

UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA

**FINANCIAL STATEMENTS
AND SUPPLEMENTAL INFORMATION
AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2011**



**UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA**

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

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, 2011. 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 assets presents information on all of the police jury's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets 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 assets changed during the most recent fiscal year. All changes in net assets 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.

Management's Discussion and Analysis
 December 31, 2011 (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, the Workforce Investment Act Program, and the Farmerville Area Fire District CDBG Fund which all are considered to be major funds. Data from the other fourteen 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 assets may serve over time as a useful indicator of a government's financial position. The following tables focus on net assets (Table 1) and changes in net assets (Table 2) for the police jury's governmental activities.

Table 1
Net Assets
Governmental Activities

	2011	2010
Current and other assets	\$ 16,526,109	\$ 15,546,036
Capital assets (net)	10,829,899	10,226,195
Total assets	<u>27,356,008</u>	<u>25,772,231</u>
Long-term debt	8,615,202	11,081,114
Other liabilities	1,515,934	988,733
Total liabilities	<u>10,131,136</u>	<u>12,069,847</u>
Net assets:		
Invested in capital assets, net of debt	10,623,106	10,226,195
Restricted for landfill closure/post-closure care	4,255,954	4,011,905
Unrestricted	2,345,812	(535,716)
Total net assets	<u>\$ 17,224,872</u>	<u>\$ 13,702,384</u>

Management's Discussion and Analysis
December 31, 2011 (Unaudited)

At the close of the fiscal year, assets of the police jury exceeded liabilities by \$17,224,872. Of those net assets, \$10,829,899 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 net assets are 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.

Table 2
Changes in Net Assets
Governmental Activities

	<u>2011</u>	<u>2010</u>
Revenues		
Program revenues:		
Charges for services	\$ 4,434,747	\$ 4,381,438
Federal grants	1,933,681	2,548,882
State grants and entitlements	551,092	507,405
General revenues:		
Property taxes	3,214,232	3,193,200
Sales taxes	2,373,186	2,368,173
Unrestricted grants and contributions	698,960	732,797
Other general revenues	346,369	465,675
Total revenues	<u>13,552,267</u>	<u>14,197,570</u>
Program expenses		
General government	1,501,244	1,290,674
Public safety	3,757,597	3,850,543
Public works	1,942,394	6,127,793
Health and welfare	2,108,813	2,362,578
Culture and recreation	359,821	335,696
Economic development and assistance	25,512	45,906
Transportation	93,228	74,450
Interest expense	28,625	9,943
OPEB obligation	212,545	216,652
Total expenses	<u>10,029,779</u>	<u>14,314,235</u>
Increase (decrease) in net assets	<u>\$ 3,522,488</u>	<u>\$ (116,665)</u>

Management's Discussion and Analysis
December 31, 2011 (Unaudited)

Table 3
Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2011	2010	2011	2010
General government	\$ 1,501,244	\$ 1,290,674	\$ 1,377,944	\$ 1,187,306
Public safety	3,757,597	3,850,543	676,717	425,439
Public works	1,942,394	6,127,793	(97,522)	4,209,229
Health and welfare	2,108,813	2,362,578	489,482	443,851
Culture and recreation	359,821	335,696	350,258	313,501
Economic development and assistance	25,512	45,906	25,512	45,906
Transportation	93,228	74,450	46,698	24,683
Interest expense	28,625	9,943	28,625	9,943
OPEB obligation	212,545	216,652	212,545	216,652
Totals	<u>\$ 10,029,779</u>	<u>\$ 14,314,235</u>	<u>\$ 3,110,259</u>	<u>\$ 6,876,510</u>

Public works expenses are significantly less in 2011 due to a reduction of \$2,828,256 in the liability for landfill closure and post closure costs. A change in the estimate of the capacity of the landfill changed the percentage used to date which changed the liability to be recognized to date.

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. Unreserved 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, 2011, combined governmental fund balances of \$15,010,175 showed an increase of \$452,872 over December 31, 2010. The General Fund's balance of \$1,380,833 is less than the 2010 balance of \$1,574,382. Additionally, the Road Maintenance, Road Construction, and Sales Tax Landfill funds showed increases of \$340,468, \$24,951, and \$411,988, respectively, and the Detention Center decreased by \$293,323. The General funds decrease is due to capital outlay of \$400,651 offset by various other minor changes. During 2011, the jury purchased a building for \$325,000 to house the Union Parish Tax Assessor's office. The Assessor is leasing the building from the police jury. The increase in the Road Maintenance Fund was primarily due to increases of \$77,081 and \$118,732, respectively, in Parish Transportation Act Funds and equipment rental. The decrease in Detention Center is due to an \$88,131 increase in operating expenditures and \$109,400 in capital outlay. During 2011, the Detention Center purchased a 50 ton chiller and 8 HVAC systems.

Budgetary Highlights

Differences between the bottom line of the original budgets and the final budgets were relatively small. The amendment for each major fund included an amendment to adjust beginning fund balance to the prior year. All major funds were amended to reflect actual beginning equity.

The amendment in the General Fund recognized an anticipated decrease in severance taxes and the purchase of the building for the Assessor. The amendment in the Road Maintenance fund recognized the anticipated increase in equipment rental revenue and capital outlay. The Road Construction Fund was amended to reflect actual beginning fund balance. The Sales Tax Fund was amended to increase transfers out to other funds. The Detention Center Fund was amended to budget a grant project and to budget for transfers in. The Detention Center Fund's expenditures exceeded budgeted amounts by \$244,900 or 10%. The line items that exceeded budget included salaries, maintenance, food, capital outlay, retirement, and group insurance. Declining revenues and increasing costs have made it a challenge for the Detention Center Commission and management to balance the budget. There has been a decline in the number of federal and state prisoners housed at the Detention Center. Revenue for housing federal inmates for 2011, 2010 and 2009 were \$88,491, \$97,036, and \$170,201, respectively. Revenue for housing state inmates for 2011, 2010, and 2009 were \$2,031,345, \$1,949,315 and \$2,354,547, respectively. Expenditures for 2011, 2010, and 2009 were \$2,665,750, \$2,468,219, and \$2,489,803, respectively. Additionally, the timing of grant program activity is difficult to predict. Expenditures for grant projects were recognized near year end in 2011.

Capital Asset and Debt Administration

Capital Assets. The police jury's investment in capital assets for its governmental activities as of December 31, 2011, amounts to \$10,829,899 (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 \$1,431,675 and disposed of assets totaling \$212,650. Additions included the Assessor's building, AC and HVAC units, roof repairs, vehicles, work on the new landfill office, a new garbage truck, and public works equipment.

Long-Term Obligations. At the end of the year, police jury had total long-term obligations of \$8,615,202 which consisted of accrued and unused employee annual leave, certificates of indebtedness, the net OPEB obligation, and landfill closure/post closure care. This represents a net decrease of \$2,465,912 from the previous year and is due, in large part, to decreased costs associated with landfill closure/post closure care and the issuance of the debt to purchase the Assessor's building. Under GASB No. 45, the police jury recognized \$212,545 for other postemployment benefits due to its providing insurance to retirees until age 65.

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.

The 2012 General Fund and the Sales Tax Landfill Fund are projected to have positive balances even though we project expenditures to exceed projected revenues. Our surplus balances will cover the 2012 budgeted expenditures over the budgeted revenues. The General Fund budgeted expenditures are based on anticipated increasing costs of fuel, insurance, judicial expenses, public safety expenses and utilities. Utilities will be increasing due to additional buildings being placed in service in 2012. The Sales Tax Landfill Fund expenditures is due, in part, to anticipated increasing costs of fuel, the maintenance and/or replacement of major operational items, the construction of a new cell and drainage ditch, the completion of a new office building and scales which will aid in assuring the fiscal security of the Union Parish Police Jury.

Management's Discussion and Analysis
December 31, 2011 (Unaudited)

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

Union Parish Police Jury
Farmerville, Louisiana

We have audited the accompanying 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, 2011, which collectively comprise the police jury's primary government financial statements as listed in the table of contents. These financial statements are the responsibility of Union Parish Police Jury's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

The financial statements do not include financial data of the police jury's legally separate component units. Accounting principles generally accepted in the United States of America require the financial data for those component units to be reported with the financial data of the parish'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 statement of net assets and the statement of activities are understated by the amount of assets, liabilities, net assets, revenues, and expenses of the aggregate discretely presented component units. In addition, the aggregate remaining fund information is understated 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.

In our opinion, because of the omission of the discretely presented component units, as discussed above, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the aggregate discretely presented component units of Union Parish Police Jury as of December 31, 2011, or the changes in financial position thereof for the year then ended.

Union Parish Police Jury
Farmerville, Louisiana
Independent Auditor's Report
December 31, 2011

In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the aggregate remaining fund information for the primary government of Union Parish as of December 31, 2011, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Further, 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 Union Parish Police Jury as of December 31, 2011, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2012, on our consideration of 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary information on pages 1 through 5 and 34 through 39 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Union Parish Police Jury's primary government financial statements as a whole. The combining nonmajor fund financial statements, the schedule of compensation paid police jurors and the summary schedule of prior audit findings listed in the table of contents are presented for the purpose of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the financial statements. The combining nonmajor fund financial statements 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

BOSCH & STATHAM, LLC

Bosch & Statham

Jonesboro, Louisiana
June 29, 2012

Basic Financial Statements

**UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA**

**GOVERNMENTAL ACTIVITIES
STATEMENT OF NET ASSETS
AS OF DECEMBER 31, 2011**

ASSETS	
Cash and cash equivalents	\$ 5,514,344
Investments	6,756,872
Receivables	4,254,893
Capital assets, net of accumulated depreciation	10,829,899
TOTAL ASSETS	\$ 27,356,008
LIABILITIES	
Cash overdraft	\$ 687,984
Accounts, salaries and other payables	805,506
Deposits due others	8,250
Deferred revenues	14,194
Compensated absences	218,152
Certificates of indebtedness due within one year	165,000
Certificates of indebtedness due in more than one year	523,000
Public building revenue bonds due within one year	17,000
Public building revenue bonds due in more than one year	271,000
Net OPEB obligation	643,598
Landfill closure/postclosure care	6,777,452
TOTAL LIABILITIES	\$ 10,131,136
NET ASSETS	
Invested in capital assets, net of related debt	\$ 9,853,899
Restricted for landfill closure/postclosure care	4,255,954
Unrestricted	3,115,019
TOTAL NET ASSETS	\$ 17,224,872

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, 2011

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	\$ 1,501,244	\$ 58,104	\$ 65,196	\$ -	\$ (1,377,944)
Public safety	3,757,597	2,755,414	325,466	-	(676,717)
Public works	1,944,366	1,561,934	428,250	1,972	47,790
Health and welfare	2,108,813	-	1,619,331	-	(489,482)
Culture and recreation	359,821	9,563	-	-	(350,258)
Economic development and assistance	25,512	-	-	-	(25,512)
Transportation	93,228	-	32,455	63,807	3,034
Interest expense	28,625	-	-	-	(28,625)
OPEB obligation	212,545	-	-	-	(212,545)
Total governmental activities	<u>\$ 10,031,751</u>	<u>\$ 4,385,015</u>	<u>\$ 2,470,698</u>	<u>\$ 65,779</u>	<u>(3,110,259)</u>
General revenues:					
Property taxes levied for:					
General purposes					682,570
Public works					1,739,322
Health and welfare					263,278
Culture and recreation					529,062
Sales and use taxes levied for public works					2,373,186
Other taxes, penalties and interest					18,174
Grants and contributions not restricted to specific programs					698,960
Licenses and permits					109,450
Unrestricted investment earnings					41,151
Gain on sale of capital assets					(81,207)
Proceeds from insurance					95,000
Other					163,801
Total general revenues					<u>6,632,747</u>
Change in net assets					<u>3,522,488</u>
Net assets at beginning of year					<u>13,702,384</u>
Net assets at end of year					<u>\$ 17,224,872</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, 2011**

	GENERAL	ROAD MAINTENANCE	ROAD CONSTRUCTION	SALES TAX LANDFILL	DETENTION CENTER	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS							
Cash and cash equivalents	\$ 490,489	\$ 500,933	\$ 223,903	\$ 3,296,901	\$ 500	\$ 1,001,618	\$ 5,514,344
Investments	498,147	152,043	290,404	5,049,025	37,912	729,341	6,756,872
Receivables	844,641	1,025,547	833,919	352,543	324,234	874,009	4,254,893
Total assets	<u>\$ 1,833,277</u>	<u>\$ 1,678,523</u>	<u>\$ 1,348,226</u>	<u>\$ 8,698,469</u>	<u>\$ 362,646</u>	<u>\$ 2,604,968</u>	<u>\$ 16,526,109</u>
LIABILITIES AND FUND EQUITY							
Liabilities:							
Cash overdraft	\$ -	\$ -	\$ -	\$ -	\$ 652,195	\$ 35,789	\$ 687,984
Accounts payable	267,396	78,120	28,140	56,209	76,534	55,992	562,391
Salaries and related payables	185,048	8,877	-	8,394	28,529	12,267	243,115
Deposits due others	-	8,250	-	-	-	-	8,250
Deferred revenues	-	-	-	-	-	14,194	14,194
Total liabilities	<u>452,444</u>	<u>95,247</u>	<u>28,140</u>	<u>64,603</u>	<u>757,258</u>	<u>118,242</u>	<u>1,515,934</u>
Fund equity - fund balances:							
Restricted	-	1,583,276	1,320,086	8,633,866	(394,612)	2,486,726	13,629,342
Unassigned	1,380,833	-	-	-	-	-	1,380,833
Total fund equity - fund balances	<u>1,380,833</u>	<u>1,583,276</u>	<u>1,320,086</u>	<u>8,633,866</u>	<u>(394,612)</u>	<u>2,486,726</u>	<u>15,010,175</u>
Total liabilities and fund equity	<u>\$ 1,833,277</u>	<u>\$ 1,678,523</u>	<u>\$ 1,348,226</u>	<u>\$ 8,698,469</u>	<u>\$ 362,646</u>	<u>\$ 2,604,968</u>	<u>\$ 16,526,109</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, 2011**

Total fund balances - governmental funds	\$ 15,010,175
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources	
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds	10,829,899
Long-term liabilities are not due and payable in the current period and therefore are not reported in the fund statements.	(8,615,202)
Net assets of governmental activities	<u>\$ 17,224,872</u>

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

Public safety	258,051	-	-	-	2,556,350	-	667,743	3,482,144
Public works	-	1,392,917	809,017	1,344,520	-	-	907,166	4,453,620
Health and welfare	264,243	-	-	-	-	1,169,805	660,544	2,094,592
Culture and recreation	19,528	-	-	-	-	-	283,252	302,780
Economic development and assistance	22,756	-	-	-	-	-	-	22,756
Transportation	-	-	-	-	-	-	34,422	34,422
Debt service	25,000	-	-	186,299	-	-	16,326	227,625
Capital outlay	400,651	88,681	-	533,485	109,400	-	299,458	1,431,675
Total expenditures	<u>2,161,698</u>	<u>1,481,598</u>	<u>809,017</u>	<u>2,064,304</u>	<u>2,665,750</u>	<u>1,169,805</u>	<u>3,155,402</u>	<u>13,507,574</u>
 Excess (deficiency) of revenues over expenditures	 (517,049)	 340,468	 24,951	 1,511,988	 (393,323)	 -	 (934,163)	 32,872
 Other sources (uses):								
Operating transfers in	100,000	-	-	-	100,000	-	1,096,500	1,296,500
Proceeds from the issuance of debt	325,000	-	-	-	-	-	-	325,000
Proceeds from insurance	-	-	-	95,000	-	-	-	95,000
Operating transfers out	(101,500)	-	-	(1,195,000)	-	-	-	(1,296,500)
Total other sources (uses)	<u>323,500</u>	<u>-</u>	<u>-</u>	<u>(1,100,000)</u>	<u>100,000</u>	<u>-</u>	<u>1,096,500</u>	<u>420,000</u>
 Net change in fund balances	 (193,549)	 340,468	 24,951	 411,988	 (293,323)	 -	 162,337	 452,872
Fund balances at beginning of year	1,574,382	1,242,808	1,295,135	8,221,878	(101,289)	-	2,324,389	14,557,303
Fund balances at end of year	<u>\$ 1,380,833</u>	<u>\$ 1,583,276</u>	<u>\$ 1,320,086</u>	<u>\$ 8,633,866</u>	<u>\$ (394,612)</u>	<u>\$ -</u>	<u>\$ 2,486,726</u>	<u>\$ 15,010,175</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, 2011**

Net change in fund balances - total governmental funds	\$ 452,872
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays (\$1,431,675) exceeded depreciation (\$746,764) in the current period.	684,911
The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, and donations) is to decrease net assets.	(81,207)
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 Assets.	199,000
Governmental funds report the issuance of long-term debt as an other financing source. However, in the government-wide financial statements, that amount is added to long-term debt on the Statement of Net Assets.	(325,000)
Governmental funds do not report increases in the landfill closure/post closure care liability as a current expenditure because it does not require the use of current financial resources. However, in the statement of activities, such expenses are recognized as they accumulate.	2,828,256
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.	(23,800)
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 Assets and are not reflected in the Statement of Activities.	(212,544)
Change in net assets of governmental activities	<u>\$ 3,522,488</u>

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

**UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA**

**FIDUCIARY FUND - INMATE BANKING AGENCY FUND
STATEMENT OF NET ASSETS
AS OF DECEMBER 31, 2011**

ASSETS

Cash and cash equivalents	\$ 125,970
Receivables	18,319
TOTAL ASSETS	<u>\$ 144,289</u>

LIABILITIES

Due to inmates and others	<u>\$ 144,289</u>
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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, 2011**

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 2012. 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 20,690 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 135 employees (7 in the central office, 4 in the courthouse, 2 in the 911 office, 5 in the library, 2 at the health unit, 1 in emergency preparedness, 60 at the detention center and 54 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*, 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 (Continued)
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2011**

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:

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

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:	<u>Fiscal Year End</u>	<u>Criteria Used</u>
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

**UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS (Continued)
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2011**

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 assets and the statement of changes in net assets) 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 (Continued)
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2011**

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 parishwide 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 parishwide ad valorem tax.

The Sales Tax Landfill Fund accounts for operation of the Union Parish Sanitary Landfill. Financing is provided by a parishwide 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 (Continued)
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2011**

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 Union Community Action Agency, 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 which corresponds with the year end of Union Community Action Agency.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The police jury has elected not to follow subsequent private-sector guidance.

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.

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 Community Trust 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.

**UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS (Continued)
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2011**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Receivables and payables (continued)

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	2016
Road Construction	5.13	5.13	2016
Library	2.40	2.40	2016
Library	1.00	1.00	2019
Health Unit	1.57	1.70	2014
Council on Aging	1.50	1.63	2012

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 2011 assessed valuation (amounts expressed in thousands):

	<u>2011 Assessed Valuation</u>	<u>Percent of Total Assessed Valuation</u>
Midcontinent Express Pipeline, LLC	\$ 25,213	13.02%
Gulf Crossing Pipeline Company	12,942	6.69%
Foster Poultry Farms	8,874	4.58%
Enervest Operating Company	7,438	3.84%
Centerpoint Energy Gas Trans	5,842	3.02%
Entergy Louisiana, Inc	3,713	1.92%
Claiborne Electric Coop	3,574	1.85%
CenturyTel, Inc.	3,895	2.01%
Trans-Union Interstate Pipeline	2,219	1.15%
Plum Creek Southern Timber, LLC	1,242	0.64%
Total	<u>\$ 74,952</u>	<u>38.72%</u>

Union Parish has a one percent sales 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.

**UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS (Continued)
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2011**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Receivables and payables (continued)

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 except for the Library Fund, which maintains a threshold of \$1,000.

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.

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 10 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.

**UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS (Continued)
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2011**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Compensated absences (continued)

All full-time employees of the police jury earn annual leave at rates varying from 10 to 18 days per year, depending upon their length of service. All permanent part-time employees earn annual leave on a pro rata basis. Upon voluntary 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.

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.

Fund equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

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 (Continued)
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2011**

NOTE 2 – STEWARDSHIP

The following major funds' actual expenditures exceeded budgeted expenditures:

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
General	\$ 2,125,394	\$ 2,263,198	\$ (137,804)
Detention Center Commission	2,420,850	2,665,750	(244,900)
Total	<u>\$ 4,546,244</u>	<u>\$ 4,928,948</u>	<u>\$ (382,704)</u>

NOTE 3 - 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, 2011, the police jury has cash and cash equivalents (book balances) totaling \$9,896,268, (including \$4,255,954 classified as investments on the governmental funds balance sheet and statement of net assets in the landfill assurance trust account and \$125,970 in the inmate banking agency fund) as follows:

Demand deposits	\$9,885,647
Time deposits	10,021
Petty cash	600
Total	<u>\$9,896,268</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, 2011, the police jury had bank balances of \$9,635,552 (including \$4,255,954 classified as investments on the governmental funds balance sheet and statement of net assets in the landfill assurance trust account and \$125,970 in the inmate banking agency fund) of which \$9,375,531 was exposed to custodial credit risk as follows:

Insured by FDIC	<u>\$ 260,021</u>
Uninsured and uncollateralized	-
Collateralized by pledged securities not in the Police Jury's name	<u>9,375,531</u>
Total balances exposed to custodial credit risk	<u>9,375,531</u>
Total bank balances	<u>\$ 9,635,552</u>

**UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS (Continued)
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2011**

NOTE 4 - INVESTMENTS

Investments held at December 31, 2011, consist of \$4,255,954 in the Landfill Assurance Trust account at Community Trust Bank and \$2,500,918 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 (Continued)
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2011**

NOTE 5 - RECEIVABLES

The receivables of \$4,254,893 at December 31, 2011, are as follows:

	Taxes	Due From Other Governments		Accounts and Other	Total
		Federal	State		
General	\$ 688,871	\$ -	\$ 153,380	\$ 2,390	\$ 844,641
Road Maintenance	953,262	-	72,161	124	1,025,547
Road Construction	795,158	-	38,761	-	833,919
Sales Tax Landfill	253,937	-	-	98,606	352,543
Detention Center	-	114,538	174,754	34,942	324,234
Other governmental	790,517	-	38,657	44,835	874,009
Total	<u>\$ 3,481,745</u>	<u>\$ 114,538</u>	<u>\$ 477,713</u>	<u>\$ 180,897</u>	<u>\$ 4,254,893</u>

NOTE 6 - INTERFUND TRANSFERS

Interfund transfers during the year ended December 31, 2011, were as follows:

	Transfers out		
	General	Sales Tax	Total
Transfers in General	\$ -	\$ 100,000	\$ 100,000
Detention Center	100,000	-	100,000
Nonmajor Funds	1,500	1,095,000	1,096,500
Total	<u>\$ 101,500</u>	<u>\$ 1,195,000</u>	<u>\$ 1,296,500</u>

Transfers from the General Fund to other funds were operating transfers. Transfers to the General 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 (Continued)
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2011**

NOTE 7 – CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended December 31, 2011, is as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Capital assets not being depreciated:				
Land	\$ 760,833	\$ -	\$ -	\$ 760,833
Construction in Progress	96,292	606,084	-	702,376
Total capital assets not being depreciated	<u>857,125</u>	<u>606,084</u>	<u>-</u>	<u>1,463,209</u>
Capital assets being depreciated:				
Land improvements	1,741,859	-	-	1,741,859
Buildings and improvements	8,111,589	500,551	-	8,612,140
Other improvements	14,886	-	-	14,886
Fire, sewer and water system improvements	1,885,608	-	-	1,885,608
Public works equipment	5,384,766	248,131	(137,251)	5,495,646
Vehicles	2,124,529	25,400	-	2,149,929
Office furniture and equipment	699,030	-	-	699,030
Library:				
Building and improvements	227,302	-	-	227,302
Vehicle	192,815	-	-	192,815
Office furniture and equipment	128,378	-	-	128,378
Books and videos	704,964	51,509	(75,399)	681,074
Total capital assets being depreciated	<u>21,215,726</u>	<u>825,591</u>	<u>(212,650)</u>	<u>21,828,667</u>
Less accumulated depreciation for:				
Land improvements	\$ 421,197	\$ 58,062	\$ -	\$ 479,259
Buildings and improvements	3,365,268	197,890	-	3,563,158
Other improvements	1,922	744	-	2,666
Fire, sewer and water system improvements	811,264	102,632	-	913,896
Public works equipment	3,768,701	257,343	(56,044)	3,970,000
Vehicles	1,842,384	59,901	-	1,902,285
Office furniture and equipment	605,581	13,727	-	619,308
Library:				
Building and improvements	173,527	4,227	-	177,754
Vehicle	101,356	10,553	-	111,909
Office furniture and equipment	116,347	8,266	-	124,613
Books and videos	639,109	33,419	(75,399)	597,129
Total accumulated depreciation	<u>11,846,656</u>	<u>746,764</u>	<u>(131,443)</u>	<u>12,461,977</u>
Total capital assets being depreciated, net	<u>9,369,070</u>	<u>78,827</u>	<u>(81,207)</u>	<u>9,366,690</u>
Total capital assets, net	<u>\$ 10,226,195</u>	<u>\$ 684,911</u>	<u>\$ (81,207)</u>	<u>\$ 10,829,899</u>

**UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS (Continued)
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2011**

NOTE 7 – CAPITAL ASSETS (Continued)

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

	<u>Amount</u>
General government	\$ 35,038
Public safety	268,392
Public works	311,211
Health and welfare	13,107
Culture and recreation	57,454
Economic development and assistance	2,756
Transportation	58,806
	<u>\$ 746,764</u>

NOTE 8 - LONG-TERM OBLIGATIONS

The following is a summary of long-term obligation transactions for the year ended December 31, 2011:

	Certificates of Indebtedness Series 2010	Public Building Revenue Bonds Series 2011	Compensated Absences	Landfill Closure/Post Closure Care	Total
Balance, beginning of year	\$ 850,000	\$ -	\$ 194,353	\$ 9,605,708	\$ 10,650,061
Additions	-	325,000	218,243	-	543,243
Deductions	(162,000)	(37,000)	(224,388)	(2,828,256)	(3,251,644)
Adjustments	-	-	29,944	-	29,944
Balance, end of year	<u>\$ 688,000</u>	<u>\$ 288,000</u>	<u>\$ 218,152</u>	<u>\$ 6,777,452</u>	<u>\$ 7,971,604</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.

Outstanding certificates of indebtedness consist of the following individual issues:

Certificates of Indebtedness - \$850,000 issued August 9, 2010, for the purchase of a new landfill compactor, principal due in annual installments of \$162,000 to \$180,000 through August 1, 2015, plus interest at 2% to 3.75% per annum, payments made from Parish of Union, Certificates of Indebtedness, Series 2010, Sinking Fund. \$ 688,000

Public Building Revenue Bonds - \$325,000 dated May 3, 2011, for the purchase of a building for the Union Parish Tax Assessor, principal due in annual installments of \$12,000 to \$25,000 through August 1, 2025, plus interest at 1.25% to 4.4% per annum, payments made from Tax Assessor Building Fund. 288,000

Total \$ 976,000

**UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS (Continued)
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2011**

NOTE 8 - LONG-TERM OBLIGATIONS (Continued)

The annual requirements to amortize all certificates of indebtedness outstanding at December 31, 2011, are as follows:

	Principal	Interest	Total
2012	\$ 182,000	\$ 30,424	\$ 212,424
2013	187,000	26,344	213,344
2014	192,000	21,199	213,199
2015	198,000	15,104	213,104
2016	19,000	8,129	27,129
2017-2021	103,000	31,583	134,583
2022-2025	95,000	10,371	105,371
	<u>\$ 976,000</u>	<u>\$ 143,153</u>	<u>\$ 1,119,153</u>

NOTE 9 - RETIREMENT SYSTEM

Substantially all employees of the Union Parish Police Jury are members of the Parochial Employees Retirement System of Louisiana (System), a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the police jury are members of Plan A. All permanent employees working at least twenty-eight hours per week who are paid wholly or in part from parish funds and all elected parish officials are eligible to participate in the System. Under Plan A, employees who retire at or after age 60 with at least 10 years of creditable service, at or after age 55 with at least 25 years of creditable service, or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 percent of their final average salary for each year of creditable service. However, for those employees who were members of the supplemental plan only before January 1, 1980, the benefit is equal to one percent of final average salary plus \$24 for each year of supplemental-plan-only service earned before January 1, 1980, plus 3 percent of final-average salary for each salary for each year of service credited after the revision date.

Final average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above, and receive the benefits accrued to their date of termination. The system also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Parochial Employees' Retirement System of Louisiana, Post Office Box 14619, Baton Rouge, Louisiana 70898-4619, or by calling (504) 928-1361.

**UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS (Continued)
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2011**

NOTE 9 - RETIREMENT SYSTEM (Continued)

Under Plan A, members are required by state statute to contribute 9.50 percent of their annual covered salary and the Union Parish Police Jury is required to contribute at an actuarially determined rate. The current rate is 15.75 percent of annual covered payroll. Contributions to the system also include one-fourth of one percent (except Orleans and East Baton Rouge Parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the Union Parish Police Jury are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Union Parish Police Jury's contributions to the System under Plan A for the years ended December 31, 2011, 2010, and 2009, were \$420,138, 422,633, and \$277,899, respectively, which equaled the required contributions for each year.

NOTE 10 - 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 Post employment Benefits Other than Pensions* (GASB 45). This statement has been implemented prospectively. 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, 2011, the Police Jury contributed \$29,740.

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:

UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS (Continued)
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2011

NOTE 10 - POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Annual OPEB cost and net OPEB obligation (continued)

Annual required contribution	\$ 237,974
Interest on prior year net OPEB obligation	4,311
Adjustment to annual required contribution	-
Annual OPEB cost (expense)	<u>242,285</u>
Contributions made	<u>(29,740)</u>
Increase in net OPEB obligation	212,545
Net OPEB obligation, beginning of year	<u>431,053</u>
Net OPEB obligation, end of year	<u><u>\$ 643,598</u></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 2011 was \$242,285, 12%, and \$643,598, respectively.

Funded status and funding progress

As of December 31, 2010, the actuarial accrued liability for benefits was \$2,864,391 all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$3,236,511 and the ratio of the unfunded actuarial accrued liability to the covered payroll was 89%.

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. Only two years of data are available because requirements of GASB 45 were implemented starting with the year ended December 31, 2009, and 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 the mortality tables from the National Center for Health Statistics. The 2003 (revised 2007) United States Life Tables for Males and for Females were used.

**UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS (Continued)
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2011**

NOTE 10 - POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

Methods and assumptions (Continued)

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 - The expected rate of increase in healthcare insurance premiums was based on projections of the Office of the Actuary at the Centers for Medicare & Medicaid Services. A rate of 5.36 percent initially, increased to an ultimate rate of 5.40 percent after ten years, was used.

Health insurance premiums - 2010 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 - The expected long-term inflation rate assumption of 3.9 was based on projected changes in the Consumer Price Index for Urban Wage Earners and Clerical Workers in *The 2010 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds* for an intermediate growth scenario.

Payroll growth rate - The expected long-term payroll growth rate was assumed to equal the rate of inflation.

Based on the historical and expected returns of the Police Jury's short-term investment portfolio, a discount rate of 3 percent was used. In addition, a simplified version of the entry age actuarial cost method was used. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at December 31, 2010, was twenty-nine years.

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 - LITIGATION

At December 31, 2011, the police jury is involved in two lawsuits. In both lawsuits, the police jury believes that it has no fault and is being defended by legal counsel. Neither lawsuit is over general liability insurance coverage.

**UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS (Continued)
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2011**

NOTE 13 - WORKFORCE INVESTMENT ACT PROGRAM

The Union Parish Police Jury participates in the Workforce Investment Act (WIA) Program funded through the Louisiana Department of Labor by the United States Department of Labor. The jury is a member of the 82nd Planning District which is comprised of Union Parish, Morehouse Parish, and West Carroll Parish. The members of the 82nd Planning District and the 82nd Planning District Service Delivery Area (SDA) Private Industry Council, entered into an agreement. This multi-jurisdictional agreement designated the President of the West Carroll Parish Police Jury as the Chief Elected Official of WIB (Workforce Investment Board) #82 and Union Parish Police Jury as the WIA grant recipient. The LWIA has designated Hill, Inzina, and Company, Inc., as the Fiscal Agent and Union Community Action Association as the Program Operator (through September 30, 2011) and Northeast Workforce Centers, Inc. as Program Operator beginning October 1, 2011. The LWIA is comprised of three elements:

1. WIB #82 consists of 30 members, 16 of which represent a cross-section of private sector business owners or chief officers of the businesses. The WIB is responsible for providing guidance for the program development and for monitoring the operations of the program operator.
2. Designated Chief Elected Official – a police jury president elected by his peers from the LWIA. His responsibilities are the same as the WIB.
3. Program Operator – the organization selected by the WIB to administer the program. All actions by the program operator must be approved by the WIB and the CEO.

The designated chief elected official notified LWC that Hill, Inzina, and Company, Inc., Cindy Haynes, was designated as the Fiscal Agent and that all funds be sent to the WIB #82 with fiscal documentation maintained by the Fiscal Agent. The program operation information was designated to Union Community Action Association, Diane Hill (through September 30, 2011) and Northeast Workforce Centers, Inc., Katie McCarty (October 1, 2011 through present).

NOTE 14 - 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 Assets, based on cumulative landfill capacity used as of December 31 of each year.

The \$6,777,452 reported as landfill closure and post-closure care liability at December 31, 2011, represents sixty-two percent of the estimated capacity of the currently active cells. For the year ended December 31, 2011, due to a change in estimated capacity, the Police Jury recognized a reduction of expenses of \$2,828,256. The police jury will recognize the remaining estimated cost of closure and post-closure care of \$4,209,901 as the remaining capacity is filled. These amounts are based on what it would cost to perform all closure and post-closure care in 2011. The police jury expects to close the landfill in 2018. 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 (Continued)
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2011**

NOTE 14 - 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, 2011, there is approximately 1,160,398 tons of Type II waste in the landfill. As shown on the statement of net assets, the police jury has restricted \$4,255,954 at December 31, 2011, for landfill post-closure care costs. The estimated closure and post-closure care costs were established in 1995 when the police jury received its operating permit. At that time it was 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 initial closure and post-closure care costs were established in 1995 and have been adjusted annually based on the United States Department of Commerce's Producer Price Index. Further, 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 15 - 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, 2011, all work necessary to implement wireless service had been completed.

NOTE 16 - SUBSEQUENT EVENTS

Management has evaluated subsequent events through June 29, 2012, the date on which the financial statements were available to be issued.

Required Supplemental Information (Part II)

**UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA**

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2011**

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		
Revenues:				
Taxes:				
Ad valorem	\$ 592,500	\$ 592,500	\$ 682,570	\$ 90,070
Other taxes, penalties, and interest	21,000	21,000	18,174	(2,826)
Licenses and permits	80,700	80,700	109,450	28,750
Intergovernmental funds:				
Federal funds	9,500	9,500	13,896	4,396
Severance taxes	550,000	450,000	480,012	30,012
State revenue sharing	41,633	41,633	42,691	1,058
Fire insurance rebate	75,000	75,000	84,089	9,089
Other state funds	35,000	35,000	51,300	16,300
Fees, charges, and commissions for services	18,182	18,182	19,019	837
Use of money and property	39,500	39,500	53,043	13,543
Other revenues	2,500	2,500	90,405	87,905
Total revenues	1,465,515	1,365,515	1,644,649	279,134
Expenditures:				
Current:				
General government:				
Legislative	108,750	108,750	104,336	(4,414)
Judicial	210,098	210,098	215,858	5,760
Elections	21,545	21,545	29,309	7,764
Finance and administrative	177,275	185,275	162,190	(23,085)
Other general government	528,150	966,274	659,776	(306,498)
Public safety	238,800	238,800	258,051	19,251
Health and welfare	228,852	228,852	264,243	35,391
Culture and recreation	20,550	20,550	19,528	(1,022)
Economic development and assistance	23,750	23,750	22,756	(994)
Capital outlay	5,000	20,000	400,651	380,651
Total expenditures	1,562,770	2,023,894	2,161,698	137,804
Excess (deficiency) of revenues over expenditures	(97,255)	(658,379)	(517,049)	141,330
Other sources (uses):				
Operating transfers in	-	100,000	100,000	-
Operating transfers out	(5,000)	(101,500)	(101,500)	-
Total other sources (uses)	(5,000)	323,500	323,500	-
Net change in fund balances	(102,255)	(334,879)	(193,549)	141,330
Fund balances at beginning of year	1,300,334	1,574,382	1,574,382	-
Fund balances at end of year	\$ 1,198,079	\$ 1,239,503	\$ 1,380,833	\$ 141,330

**UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA**

**BUDGETARY COMPARISON SCHEDULE - ROAD MAINTENANCE FUND
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>BUDGETED AMOUNTS</u>		ACTUAL	VARIANCE WITH FINAL BUDGET
	<u>ORIGINAL</u>	<u>FINAL</u>		
Revenues:				
Taxes:				
Ad valorem	\$ 824,497	\$ 824,497	\$ 948,705	\$ 124,208
Intergovernmental funds:				
Federal funds	15,000	15,000	5,095	(9,905)
State revenue sharing	55,000	55,000	77,503	22,503
Parish transportation	300,000	300,000	418,150	118,150
Other state funds	-	-	74	74
Fees, charges, and commissions for services	198,800	350,000	371,566	21,566
Use of money and property	1,800	1,800	169	(1,631)
Other revenues	500	500	804	304
Total revenues	<u>1,395,597</u>	<u>1,546,797</u>	<u>1,822,066</u>	<u>275,269</u>
Expenditures:				
Current:				
Public works	1,455,146	1,455,146	1,392,917	(62,229)
Capital outlay	22,000	88,681	88,681	-
Total expenditures	<u>1,477,146</u>	<u>1,543,827</u>	<u>1,481,598</u>	<u>(62,229)</u>
Net change in fund balances	(81,549)	2,970	340,468	337,498
Fund balances at beginning of year	660,062	1,242,808	1,242,808	-
Fund balances at end of year	<u>\$ 578,513</u>	<u>\$ 1,245,778</u>	<u>\$ 1,583,276</u>	<u>\$ 337,498</u>

**UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA**

**BUDGETARY COMPARISON SCHEDULE - ROAD CONSTRUCTION FUND
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
Revenues:				
Taxes:				
Ad valorem	\$ 687,750	\$ 687,750	\$ 790,617	\$ 102,867
Intergovernmental funds:				
Federal funds	6,500	6,500	4,250	(2,250)
State revenue sharing	60,000	60,000	38,779	(21,221)
Use of money and property	500	500	322	(178)
Total revenues	<u>754,750</u>	<u>754,750</u>	<u>833,968</u>	<u>79,218</u>
Expenditures:				
Current:				
Public works	1,024,200	1,024,200	809,017	(215,183)
Capital outlay	50,000	50,000	-	(50,000)
Total expenditures	<u>1,074,200</u>	<u>1,074,200</u>	<u>809,017</u>	<u>(265,183)</u>
Net change in fund balances	(319,450)	(319,450)	24,951	344,401
Fund balances at beginning of year	1,100,194	1,295,135	1,295,135	-
Fund balances at end of year	<u>\$ 780,744</u>	<u>\$ 975,685</u>	<u>\$ 1,320,086</u>	<u>\$ 344,401</u>

**UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA**

**BUDGETARY COMPARISON SCHEDULE - SALES TAX LANDFILL FUND
FOR THE YEAR ENDED DECEMBER 31, 2011**

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		
Revenues:				
Taxes:				
Sales and use	\$ 2,000,000	\$ 2,000,000	\$ 2,373,186	\$ 373,186
Intergovernmental funds:				
Other state funds	-	-	681	681
Fees, charges, and commissions for services	1,225,025	1,225,025	1,190,368	(34,657)
Use of money and property	15,000	15,000	9,314	(5,686)
Other revenues	-	-	2,743	2,743
Total revenues	3,240,025	3,240,025	3,576,292	336,267
Expenditures:				
Current:				
Public works	2,143,200	2,143,200	1,344,520	(798,680)
Capital outlay	350,000	350,000	533,485	183,485
Total expenditures	2,680,200	2,680,200	2,064,304	(615,896)
Excess (deficiency) of revenues over expenditures	559,825	559,825	1,511,988	952,163
Other sources (uses):				
Proceeds from insurance	-	-	95,000	95,000
Operating transfers out	(750,000)	(1,195,000)	(1,195,000)	-
Total other sources (uses)	(750,000)	(1,195,000)	(1,100,000)	95,000
Net change in fund balances	(190,175)	(635,175)	411,988	1,047,163
Fund balances at beginning of year	6,760,911	8,221,878	8,221,878	-
Fund balances at end of year	\$ 6,570,736	\$ 7,586,703	\$ 8,633,866	\$ 1,047,163

**UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA**

**BUDGETARY COMPARISON SCHEDULE - DETENTION CENTER SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2011**

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		
Revenues:				
Intergovernmental funds:				
Federal funds	\$ -	\$ 100,000	\$ 114,538	\$ 14,538
Fees, charges, and commissions for services	2,300,000	2,300,000	2,119,836	(180,164)
Use of money and property	50	50	42	(8)
Other revenues	25,100	25,100	38,011	12,911
Total revenues	<u>2,325,150</u>	<u>2,425,150</u>	<u>2,272,427</u>	<u>(152,723)</u>
Expenditures:				
Current:				
Public safety	2,310,850	2,410,850	2,556,350	145,500
Capital outlay	10,000	10,000	109,400	99,400
Total expenditures	<u>2,320,850</u>	<u>2,420,850</u>	<u>2,665,750</u>	<u>244,900</u>
Excess (deficiency) of revenues over expenditures	<u>4,300</u>	<u>4,300</u>	<u>(393,323)</u>	<u>(397,623)</u>
Other sources (uses):				
Operating transfers in	<u>-</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>
Net change in fund balances	4,300	104,300	(293,323)	(397,623)
Fund balances at beginning of year	103	(101,289)	(101,289)	-
Fund balances at end of year	<u>\$ 4,403</u>	<u>\$ 3,011</u>	<u>\$ (394,612)</u>	<u>\$ (397,623)</u>

**UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA**

**NOTES TO BUDGETARY COMPARISON SCHEDULES FOR MAJOR FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011**

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 finance committee 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 his 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 he 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, 2011, 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, 2011**

<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>
December 31, 2009	\$ -	\$2,887,964	\$2,887,964	0%	\$3,211,031	90%
December 31, 2010	\$ -	\$2,864,391	\$2,864,391	0%	\$3,236,511	89%

Other Supplemental Schedules

**UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA**

**NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
FOR THE YEAR ENDED DECEMBER 31, 2011**

ASSETS	SPECIAL REVENUE	CAPITAL PROJECTS AIRPORT GRANT	TOTAL
Cash and cash equivalents	\$ 997,032	\$ 4,586	\$ 1,001,618
Investments	729,341	-	729,341
Receivables	874,009	-	874,009
Total assets	<u>\$ 2,600,382</u>	<u>\$ 4,586</u>	<u>\$ 2,604,968</u>
LIABILITIES AND FUND EQUITY			
Liabilities:			
Cash overdraft	\$ 35,789	\$ -	\$ 35,789
Accounts payable	55,992	-	55,992
Salaries and related payables	12,267	-	12,267
Deferred revenues	14,194	-	14,194
Total liabilities	<u>118,242</u>	<u>-</u>	<u>118,242</u>
Fund equity - fund balances:			
Restricted	2,482,140	4,586	2,486,726
Total liabilities and fund equity	<u>\$ 2,600,382</u>	<u>\$ 4,586</u>	<u>\$ 2,604,968</u>

UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA

NONMAJOR GOVERNMENTAL FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2011

	SPECIAL REVENUE	TAX ASSESSOR BUILDING DEBT SERVICE	CAPITAL PROJECTS AIRPORT GRANT	CAPITAL PROJECTS GUSTAV/IKE CDBG	TOTAL
Revenues:					
Taxes:					
Ad valorem	\$ 792,340	\$ -	\$ -	\$ -	\$ 792,340
Intergovernmental funds:					
Federal funds	576,365	-	49,732	1,972	628,069
State revenue sharing	59,975	-	-	-	59,975
Other state funds	32,455	-	14,075	-	46,530
Fees, charges, and commissions for services	306,235	-	-	-	306,235
Fines and forfeitures	145,227	-	-	-	145,227
Use of money and property	194,699	16,326	-	-	211,025
Other revenues	31,838	-	-	-	31,838
Total revenues	<u>2,139,134</u>	<u>16,326</u>	<u>63,807</u>	<u>1,972</u>	<u>2,221,239</u>
Expenditures:					
Current:					
General government:					
Judicial	266,644	-	-	-	266,644
Finance and administrative	19,845	-	-	-	19,845
Public safety	667,744	-	-	-	667,744
Public works	905,194	-	-	1,972	907,166
Health and welfare	660,544	-	-	-	660,544
Culture and recreation	283,252	-	-	-	283,252
Transportation	34,423	-	-	-	34,423
Debt service	-	16,326	-	-	16,326
Capital outlay	226,859	-	72,599	-	299,458
Total expenditures	<u>3,064,505</u>	<u>16,326</u>	<u>72,599</u>	<u>1,972</u>	<u>3,155,402</u>
Excess (deficiency) of revenues over expenditures	<u>(925,371)</u>	<u>-</u>	<u>(8,792)</u>	<u>-</u>	<u>(934,163)</u>
Other sources (uses):					
Operating transfers in	<u>1,096,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,096,500</u>
Net change in fund balances	171,129	-	(8,792)	-	162,337
Fund balances at beginning of year	<u>2,311,011</u>	<u>-</u>	<u>13,378</u>	<u>-</u>	<u>2,324,389</u>
Fund balances at end of year	<u>\$ 2,482,140</u>	<u>\$ -</u>	<u>\$ 4,586</u>	<u>\$ -</u>	<u>\$2,486,726</u>

**UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA**

**SUPPLEMENTAL INFORMATION SCHEDULES
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2011**

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 1.96 mill parishwide 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. Financing is provided by a specific parishwide ad valorem tax, interest earnings, vending machine commissions, and state revenue sharing.

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, 2011

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	\$ 63,560	\$ 8,509	\$ 262,534	\$ 607,167	\$ 55,262	\$ -	\$ -	\$ 997,032
Investments	130,138	-	120,088	445,736	-	33,379	-	729,341
Receivables	44,702	-	550,289	279,018	-	-	-	874,009
Total assets	<u>\$ 238,400</u>	<u>\$ 8,509</u>	<u>\$ 932,911</u>	<u>\$ 1,331,921</u>	<u>\$ 55,262</u>	<u>\$ 33,379</u>	<u>\$ -</u>	<u>\$ 2,600,382</u>
LIABILITIES AND FUND EQUITY								
Liabilities:								
Cash overdraft	\$ 9,267	\$ -	\$ -	\$ -	\$ -	\$ 26,369	\$ 153	\$ 35,789
Accounts payable	12,665	16,377	16,632	10,318	-	-	-	55,992
Salaries and related payables	3,283	7,145	-	1,240	599	-	-	12,267
Deferred revenues	-	-	-	-	14,194	-	-	14,194
Total liabilities	<u>25,215</u>	<u>23,522</u>	<u>16,632</u>	<u>11,558</u>	<u>14,793</u>	<u>26,369</u>	<u>153</u>	<u>118,242</u>
Fund equity - fund balances:								
Restricted	213,185	(15,013)	916,279	1,320,363	40,469	7,010	(153)	2,482,140
Total liabilities and fund equity	<u>\$ 238,400</u>	<u>\$ 8,509</u>	<u>\$ 932,911</u>	<u>\$ 1,331,921</u>	<u>\$ 55,262</u>	<u>\$ 33,379</u>	<u>\$ -</u>	<u>\$ 2,600,382</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, 2011

	JUDICIAL AND PUBLIC SAFETY FUNDS	SOLID WASTE COLLEC- TION	LIBRARY	HEALTH UNIT	HUD SECTION 8 HOUSING	UNEMPLOY- MENT	AIRPORT	TOTAL
Revenues:								
Taxes:								
Ad valorem	\$ -	\$ -	\$ 529,062	\$ 263,278	\$ -	\$ -	\$ -	\$ 792,340
Intergovernmental funds:								
Federal funds	126,839	-	-	1,408	448,118	-	-	576,365
State revenue sharing	-	-	36,718	23,257	-	-	-	59,975
Other state funds	-	-	-	-	-	-	32,455	32,455
Fees, charges, and commissions for services	299,406	-	6,829	-	-	-	-	306,235
Fines and forfeitures	142,493	-	2,734	-	-	-	-	145,227
Use of money and property	194,026	-	141	495	-	37	-	194,699
Other revenues	22,465	-	8,273	-	-	-	1,100	31,838
Total revenues	<u>785,229</u>	<u>-</u>	<u>583,757</u>	<u>288,438</u>	<u>448,118</u>	<u>37</u>	<u>33,555</u>	<u>2,139,134</u>
Expenditures:								
Current:								
General government:								
Judicial	266,644	-	-	-	-	-	-	266,644
Finance and administrative	-	-	-	-	-	19,845	-	19,845
Public safety	667,744	-	-	-	-	-	-	667,744
Public works	-	905,194	-	-	-	-	-	905,194
Health and welfare	-	-	-	129,246	531,298	-	-	660,544
Culture and recreation	-	-	283,252	-	-	-	-	283,252
Transportation	-	-	-	-	-	-	34,423	34,423
Capital outlay	8,400	166,950	51,509	-	-	-	-	226,859
Total expenditures	<u>942,788</u>	<u>1,072,144</u>	<u>334,761</u>	<u>129,246</u>	<u>531,298</u>	<u>19,845</u>	<u>34,423</u>	<u>3,064,505</u>

Excess (deficiency) of revenues over expenditures	<u>(157,559)</u>	<u>(1,072,144)</u>	<u>248,996</u>	<u>159,192</u>	<u>(83,180)</u>	<u>(19,808)</u>	<u>(868)</u>	<u>(925,371)</u>
Other sources (uses):								
Operating transfers in	<u>-</u>	<u>1,095,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,500</u>	<u>1,096,500</u>
Net change in fund balances	<u>(157,559)</u>	<u>22,856</u>	<u>248,996</u>	<u>159,192</u>	<u>(83,180)</u>	<u>(19,808)</u>	<u>632</u>	<u>171,129</u>
Fund balances at beginning of year	<u>370,744</u>	<u>(37,869)</u>	<u>667,283</u>	<u>1,161,171</u>	<u>123,649</u>	<u>26,818</u>	<u>(785)</u>	<u>2,311,011</u>
Fund balances at end of year	<u><u>\$ 213,185</u></u>	<u><u>\$ (15,013)</u></u>	<u><u>\$ 916,279</u></u>	<u><u>\$ 1,320,363</u></u>	<u><u>\$ 40,469</u></u>	<u><u>\$ 7,010</u></u>	<u><u>\$ (153)</u></u>	<u><u>\$ 2,482,140</u></u>

**UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA**

**SUPPLEMENTAL INFORMATION SCHEDULES
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2011**

**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, 2011**

	<u>JUDICIAL</u>			<u>PUBLIC SAFETY</u>			<u>TOTAL</u>
	<u>CRIMINAL COURT</u>	<u>OFF-DUTY OFFICER WITNESS FEE</u>	<u>PARISH LITTER COURT</u>	<u>COMMUNI-CATIONS DISTRICT</u>	<u>INMATE WELFARE</u>	<u>HOMELAND SECURITY</u>	
ASSETS							
Cash and cash equivalents	\$ 11,025	\$ 369	\$ 409	\$ -	\$ 51,416	\$ 341	\$ 63,560
Investments	-	13	-	130,125	-	-	130,138
Receivables	7,859	-	-	36,843	-	-	44,702
Total assets	<u>\$ 18,884</u>	<u>\$ 382</u>	<u>\$ 409</u>	<u>\$ 166,968</u>	<u>\$ 51,416</u>	<u>\$ 341</u>	<u>\$ 238,400</u>
LIABILITIES AND FUND EQUITY							
Liabilities:							
Cash overdraft	\$ -	\$ -	\$ -	\$ 9,267	\$ -	\$ -	\$ 9,267
Accounts payable	8,698	-	-	3,967	-	-	12,665
Salaries and related payables	-	-	-	3,283	-	-	3,283
Total liabilities	<u>8,698</u>	<u>-</u>	<u>-</u>	<u>16,517</u>	<u>-</u>	<u>-</u>	<u>25,215</u>
Fund equity - fund balances:							
Restricted	<u>10,186</u>	<u>382</u>	<u>409</u>	<u>150,451</u>	<u>51,416</u>	<u>341</u>	<u>213,185</u>
Total liabilities and fund equity	<u>\$ 18,884</u>	<u>\$ 382</u>	<u>\$ 409</u>	<u>\$ 166,968</u>	<u>\$ 51,416</u>	<u>\$ 341</u>	<u>\$ 238,400</u>

**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, 2011**

	<u>JUDICIAL</u>			<u>PUBLIC SAFETY</u>			
	<u>OFF-DUTY</u>						
	<u>CRIMINAL</u>	<u>OFFICER</u>	<u>PARISH</u>	<u>COMMUNI-</u>	<u>INMATE</u>	<u>HOMELAND</u>	<u>TOTAL</u>
	<u>COURT</u>	<u>WITNESS</u>	<u>LITTER</u>	<u>CATIONS</u>	<u>WELFARE</u>	<u>SECURITY</u>	
	<u>COURT</u>	<u>FEE</u>	<u>COURT</u>	<u>DISTRICT</u>			
Revenues:							
Intergovernmental funds:							
Federal funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 126,839	\$ 126,839
Fees, charges, and commissions for services	-	-	-	251,249	48,157	-	299,406
Fines and forfeitures	133,919	5,134	3,440	-	-	-	142,493
Use of money and property	-	-	-	144	193,882	-	194,026
Other revenues	15,337	-	75	5,888	1,165	-	22,465
Total revenues	<u>149,256</u>	<u>5,134</u>	<u>3,515</u>	<u>257,281</u>	<u>243,204</u>	<u>126,839</u>	<u>785,229</u>
Expenditures:							
Current:							
General government:							
Judicial	257,645	5,399	3,600	-	-	-	266,644
Public safety	-	-	-	250,193	286,153	131,398	667,744
Capital outlay	-	-	-	-	8,400	-	8,400
Total expenditures	<u>257,645</u>	<u>5,399</u>	<u>3,600</u>	<u>250,193</u>	<u>294,553</u>	<u>131,398</u>	<u>942,788</u>
Net change in fund balances	(108,389)	(265)	(85)	7,088	(51,349)	(4,559)	(157,559)
Fund balances at beginning of year	118,575	647	494	143,363	102,765	4,900	370,744
Fund balances at end of year	<u>\$ 10,186</u>	<u>\$ 382</u>	<u>\$ 409</u>	<u>\$ 150,451</u>	<u>\$ 51,416</u>	<u>\$ 341</u>	<u>\$ 213,185</u>

**UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA**

**SCHEDULE OF COMPENSATION PAID POLICE JURORS
FOR THE YEAR ENDED DECEMBER 31, 2011**

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.

Don Acree	\$ 7,200
Alvin Allen	7,200
Johnny Buckley, President	8,400
Lanny Parker	7,200
Jo Ann Ramsey	7,200
Jerry L. Rugg	7,200
Charles Sawyer	7,200
A. J. Smith	7,200
John Watley	7,200
Total	<u><u>\$ 66,000</u></u>

**UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2011**

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 (Disaster Recovery)	14.228	686731	\$ 1,972
Direct - Section 8 Housing Choice Vouchers	14.871	LA-48V196	<u>448,118</u>
UNITED STATES DEPARTMENT OF INTERIOR			
Direct - payment in lieu of taxes	15.000	N/A	<u>13,065</u>
UNITED STATES DEPARTMENT OF LABOR			
Passed through Louisiana Department of Labor -			
Workforce Investment Act:			
Adult Program	17.258	N/A	387,744
ARRA - Adult Program	17.258	N/A	57,536
10% Incentive	17.258	N/A	18,332
Youth Program	17.259	N/A	336,316
ARRA - Youth Program	17.259	N/A	55,629
15% Discretionary Staffing	17.259	N/A	26,207
Dislocated Worker Program	17.260	N/A	152,358
ARRA - Dislocated Worker Program	17.260	N/A	85,059
Dislocated Worker Program - NEG	17.260	N/A	50,624
Total United States Department of Labor			<u>1,169,805</u>
UNITED STATES DEPARTMENT OF TRANSPORTATION			
Federal Aviation Administration - Direct Program - Airport Improvement	20.106	956-01-0014	<u>49,732</u>
UNITED STATES DEPARTMENT OF ENERGY			
Passed through Louisiana Department of Natural Resources	81.128	EEA-154	<u>126,123</u>
UNITED STATES DEPARTMENT OF HOMELAND SECURITY			
Passed through State of Louisiana - Governor's Office of Homeland Security and Emergency Preparedness -			
State Homeland Security Grant Program	97.067	2009-SS-T9-0059	95
State Homeland Security Grant Program	97.067	2010-SS-TO-0043	88,564
State Homeland Security Grant Program	97.067	2010-IP-TO-0039	6,581
Emergency Management Performance Grant	97.067	2010-EP-EO-0058	31,598
Total United States Department of Homeland Security			<u>126,838</u>
Total federal expenditures			<u>\$ 1,935,653</u>

**UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2011**

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 passed 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts in, or used in the preparation of, the basic financial statements.

Other Reports



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*

Union Parish Police Jury
Farmerville, Louisiana

We have audited the accompanying 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, 2011, which collectively comprise Union Parish Police Jury's primary government financial statements and our report thereon dated June 29, 2012. 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.

Internal Control over Financial Reporting

In planning and performing our audit, we considered Union Parish Police Jury's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Union Parish Police Jury's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Union Parish Police Jury's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or 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.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Union Parish Police Jury
Farmerville, Louisiana
Independent Auditor's Report - GAGAS
December 31, 2011

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Union Parish Police Jury's financial statements are free of 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted a certain matter that we reported to management of Union Parish Police Jury, in a separate letter dated June 29, 2012.

This report is intended solely for the information and use of the members of Union Parish Police Jury, management, pass-through entities and the Louisiana Legislative Auditor, and is not intended to be and should not be used by anyone other than these specified parties. 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



Jonesboro, Louisiana
June 29, 2012



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Union Parish Police Jury
Farmerville, Louisiana

Compliance

We have audited Union Parish Police Jury's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Union Parish Police Jury's major federal programs for the year ended December 31, 2011. 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. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Union Parish Police Jury's management. Our responsibility is to express an opinion on Union Parish Police Jury's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about 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. Our audit does not provide a legal determination of Union Parish Police Jury's compliance with those requirements.

In our opinion, Union Parish Police Jury, complied, in all material respects, with the 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, 2011.

Internal Control over Compliance

Management of Union Parish Police Jury is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Union Parish Police Jury's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Union Parish Police Jury's internal control over compliance.

Union Parish Police Jury
Farmerville, Louisiana
Independent Auditors' Report - OMB Circular A-133
December 31, 2011

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

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 deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the members of the Union Parish Police Jury, management, federal awarding agencies, pass-through entities and the Louisiana Legislative Auditor, and is not intended to be and should not be used by anyone other than these specified parties. 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



Jonesboro, Louisiana
June 29, 2012

**UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2011**

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses unqualified opinions on the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Union Parish Police Jury. The auditor's report expresses an adverse opinion on discretely presented component units as the component units are omitted from the financial statements. The component units issue separate financial statements.
2. No significant deficiencies are reported in the Independent Auditor's Report on Compliance and Internal Control over Financial Reporting. A management letter was issued.
3. No instances of noncompliance material to the financial statements of the Union Parish Police Jury were disclosed during the audit.
4. No significant deficiencies in internal control over major federal award programs are reported in the Auditor's Report on Compliance with Requirements Applicable to Each Major Program and Internal Control over Compliance.
5. The auditor's report on compliance for the major federal award programs for the Union Parish Police Jury expresses an unqualified opinion.
6. No audit findings relative to the major federal award programs are required to be reported in accordance with Section 510(a) of OMB Circular A-133.
7. The following programs were tested as major programs:
 - a. United States Department of Labor - Workforce Investment Act (WIA) cluster (CFDA 17.258, 17.259 and 17.260)
 - b. United States Department of Housing and Urban Development - Lower Income Housing Assistance – Housing Choice Vouchers Program (CFDA 14.871)
8. The threshold for distinguishing Type A and B programs was \$300,000.
9. The Union Parish Police Jury was determined 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, 2011**

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

No reportable findings resulted from the financial statements audit.

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

No reportable findings resulted from the major federal award programs audit.

**UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2011**

The audit report for the year ended December 31, 2010, contained no findings.



To the Union Parish Police Jury and
Union Parish Detention Center Commission and
Management
Farmerville, Louisiana

In planning and performing our audit of the primary government financial statements of the Union Parish Police Jury as of and for the year ended December 31, 2011, we considered the Police Jury's internal control in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements. We reported on the Police Jury's compliance and internal control over financial reporting in our report dated June 29, 2012. This letter does not affect that report. During the audit, we noted the following immaterial matter:

ML 2011-1 Detention Center Expenditures Exceeded Budgeted Expenditures

Comment

Actual expenditures of the Detention Center Fund exceeded budgeted expenditures by \$244,900 or 10%.

Criteria

The Louisiana Local Government Budget Act requires that the Detention Center Commission adopt an amendment when expenditures and other uses are expected to exceed 5% of budgeted amounts.

Cause

The decline in revenues and an increase in expenditures over the past several years has presented the Commission with a budgeting challenge.

Recommendation

We recommend that the Detention Center Commission aggressively analyze the revenues and expenditures of the Detention Center to identify more ways decrease expenditures including continued consideration of whether the lowest price for materials, supplies and services has been obtained. Management should be diligent about carefully considering purchase requests before approving purchases. Management should make a concerted effort to reduce the risk that unnecessary purchases are made or that purchases are made before there is an absolute need for the materials, supplies, or services.

Management's Response

We will be more aggressive in our efforts to reduce costs. It has been a challenge to balance the Detention Center's budget due to declining revenues and increasing costs. It is difficult to estimate how many federal and state prisoners will be housed at the Detention Center and therefore difficult to estimate revenue. During 2011, there were unexpected expenditures near year end including grant program activity for which timing is difficult to predict. We had anticipated that certain grant expenditures would be incurred during the first quarter of 2012 but it was necessary to incur them in the fourth quarter of 2011.

Union Parish Police Jury
Management Letter, 2011
Page Two

We will review the status of this comment during our next audit. We have discussed the matter with management and will be pleased to discuss it further at your convenience, to perform additional study of this matter, or to assist you in implementing the recommendations.

Sincerely,

BOSCH & STATHAM, LLC

A handwritten signature in blue ink that reads "Bosch & Statham".

Jonesboro, Louisiana
June 29, 2012