supporting documentation 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.]]

We noted no evidence that the monthly statements were reviewed and approved, in writing, by someone other than the authorized card holder. We noted no evidence of supporting documentation being reviewed and approved for two of the tested cards.

Exceptions: See above.

Management's Response: See management's corrective action plan.

- b) Report whether finance charges and/or late fees were assessed on the selected statements.

The police jury did not incur finance charges or late fees on the selected statements.

Exceptions: None

16. Using the monthly statements or combined statements selected under #15 above, obtain supporting documentation for all transactions for each of the 10 cards selected (i.e. each of the 10 cards should have one month of transactions subject to testing).

- a) For each transaction, report whether the transaction is supported by:

- An original itemized receipt (i.e., identifies precisely what was purchased)
- Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.
- Other documentation that may be required by written policy (e.g., purchase order, written authorization.)

There were fifty-two transactions included in the card statements selected for testing. Out of the fifty-two charges, all were properly supported by an original itemized receipt. The purpose of the expense was not documented for fifty-one of the selected transactions. Purchase orders were present for all of the transactions. However, only forty-six transactions had approved purchase orders.

Exceptions: See above.

Management's Response: See management's corrective action plan.

- b) For each transaction, compare the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the entity's written purchasing/disbursement policies and the Louisiana Public Bid Law (i.e. transaction is a large or recurring purchase requiring the solicitation of bids or quotes) and report any exceptions.

We compared the details of the selected transactions to the policies and to the bid law.

Exceptions: None

- c) For each transaction, compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. cash advances or non-business purchases, regardless whether they are reimbursed). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

For each transaction, we compared the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution.

Exceptions: None

Management's Response: See management's corrective action plan.

Travel and Expense Reimbursement

17. Obtain from management a listing of all travel and related expense reimbursements, by person, during the fiscal period or, alternately, obtain the general ledger and sort/filter for travel reimbursements. Obtain management's representation that the listing or general ledger is complete.

We obtained details of all travel expense accounts and sorted the transactions by payee. We obtained management's representation that the listing is complete.

Exceptions: None

18. Obtain the entity's written policies related to travel and expense reimbursements. Compare the amounts in the policies to the per diem and mileage rates established by the U.S. General Services Administration (www.gsa.gov) and report any amounts that exceed GSA rates.

We obtained the policies. The policy does not include rates except to say that mileage is reimbursed at a rate of 51 cents per mile.

Exceptions: See above.

Management's Response: See management's corrective action plan.

19. Using the listing or general ledger from #17 above, select the three persons who incurred the most travel costs during the fiscal period. Obtain the expense reimbursement reports or prepaid expense documentation of each selected person, including the supporting documentation, and choose the largest travel expense for each person to review in detail. For each of the three travel expenses selected:

- a) Compare expense documentation to written policies and report whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging). If the entity does not have written policies, compare to the GSA rates (#18 above) and report each reimbursement that exceeded those rates.

We compared the expense documentation to written policies.

Exceptions: None

b) Report whether each expense is supported by:

- An original itemized receipt that identifies precisely what was purchased. [Note: An expense that is reimbursed based on an established per diem amount (e.g., meals) does not require a receipt.]
- Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).
- Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance)

All reimbursements were supported by the original receipts, documentation of purpose, and other documentation required by policy.

Exceptions: None

c) Compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

We compared the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value.

Exceptions: None

d) Report whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

We inspected receipts and other support for travel and expenses and noted that a person other than the person receiving the reimbursement approved the reimbursement reports.

Exceptions: None

Contracts

20. Obtain a listing of all contracts in effect during the fiscal period or, alternately, obtain the general ledger and sort/filter for contract payments. Obtain management's representation that the listing or general ledger is complete.

We obtained a listing of all contracts and management's representation.

Exceptions: None

21. Using the listing above, select the five contract "vendors" that were paid the most money during the fiscal period (excluding purchases on state contract and excluding payments to the practitioner). Obtain the related contracts and paid invoices and:

We filtered the data in the listing for the five contract vendors that were paid the most during the fiscal period.

a) Report whether there is a formal/written contract that supports the services arrangement and the amount paid.

Management submitted complete contracts for all five contracts selected for testing.

Exceptions: None

- b) Compare each contract's detail to the Louisiana Public Bid Law or Procurement Code. Report whether each contract is subject to the Louisiana Public Bid Law or Procurement Code and:
- If yes, obtain/compare supporting contract documentation to legal requirements and report whether the entity complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder)
 - If no, obtain supporting contract documentation and report whether the entity solicited quotes as a best practice.

Two of the contracts selected for testing appeared to be subject to the Louisiana Public Bid Law.

The Police Jury did obtain bids for the initial contract.

It does not appear that the entity solicited quotes for the contracts that were not subject to the bid law.

The requirements of bid law as well as the requirements for the solicitation of quotes did not apply to one contract tested.

Exceptions: Management did not obtain quotes for those contracts not subject to the bid law.

Management's Response: See management's corrective action plan.

- c) Report whether the contract was amended. If so, report the scope and dollar amount of the amendment and whether the original contract terms contemplated or provided for such an amendment.

None of the contracts appear to have been amended.

Exceptions: None

- d) Select the largest payment from each of the five contracts, obtain the supporting invoice, compare the invoice to the contract terms, and report whether the invoice and related payment complied with the terms and conditions of the contract.

We compared the largest payment from each of the five contracts to the documents provided by management.

Exceptions: None

- e) Obtain/review contract documentation and board minutes and report whether there is documentation of board approval, if required by policy or law (e.g. Lawrason Act or Home Rule Charter).

We reviewed the board minutes and contract documentation. All contracts selected were approved by the jury per minutes.

Exceptions: None.

Payroll and Personnel

22. Obtain a listing of employees (and elected officials, if applicable) with their related salaries, and obtain management's representation that the listing is complete. Randomly select five employees/officials, obtain their personnel files, and:

- a) Review compensation paid to each employee during the fiscal period and report whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.

We obtained the listing and management's representation that the listing is complete. We selected five employees/officials and obtained their personnel files.

Exceptions: None

- b) Review changes made to hourly pay rates/salaries during the fiscal period and report whether those changes were approved in writing and in accordance with written policy.

We obtained detail of the selected employees' pay for the fiscal year and compared to documentation of authorization.

Exceptions: One of the five changes to pay rates tested was properly authorized. However, the change was not properly implemented.

Management's Response: See Management's Corrective Action Plan.

23. Obtain attendance and leave records and randomly select one pay period in which leave has been taken by at least one employee. Within that pay period, randomly select 25 employees/officials (or randomly select one-third of employees/officials if the entity had less than 25 employees during the fiscal period), and:

- a) Report whether 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.)

The entity does not maintain separate records of leave balances apart from what is recorded in the accounting software (GFA). The GFA report shows sick days earned and taken but does not show a running balance. We selected twenty-five employees for testing. We were able to inspect documented attendance and leave for tested employees.

Exceptions: See above.

Management's Response: See Management's Corrective Action Plan.

- b) Report whether there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees/officials.

The supervisor approval of attendance was not documented for two of the employees tested. We inspected documentation of approval of leave when applicable for the sample.

Exceptions: See above.

Management's Response: See Management's Corrective Action Plan.

- c) Report whether there is written documentation that the entity maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees/officials that earn leave.

We inspected leave records for the twelve employees in our sample that took leave during the selected pay period.

Exceptions: None

24. Obtain from management a list of those employees/officials that terminated during the fiscal period and management's representation that the list is complete. If applicable, select the two largest termination payments (e.g., vacation, sick, compensatory time) made during the fiscal period and obtain the personnel files for the two employees/officials. Report whether the termination payments were made in strict accordance with policy and/or contract and approved by management.

We obtained management's representation and a listing of sixty-three employees that were terminated during the fiscal year and representation from management that the listing is correct.

Exceptions: None

25. Obtain supporting documentation (e.g. cancelled checks, EFT documentation) relating to payroll taxes and retirement contributions during the fiscal period. Report whether the employee and employer portions of payroll taxes and retirement contributions, as well as the required reporting forms, were submitted to the applicable agencies by the required deadlines.

We obtained IRS Forms 941, Louisiana forms L-1, and retirement contribution reports for the three retirement systems. We reviewed available documentation of file dates and pay dates.

Exceptions: There were no exceptions for timely payment. Some of the forms did not include documentation of the filing dates. Therefore, we were unable to determine whether reports/returns were filed on time.

Management's Response: See management's corrective action plan.

Ethics (excluding nonprofits)

26. Using the five randomly selected employees/officials from procedure #22 under "Payroll and Personnel" above, obtain ethics compliance documentation from management and report whether the entity-maintained documentation to demonstrate that required ethics training was completed.

Using the selected employees selected from the above procedure, we obtained the ethics compliance documentation from management.

Exceptions: None

27. Inquire of management whether any alleged ethics violations were reported to the entity during the fiscal period. If applicable, review documentation that demonstrates whether management investigated alleged ethics violations, the corrective actions taken, and whether management's actions complied with the entity's ethics policy. Report whether management received allegations, whether management investigated allegations received, and whether the allegations were addressed in accordance with policy.

We inquired of management. There were no such violations reports.

Exceptions: None

Debt Service (excluding nonprofits)

28. If debt was issued during the fiscal period, obtain supporting documentation from the entity, and report whether State Bond Commission approval was obtained.

We noted no indications that debt was issued during the fiscal period.

Exceptions: None.

29. If the entity had outstanding debt during the fiscal period, obtain supporting documentation from the entity and report whether the entity made scheduled debt service payments and maintained debt reserves, as required by debt covenants.

The entity made scheduled payments towards their outstanding debt during the fiscal period as well as maintained the debt reserves required by debt covenants.

Exceptions: None

30. If the entity had tax millages relating to debt service, obtain supporting documentation and report whether millage collections exceed debt service payments by more than 10% during the fiscal period. Also, report any millages that continue to be received for debt that has been paid off.

We noted no such millages.

Exceptions: None

Other

31. Inquire of management whether the entity had any misappropriations of public funds or assets. If so, obtain/review supporting documentation and report whether the entity reported the misappropriation to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

We inquired of management. We did not identify any misappropriation.

Exceptions: None

32. Observe and report whether the entity has posted on its premises and website, the notice required by R.S. 24:523.1. This notice (available for download or print at www.la.gov/hotline) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.

We observed the notice posted in the lobby of the Police Jury building as well as on the Police Jury's website (www.uppj.org), as required by R.S. 24:523.1.

Exceptions: None

33. If the practitioner observes or otherwise identifies any exceptions regarding management's representations in the procedures above, report the nature of each exception.

Noted exceptions are described above.

We were 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, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our 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.

BOSCH & STATHAM, LLC

Bosch & Statham

Ruston, Louisiana
June 26, 2018

Union Parish Police Jury

P.O. BOX 723 303 EAST WATER STREET FARMERVILLE, LA 71241
PHONE 318- 368-3296 FAX 318-368-8342

June 28, 2018

OFFICERS:

JERRY W. TAYLOR
PRESIDENT

DEREK KENNEDY
VICE-PRESIDENT

PAULA STRICKLAND
SEC-TREASURER

Bosch & Statham
P.O. Box 2377
Ruston, LA 71273-2377

Corrective Action Plan

2017-001 Detention Center Commission Deficit

Responsible Official: Lanny Parker, Chairman, Detention Center Commission

MEMBERS:

DISTRICT 1
CHARLES SAWYER

DISTRICT 2
LANNY PARKER

DISTRICT 3
JERRY W. TAYLOR

DISTRICT 4
GLENN HUTTO

DISTRICT 5
DEREK S. KENNEDY

DISTRICT 6
NATHAN FUTCH

DISTRICT 7
STAN SMITH

DISTRICT 8
MIKE JONES

DISTRICT 9
JOHN W. WATLEY

“The work release program which was implemented during 2015 has substantially increased the revenue coming into the Detention Center thereby reducing the deficit. We are working to expand the work release program to further bolster revenues going forward. The Commission has worked diligently to reduce overall spending throughout the facility. The Commission will continue to closely monitor the operations of the Detention Center and look for more innovative ways to further reduce the deficit with the goal of adopting a balanced budget.”

2017-002 Errors in Payroll Records

Responsible Person: Paula Strickland Secretary/Treasurer

“The jury has approved a contract with a CPA, who is also an auditor, to outsource payroll processing and the payroll related functions of leave and benefits. This should alleviate the errors that were noted in payroll processing, leave records, benefits processing and account coding.”

2017-003 Detention Center Purchasing and Disbursements

Responsible Official: Lanny Parker, Chairman, Detention Center Commission

“Before purchases are made, the Business Manager will make sure that all authorizations have been appropriately obtained and that supporting documentation is attached. Payments will not be authorized or released until all proper documentation is included with the invoices. Management understands the need for checks and balances so going forward the Union Parish Police Jury Accounts Payable Clerk will ascertain that the Union Parish Detention Center’s Business Manager has coded purchase orders/disbursements to the correct account(s).”

2017-004 Quotes for Vehicle Purchased by Detention Center Commission

Responsible Official: Lanny Parker, Chairman, Detention Center Commission

"The Detention Center Commission voted to purchase a used van. The Sheriff, who is a member of the commission, was asked to obtain three quotes. For purchases between \$10,000 and \$30,000 on a vehicle such as this the Louisiana Statute calls for a minimum of three telephone quotations. Three quotes were obtained by the Sheriff and the lowest quoted van was ordered. It was believed in good faith that the Statute had been followed. In the future, to prevent any hint of impropriety only quotes that clearly identify a company/person will be accepted."

Statewide AUPs

Written Policies and Procedures

We will consider the auditor's comments and take action as considered necessary.

Board

2(a) No Exceptions.

2 (b) A budget to actual comparison (Revenue and Expense report) for the month is presented to each juror during the regular monthly meeting. The jurors are given an opportunity to ask questions and if no questions are asked then the Revenue and Expense reports are adopted. In the future the Secretary/Treasurer will document in the minutes that the budget to actual comparison was presented to the jury.

2(c) No Exceptions.

Bank Reconciliations

3 Management has added the three detention center accounts to the bank list.

4(a) No Exceptions.

4(b) We will evaluate our procedures, consider the auditor's comments and take action as considered necessary.

4(c) We will evaluate our procedures, consider the auditor's comments and take action as considered necessary.

5(c) No Exceptions.

6(a) No Exceptions.

6(b) We will evaluate our procedures, consider the auditor's comments and take action as considered necessary.

6(c) We will evaluate our procedures, consider the auditor's comments and take action as considered necessary.

7 No Exceptions.

Disbursements – General

8 No Exceptions.

9(a) The two disbursements which were not supported by a purchase order were from the Library. The Library is governed by a separate board and they do not require purchase orders.

9(b) We will evaluate our procedures, consider the auditor's comments and take action as considered necessary.

9(c) We will evaluate our procedures, consider the auditor's comments and take action as considered necessary.

10 This issue was addressed and corrected at the time the audit was performed. The Accounts Payable Clerk cannot add a vendor to the purchasing/disbursement system. The Secretary/Treasurer is the only person responsible for adding vendors.

11 No Exceptions.

12 This issue was addressed and corrected at the time the audit was performed. The supply of unused checks is stored in the Secretary/Treasurer's office. When she is not in the office her door is locked and the checks are secure.

13 No Exceptions.

14 No Exceptions.

15(a) This issue was addressed and corrected at the time the audit was performed. Monthly statements and supporting documentation are being reviewed by a person other than the authorized card holder.

15(b) No Exceptions.

16(a) This issue was addressed and corrected at the time the audit was performed. The purpose of the expense is documented on the receipt and/or purchase order. An approved purchase order is attached to documentation.

16(b) No Exceptions.

16(c) No Exceptions.

17 No Exceptions.

18 We will evaluate our procedures, consider the auditor's comments and take action as considered necessary.

19(a) No Exceptions.

19(b) No Exceptions.

19(c) No Exceptions.

19(d) No Exceptions.

Contracts

20 No Exceptions.

21(a) No Exceptions.

21(b) We will evaluate our procedures, consider the auditor's comments and take action as considered necessary.

21(c) No Exceptions.

21(d) No Exceptions.

21(e) We will evaluate our procedures, consider the auditor's comments and take action as considered necessary.

Payroll and Personnel

22(a) No Exceptions.

22(b) This issue has been addressed by contracting with a CPA.

23(a) This issue has been addressed by contracting with a CPA.

23(b) We will consider the auditor's comments and take action as considered necessary.

23(c) No Exceptions.

24 No Exceptions.

25 This issue has been addressed by contracting with a CPA.

Ethics

26 No Exceptions.

27 No Exceptions.

Debt Service

28 No Exceptions.

29 No Exceptions.

30 No Exceptions.

Other

31 No Exceptions.

32 No Exceptions.

Sincerely,



Paula Strickland
Secretary/Treasurer
Union Parish Police Jury