

**UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA**

**FINANCIAL STATEMENTS
AND SUPPLEMENTAL INFORMATION
AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2019**



**UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA**

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AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2019**

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying primary government financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Union Parish Police Jury, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Union Parish Police Jury's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Basis for Adverse Opinion on Aggregate Discretely Presented Component Units and Qualified Opinion on Aggregate Remaining Fund Information

The financial statements referred to above do not include financial data for the Police Jury's legally separate component units. Accounting principles generally accepted in the United States of America require financial data for those component units to be reported with the financial data of the Police Jury's primary government unless the Police Jury also issues financial statements for the financial reporting entity that include the financial data for its component units. The Police Jury has not issued such reporting entity financial statements. Because of this departure from accounting principles generally accepted in the United States of America, the assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, revenues, and expenses of the aggregate discretely presented component units are understated by the amount of assets, liabilities, net position, revenues, and expenses of the aggregate discretely presented component units. In addition, the assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balances, revenues, and expenditures of the aggregate remaining fund information would have increased by the amount of assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balances, revenues, and expenditures of the omitted component units. The amounts by which this departure would affect the financial statements are not reasonably determinable.

Adverse Opinion

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on Aggregate Discretely Presented Component Units and Qualified Opinion on Aggregate Remaining Fund Information" paragraph, the financial statements referred to above do not present fairly the financial position of the aggregate discretely presented component units of the Union Parish Police Jury, as of December 31, 2019, or the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Qualified Opinion

In our opinion, except for the effects of the matter described in the "Basis for Adverse Opinion on Aggregate Discretely Presented Component Units and Qualified Opinion on Aggregate Remaining Fund Information" paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the aggregate remaining fund information of the Union Parish Police Jury, as of December 31, 2019, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, and each major fund of the Union Parish Police Jury, as of December 31, 2019, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

As described in Note 13 to the financial statements, operations of the Police Jury are impacted by the pandemic caused by the Coronavirus/COVID-19. Management is uncertain how and to what extent the pandemic will negatively affect operations, financial position, and the ability to provide services. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information (pages 50-55), schedule of funding progress (OPEB), schedule of employer's proportionate share of net pension liability (Pension), and the schedule of employer's contributions to retirement systems be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted Management's Discussion and Analysis, that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated DATE, on our consideration of the Union Parish Police Jury's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of the Union Parish Police Jury's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Union Parish Police Jury's internal control over financial reporting and compliance.

BOSCH & STATHAM, LLC

Bosch & Statham

Ruston, Louisiana

June 24, 2020

Basic Financial Statements

UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA

GOVERNMENTAL ACTIVITIES
STATEMENT OF NET POSITION
AS OF DECEMBER 31, 2019

ASSETS	
Cash and cash equivalents	\$ 14,961,836
Investments	2,497,177
Receivables	3,595,781
Capital assets, net of accumulated depreciation	<u>10,455,114</u>
TOTAL ASSETS	<u>31,509,908</u>
DEFERRED OUTFLOWS	
Deferred outflows - pension related	<u>1,873,475</u>
LIABILITIES	
Cash overdraft	27,500
Accounts, salaries and other payables	475,358
Deposits due others	178,175
Compensated absences	535,898
Capital lease payable	126,031
Public building revenue bonds due within one year	21,000
Public building revenue bonds due in more than one year	117,000
Net OPEB obligation	1,038,864
Net pension liability	2,125,322
Landfill closure/postclosure care	<u>9,272,952</u>
TOTAL LIABILITIES	<u>13,918,100</u>
DEFERRED INFLOWS	
Deferred inflows - pension related	<u>145,023</u>
NET POSITION	
Net investment in capital assets	10,191,083
Restricted for landfill closure/postclosure care	550,000
Unrestricted	<u>8,579,177</u>
TOTAL NET POSITION	<u>\$ 19,320,260</u>

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

UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA

GOVERNMENTAL ACTIVITIES
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019

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	\$ 1,794,442	\$ 347,258	\$ 62,393	\$ -	\$ (1,384,791)
Public safety	5,070,861	4,290,834	133,123	-	(646,904)
Public works	6,690,587	1,253,836	576,346	42,800	(4,817,605)
Health and welfare	2,864,157	4,304	2,471,426	-	(388,427)
Culture and recreation	556,609	16,111	57,440	-	(483,058)
Economic development and assistance	57,577	-	-	-	(57,577)
Transportation	252,540	-	8,934	40,486	(203,120)
Interest expense	6,376	-	-	-	(6,376)
Total governmental activities	\$ 17,293,149	\$ 5,912,343	\$ 3,309,662	\$ 83,286	(7,987,858)
General revenues:					
Property taxes levied for:					
General purposes					650,227
Public works					1,659,235
Culture and recreation					499,739
Sales and use taxes levied for public works					2,574,877
Other taxes, penalties and interest					15,929
Grants and contributions not restricted to specific programs					870,955
Unrestricted investment earnings					36,687
Restricted investment earnings					55,021
Proceeds from insurance					31,498
Donations					977
Other					264,235
Total general revenues					6,659,380
Change in net position					(1,328,478)
Net position at beginning of year, restated					20,648,738
Net position at end of year					\$ 19,320,260

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, 2019

ASSETS	GENERAL	ROAD MAINTENANCE	ROAD CONSTRUCTION	SALES TAX LANDFILL	DETENTION CENTER	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
Cash and cash equivalents	\$ 532,631	\$ 178,080	\$ 944,785	\$ 11,488,997	\$ 500	\$ 1,816,842	\$ 14,961,835
Investments	528,234	161,226	307,607	840,970	40,202	618,937	2,497,176
Receivables	700,544	1,004,209	824,186	271,842	209,456	585,544	3,595,781
Total assets	<u>\$ 1,761,409</u>	<u>\$ 1,343,515</u>	<u>\$ 2,076,578</u>	<u>\$ 12,601,809</u>	<u>\$ 250,158</u>	<u>\$ 3,021,323</u>	<u>\$ 21,054,792</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND EQUITY							
Cash overdraft	\$ 1,000	\$ -	\$ -	\$ -	\$ 26,500	\$ -	\$ 27,500
Accounts payable	23,896	32,159	26,016	553	10,692	18,302	111,618
Salaries and related payables	182,417	26,896	-	11,814	109,310	33,303	363,740
Deposits due others	-	176,173	2,000	-	-	-	178,173
Total liabilities	<u>207,313</u>	<u>235,228</u>	<u>28,016</u>	<u>12,367</u>	<u>146,502</u>	<u>51,605</u>	<u>681,031</u>
Fund equity - fund balances:							
Restricted	94,116	1,108,287	2,048,562	12,589,442	103,656	2,969,718	18,913,781
Unassigned	1,459,980	-	-	-	-	-	1,459,980
Total fund equity - fund balances	<u>1,554,096</u>	<u>1,108,287</u>	<u>2,048,562</u>	<u>12,589,442</u>	<u>103,656</u>	<u>2,969,718</u>	<u>20,373,761</u>
Total liabilities, deferred inflows, and fund equity	<u>\$ 1,761,409</u>	<u>\$ 1,343,515</u>	<u>\$ 2,076,578</u>	<u>\$ 12,601,809</u>	<u>\$ 250,158</u>	<u>\$ 3,021,323</u>	<u>\$ 21,054,792</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, 2019

Total fund balances - governmental funds \$ 20,373,761

Amounts reported for governmental activities in the statement of
net position are different because:

Some assets are not financial resources.

Capital assets 10,455,114

Deferred items for pension related items are not reported in the fund
statements:

Deferred outflows 1,873,475

Deferred inflows (145,023)

Long-term liabilities are not due and payable in the current period and
therefore are not reported in the fund statements:

Compensated absences (535,898)

Capital lease payable (126,031)

Revenue bonds (138,001)

Net OPEB obligation (1,038,864)

Net pension liability (2,125,322)

Landfill closure/postclosure obligation (9,272,952)

Net position of governmental activities \$ 19,320,260

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

UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA

GOVERNMENTAL FUNDS - STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2019

	GENERAL	ROAD MAINTENANCE	ROAD CONSTRUCTION	SALES TAX LANDFILL	DETENTION CENTER	WORKFORCE INVESTMENT ACT	CAPITAL PROJECTS AIRPORT GRANT	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
Revenues:									
Taxes:									
Ad valorem	\$ 650,227	\$ 905,126	\$ 754,109	\$ -	\$ -	\$ -	\$ -	\$ 499,739	\$ 2,809,201
Sales and use	-	-	-	2,574,877	-	-	-	-	2,574,877
Other taxes, penalties, and interest	15,929	-	-	-	-	-	-	-	15,929
Licenses and permits	176,431	-	-	-	-	-	-	-	176,431
Intergovernmental funds:									
Federal funds	2,684	5,917	4,936	-	-	1,857,116	36,437	653,774	2,560,864
State funds:									
Severance taxes	831,851	-	-	-	-	-	-	-	831,851
State revenue sharing	55,193	75,167	75,168	-	-	-	-	44,898	250,426
Parish transportation	-	420,746	-	-	-	-	-	12,542	433,288
Fire insurance rebate	92,754	-	-	-	-	-	-	-	92,754
Other state funds	34,432	43,129	-	-	-	-	4,049	8,934	90,544
Fees, charges and commissions for services	45,976	-	-	1,253,836	3,575,896	-	-	686,535	5,562,243
Fines and forfeitures	-	-	-	-	-	-	-	129,255	129,255
Use of money and property	44,414	3,575	6,490	29,822	891	-	-	50,930	136,122
Other revenues	90,236	7,073	11,880	4,665	27,454	-	-	36,099	177,407
Donations	-	-	-	-	-	-	-	977	977
Total revenues	<u>2,040,127</u>	<u>1,460,733</u>	<u>852,583</u>	<u>3,863,200</u>	<u>3,604,241</u>	<u>1,857,116</u>	<u>40,486</u>	<u>2,123,683</u>	<u>15,842,169</u>

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

UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA

GOVERNMENTAL FUNDS - STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2019

	GENERAL	ROAD MAINTENANCE	ROAD CONSTRUCTION	SALES TAX LANDFILL	DETENTION CENTER	WORKFORCE INVESTMENT ACT	CAPITAL PROJECTS AIRPORT GRANT	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
Expenditures:									
Current:									
General government:									
Legislative	\$ 175,150	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 175,150
Judicial	250,943	-	-	-	-	-	-	142,563	393,506
Elections	26,936	-	-	-	-	-	-	9,403	36,339
Finance and administrative	236,948	-	-	-	-	-	-	2,223	239,171
Other general government	429,692	-	-	-	-	-	-	-	429,692
Public safety	373,796	-	-	-	3,761,934	-	-	754,357	4,890,087
Public works	-	1,862,572	1,069,825	1,112,341	-	-	-	805,216	4,849,954
Health and welfare	240,925	-	-	-	-	1,857,116	-	748,634	2,846,675
Culture and recreation	1,800	-	-	-	-	-	-	456,370	458,170
Economic development and assistance	54,821	-	-	-	-	-	-	-	54,821
Transportation	-	-	-	-	-	-	44,486	40,309	84,795
Debt service	-	-	-	-	-	-	-	26,376	26,376
Capital outlay	-	204,788	-	218,250	135,697	-	-	185,787	744,522
Total expenditures	<u>1,791,011</u>	<u>2,067,360</u>	<u>1,069,825</u>	<u>1,330,591</u>	<u>3,897,631</u>	<u>1,857,116</u>	<u>44,486</u>	<u>3,171,238</u>	<u>15,229,258</u>
Excess (deficiency) of revenues over expenditures	<u>249,116</u>	<u>(606,627)</u>	<u>(217,242)</u>	<u>2,532,609</u>	<u>(293,390)</u>	<u>-</u>	<u>(4,000)</u>	<u>(1,047,555)</u>	<u>612,911</u>
Other sources (uses):									
Operating transfers in	400,000	150,000	-	-	432,992	-	4,000	1,041,056	2,028,048
Proceeds from insurance	-	-	-	31,498	-	-	-	-	31,498
Operating transfers out	(555,000)	-	-	(1,400,000)	-	-	(36,056)	(36,992)	(2,028,048)
Total other sources (uses)	<u>(155,000)</u>	<u>150,000</u>	<u>-</u>	<u>(1,368,502)</u>	<u>432,992</u>	<u>-</u>	<u>(32,056)</u>	<u>1,004,064</u>	<u>31,498</u>
Net change in fund balances	94,116	(456,627)	(217,242)	1,164,107	139,602	-	(36,056)	(43,491)	644,409
Fund balances (deficit) at beginning of year (restated)	1,459,980	1,564,914	2,265,804	11,425,335	(35,946)	-	36,056	3,013,209	19,729,352
Fund balances (deficit) at end of year	<u>\$ 1,554,096</u>	<u>\$ 1,108,287</u>	<u>\$ 2,048,562</u>	<u>\$12,589,442</u>	<u>\$ 103,656</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,969,718</u>	<u>\$20,373,761</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, 2019

Net change in fund balances - total governmental funds \$ 644,409

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay	744,523
Depreciation	(975,565)

Governmental funds report the retirement of long-term debt as an expenditure. However, in the government-wide financial statements, that amount representing principal on long-term debt is not treated as an expense but is instead applied against outstanding long-term debt on the Statement of Net Position.

59,800

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 Position and are not reflected in the Statement of Activities.

Net change in OPEB liability	47,214
Net change in net pension liability and deferred items	(453,184)
Net change in landfill closure/postclosure liability	<u>(1,395,675)</u>
Change in net position of governmental activities	<u>\$ (1,328,478)</u>

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

**UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA**

**FIDUCIARY FUND TYPE - AGENCY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
AS OF DECEMBER 31, 2019**

ASSETS

Cash and cash equivalents	<u>\$ 286,743</u>
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LIABILITIES

Due to inmates	\$ 248,119
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Due to others	<u>38,624</u>
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TOTAL LIABILITIES	<u>\$ 286,743</u>
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The accompanying notes are an integral part of these financial statements.

**UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA**

**FIDUCIARY FUND TYPE - AGENCY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
AS OF DECEMBER 31, 2019**

Unsettled balances due to prisoners and others - beginning	<u>\$ 166,308</u>
Additions	<u>2,605,698</u>
Reductions	<u>2,485,263</u>
Unsettled balances due to prisoners and others - ending	<u>\$ 286,743</u>

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

UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2019

Introduction

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

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

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

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

In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*. The accompanying financial statements and notes thereto are presented in accordance with Statement No. 34.

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

UNION PARISH POLICE JURY
 FARMERVILLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
 AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2019

Introduction (Continued)

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

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

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

Component Units:	<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
Rocky Branch-Crossroads Fire Protection District	December 31	1 & 3
Ward 5 Fire Protection District	December 31	1 & 3
North Union Fire Protection District	December 31	1 & 3
Spencer-West Sterlington Fire Protection District	December 31	1 & 3
Northeast Union Fire Protection District	December 31	1 & 3
Sadie-Tiger Bend Fire Protection District	December 31	1 & 3
Bernice Area Fire Protection District	December 31	1 & 3
Farmerville Area Fire Protection District	December 31	1 & 3

UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2019

Introduction (Continued)

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

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

The police jury has chosen to issue financial statements of the primary government (police jury) only; therefore, none of the previously listed component units, except as discussed in the following paragraph, are included in the accompanying primary government financial statements. These financial statements are not intended to and do not report on the Union Parish reporting entity but rather are intended to reflect only the financial statements of the primary government (police jury).

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Government-wide and fund financial statements

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

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

Separate financial statements are provided for governmental funds and, where applicable, proprietary and fiduciary funds, even though fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds and, where applicable, major individual enterprise funds are reported as separate columns in the fund financial statements.

UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are proprietary and fiduciary fund financial statements, where applicable. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

Ad valorem taxes, sales taxes, state revenue sharing, and federal and state grants are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the police jury.

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

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

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

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

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

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

UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

Fund Balance Type Definitions

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

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

UNION PARISH POLICE JURY
 FARMERVILLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
 AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deposits and investments

The police jury's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. State law allows the police jury to invest in collateralized certificates of deposits, government backed securities, commercial paper, the Louisiana Asset Management Pool (a state sponsored investment pool), and mutual funds consisting solely of government backed securities. Currently, all investments of the police jury consist of deposits in the Louisiana Asset Management Pool and a trust account at a bank. Investments for the police jury are reported at fair value.

Receivables and payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

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

All property tax receivables are shown net of uncollectible accounts. Ad valorem taxes are assessed on a calendar year basis and attach as an enforceable lien and become due and payable on the date the tax rolls are filed with the recorder of mortgages. Louisiana Revised Statute 47:1993 requires that the tax roll be filed on or before November 15th. Ad valorem taxes become delinquent if not paid by December 31. The taxes are normally collected in December of the current year and January and February of the ensuing year. The following is a summary of authorized and levied ad valorem taxes:

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

UNION PARISH POLICE JURY
 FARMERVILLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
 AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Receivables and payables

The difference between authorized and levied millage is the result of reassessments of taxable property within the parish as required by Article 7, Section 18 of the Louisiana Constitution of 1974. The following are the principal taxpayers for the parish and their 2018 assessed valuation (amounts expressed in thousands):

	2019 Assessed Valuation	Percent of Total Assessed Valuation
Midcontinent Express Pipeline, LLC	\$ 16,959,700	9.06%
Foster Poultry Farms	12,043,396	6.43%
Gulf Crossing Pipeline Company	9,522,960	5.09%
Claiborne Electric Coop	5,284,830	2.82%
CenturyTel Service Group, LLC	4,383,934	2.34%
Enable Gas Transmission, LLC	3,201,440	1.71%
Entergy Louisiana, Inc.	2,769,290	1.48%
Enervest Operating Company	2,615,250	1.40%
Weyerhaeuser Company	1,871,179	1.00%
Trans-Union Interstate Pipeline	1,566,360	0.84%
Total	<u>\$ 60,218,339</u>	<u>32.16%</u>

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

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

Capital assets

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

Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The police jury maintains a threshold level of \$5,000 or more for capitalizing assets.

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

UNION PARISH POLICE JURY FARMERVILLE,
LOUISIANA

NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Compensated absences

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

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

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

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

UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated absences (continued)

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

Long-term obligations

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

Restricted net position

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

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

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

Extraordinary and special items

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

Estimates

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

UNION PARISH POLICE JURY
 FARMERVILLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
 AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 2 - CASH AND CASH EQUIVALENTS

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

Under state law, the police jury may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having principal offices in Louisiana. At December 31, 2019, the police jury has cash and cash equivalents (book balances) totaling \$15,536,047 (including \$7,620,584 in the landfill assurance trust account, \$171,625 in the inmate trust agency fund, and \$115,117 in the inmate banking agency fund) as follows:

Demand deposits	\$ 15,248,705
Petty cash	<u>600</u>
Total	\$ 15,249,305
Amounts held in agency funds	<u>286,742</u>
Total	<u>\$ 15,536,047</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, 2019, the police jury had bank balances of \$16,494,025 (including \$7,620,584 in the landfill assurance trust account, \$94,341 in the inmate welfare agency fund, and \$109,874 in the inmate banking agency fund) of which \$16,244,025 was exposed to custodial credit risk as follows:

Insured by FDIC	<u>\$ 250,000</u>
Uninsured and uncollateralized	-
Collateralized by pledged securities not in the Police Jury's name	<u>16,244,025</u>
Total balances exposed to custodial credit risk	<u>16,244,025</u>
Total bank balances	<u>\$ 16,494,025</u>

UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 3 - INVESTMENTS

Investments held at December 31, 2019, consist of \$2,497,177 in the Louisiana Asset Management Pool (LAMP), a local government investment pool. LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LSA - R.S. 33:2955.

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

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

The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool shares.

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

UNION PARISH POLICE JURY
 FARMERVILLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
 AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 4 - RECEIVABLES

The receivables of \$3,595,778 at December 31, 2019, are as follows:

	Taxes	Due From Other Governments State	Fines and Forfeitures	Accounts and Other	Total
General	\$ 645,350	\$ 55,193	\$ -	\$ -	\$ 700,543
Road Maintenance	897,947	106,148	-	113	1,004,208
Road Construction	749,018	75,168	-	-	824,186
Sales Tax Landfill	263,463	-	-	8,379	271,842
Detention Center	-	209,456	-	-	209,456
Other governmental	496,370	84,608	930	3,635	585,543
Total	<u>\$3,052,148</u>	<u>\$ 530,573</u>	<u>\$ 930</u>	<u>\$ 12,127</u>	<u>\$3,595,778</u>

NOTE 5 - INTERFUND TRANSFERS

Interfund transfers during the year ended December 31, 2019, were as follows:

		Transfers out			
		General	Sales Tax	Nonmajor	Total
Transfers in	General	\$ -	\$ 400,000	\$ -	\$ 400,000
	Road Maintenance	150,000	-	-	150,000
	Detention Center	400,000	-	32,992	432,992
	Solid Waste	-	1,000,000	-	1,000,000
	Nonmajor Funds	5,000	-	40,056	45,056
	Total	<u>\$ 555,000</u>	<u>\$1,400,000</u>	<u>\$ 73,048</u>	<u>\$ 2,028,048</u>

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

UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 6 – CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended December 31, 2019, is as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Capital assets not being depreciated:				
Land	\$ 961,856	\$ 218,250	\$ -	\$ 1,180,106
Total capital assets not being depreciated	<u>961,856</u>	<u>218,250</u>	<u>-</u>	<u>1,180,106</u>
Capital assets being depreciated:				
Infrastructure:				
Land improvements	1,793,309	-	-	1,793,309
Buildings and improvements	9,258,405	102,786	-	9,361,191
Other improvements	2,383,870	80,987	-	2,464,857
Fire, sewer and water system improvements	2,285,608	-	-	2,285,608
Public works equipment	6,232,216	144,261	-	6,376,477
Vehicles	1,838,365	93,439	-	1,931,804
Office furniture and equipment	162,587	-	-	162,587
Library:				
Building and improvements	230,302	-	-	230,302
Vehicle	105,530	-	-	105,530
Office furniture and equipment	39,692	-	-	39,692
Books and videos	982,038	104,800	(45,686)	1,041,152
Total capital assets being depreciated	<u>25,311,922</u>	<u>526,273</u>	<u>(45,686)</u>	<u>25,792,509</u>
Less accumulated depreciation for:				
Infrastructure:				
Land improvements	892,091	59,348	-	951,439
Buildings and improvements	5,147,538	226,201	-	5,373,739
Other improvements	395,209	109,958	-	505,167
Fire, sewer and water system improvements	1,476,238	54,903	-	1,531,141
Public works equipment	4,705,144	380,009	-	5,085,153
Vehicles	1,763,721	40,686	-	1,804,407
Office furniture and equipment	142,650	7,010	-	149,660
Library:				
Building and improvements	208,642	4,527	-	213,169
Vehicle	105,530	-	-	105,530
Office furniture and equipment	39,692	-	-	39,692
Books and videos	711,168	92,923	(45,686)	758,405
Total accumulated depreciation	<u>15,587,623</u>	<u>975,565</u>	<u>(45,686)</u>	<u>16,517,502</u>
Total capital assets being depreciated, net	<u>9,724,299</u>	<u>(449,292)</u>	<u>-</u>	<u>9,275,007</u>
Total capital assets, net	<u>\$ 10,686,155</u>	<u>\$ (231,042)</u>	<u>\$ -</u>	<u>\$ 10,455,114</u>

UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 6 – CAPITAL ASSETS (CONTINUED)

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

General government	\$ 27,784
Public safety	180,774
Public works	484,760
Health and welfare	13,306
Culture and recreation	98,439
Economic development and assistance	2,756
Transportation	167,746
	<u>\$ 975,565</u>

NOTE 7 - LONG-TERM OBLIGATIONS

The following is a summary of long-term obligation transactions for the year ended December 31, 2019:

	Beginning Balance	Additions	Deductions	Ending Balance
Public Revenue Bonds, Series 2011	\$ 158,000	\$ -	\$ (20,000)	\$ 138,000
Equipment Lease - Purchase Zipper	165,833	-	(39,802)	126,031
Compensated Absences	535,898	301,283	(301,283)	535,898
OPEB Obligation	1,086,078	-	(47,214)	1,038,864
Net Pension Liability	(320,328)	2,445,650	-	2,125,322
Landfill Closure/Post Closure Care	7,877,277	1,395,675	-	9,272,952
Total	<u>\$ 9,502,758</u>	<u>\$ 4,142,608</u>	<u>\$ (408,299)</u>	<u>\$ 13,237,067</u>

As discussed in Note 1, upon separation from service, employees are paid for accumulated leave at their then current rate of pay. Historically, adjustments to the compensated absence liability included adjusting the ending liability to ending pay rates and to limitations on the hours for which an employee will be paid. Management concluded that the 2018 liability balance is a fair estimate of the liability as of December 31, 2019. Additions were estimated. Deductions were assumed to be equal to additions to arrive at the same liability.

UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 7 - LONG-TERM OBLIGATIONS (CONTINUED)

Outstanding certificates of indebtedness consist of the following individual issues:

Public Building Revenue Bonds, Series 2011 - \$325,000 dated May 3, 2011, for the purchase of a building for the Union Parish Assessor, principal due in annual installments of \$12,000 to \$25,000 through August 1, 2025, interest 1.25% to 4.4% per annum, payments made from Tax Assessor Building Fund. \$ 138,000

Equipment Lease-Purchase Agreement - \$204,580 dated October 30, 2017, for the purchase of an Asphalt Zipper, principal due in annual installments of about \$45,000 through October 31, 2022, interest 2.9% per month \$ 126,030

The annual requirements to amortize all certificates of indebtedness outstanding at December 31, 2019, are as follows:

Public Building Revenue Bonds, Series 2011 - \$325,000			
	Principal	Interest	Total
2020	21,000	5,676	26,676
2021	22,000	4,899	26,899
2022	23,000	4,041	27,041
2023	23,000	3,098	26,098
2024-2025	49,000	3,232	52,232
Totals	<u>\$ 138,000</u>	<u>\$ 20,946</u>	<u>\$ 158,946</u>

Equipment Lease-Purchase, Zipper - \$204,580			
	Principal	Interest	Total
2020	40,886	3,432	44,319
2021	42,000	2,319	44,319
2022	43,144	1,175	44,319
Totals	<u>\$ 126,030</u>	<u>\$ 6,926</u>	<u>\$ 132,956</u>

**UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2019**

NOTE 8 – RETIREMENT SYSTEMS

Parochial Employees' Retirement System of Louisiana (System)

Plan Description

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

The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the police jury are members of Plan A.

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

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

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

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

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

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

For the year ended December 31, 2019, the Union Parish Police Jury's total payroll for all employees was \$4,054,489. Total covered payroll was \$2,833,772. Covered payroll refers to all compensation paid by the Union Parish Police Jury to active employees covered by the Plan.

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

UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 8 – RETIREMENT SYSTEMS (CONTINUED)

Contributions

According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ended December 31, 2019, the actual employer contribution rate was 11.50% for Plan A, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The Union Parish Police Jury's contributions to the System under Plan A for the year ending December 31, 2019 were \$325,884. In accordance with state statute, the System receives ad valorem taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities but are not considered special funding situations.

Under Plan A, members are required by state statute to contribute 9.50% of their annual covered salary. The contributions are deducted from the employee's wages or salary and remitted by the Union Parish Police Jury to the System monthly.

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

At December 31, 2019, the Employer reported a liability of \$2,104,155 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of December 31, 2018 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The Union Parish Police Jury's proportion of the Net Pension Liability was based on a projection of the Police Jury's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At December 31, 2017, the Police Jury's proportion was 0.474084%, which was an increase of 0.006883% from its proportion measured as of December 31, 2017.

For the year ended December 31, 2019, the Union Parish Police Jury recognized pension expense of \$817,666 plus employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, which was (\$328,691). Total pension expense for the Union Parish Police Jury for the year ended December 31, 2019 was \$488,975.

UNION PARISH POLICE JURY
 FARMERVILLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
 AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 8 – RETIREMENT SYSTEMS (CONTINUED)

At December 31, 2019, the Union Parish Police Jury reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$-	\$128,191
Changes in assumption	526,108	-
Net difference between projected and actual earnings on pension plan investments	1,007,266	-
Changes in employer’s portion of beginning net pension liability	7,154	664
Differences between employer contributions and proportionate share of employer contributions	2,298	9,446
Subsequent measurement contributions	325,884	-
Total	\$1,868,710	\$138,301

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

Year ended December 31,	
2020	\$480,936
2021	262,584
2022	216,045
2023	444,961

UNION PARISH POLICE JURY
 FARMERVILLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
 AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 8 – RETIREMENT SYSTEMS (CONTINUED)

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of December 31, 2018, are as follows:

Valuation Date	December 31, 2018
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Investment Rate of Return	6.50% (net of investment expense, including inflation)
Expected remaining service lives	4 years
Projected salary increases	4.75%
Inflation Rate	2.40%
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.
Mortality rates	Pub-2010 Public Retirement Plans Mortality Table for Health Retirees multiplied by 130% for males and 125% for females using MP2018 scale for annuitant and beneficiary mortality. For employees, the Pub-2010 Public Retirement Plans Mortality Table for General Employees multiplied by 130% for males and 125% for females using MP2018 scale. Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 130% for males and 125% for females using MP2018 scale for disabled annuitants.

The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the CAPM pricing model (top-down), a treasury yield curve approach (bottom-up) and an equity building-block model (bottom-up). Risk return and correlations are projected on a forward looking basis in equilibrium, in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.00% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 7.73% for the year ended December 31, 2018.

UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 8 – RETIREMENT SYSTEMS (CONTINUED)

Best estimates of arithmetic real rates of return for each major asset class included in the System’s target asset allocation as of December 31, 2018 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed income	35%	1.22%
Equity	52%	3.45%
Alternatives	11%	0.65%
Real Assets	2%	0.11%
Totals	100%	5.43%
Inflation		2.00%
Expected arithmetic nominal return		7.43%

Discount Rate

The discount rate used to measure the total pension liability was 6.50% for Plan A and 6.50% for Plan B. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers and non-employer contributing entities will be made at the actuarially determined contribution rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems’ Actuarial Committee. Based on those assumptions, the System’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the Union Parish Police Jury’s proportionate share of the net pension liability calculated using the discount rate of 6.50%, as well as what the Police Jury’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (5.50%) or one percentage-point higher (7.50%) than the current rate:

	1.0% Decrease	Current Discount Rate	1.0% Increase
Employer’s proportionate share of net pension liability	\$4,468,661	\$2,104,155	\$127,633

**UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2019**

NOTE 8 – RETIREMENT SYSTEMS (CONTINUED)

Payables to the Pension Plan

These financial statements do not include a payable to the pension plan.

Plan Fiduciary Net Position

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

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

Plan Description

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

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

1. Age 55 after 20 years of creditable service.
2. Age 60 after 10 years of creditable service.
3. Any age after 30 years of creditable service.

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

1. Age 55 after 30 years of creditable service.
2. Age 60 after 20 years of creditable service.
3. Age 62 after 10 years of creditable service.

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

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

For the year ended December 31, 2019, the Union Parish Policy Jury total payroll for all employees was \$15,545. Total covered payroll was \$15,545. Covered payroll refers to all compensation paid by the Union Parish Registrar of Voters to active employees covered by the Plan.

UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 8 – RETIREMENT SYSTEMS (CONTINUED)

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

Contributions

According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ended December 31, 2019, the actual employer contribution rate was 17.00% for January through June and 18.00% for July through December, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The contributions are deducted from the employee's wages or salary and remitted by the Union Parish Registrar of Voters to the System monthly. The Union Parish Policy Jury contributions to the System for the year ending December 31, 2019 were \$2,720.

In accordance with state statute, the System receives ad valorem taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities but are not considered special funding situations.

Plan members are required by state statute to contribute 7.00% of their annual covered salary.

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

At December 31, 2019, the Employer reported a liability of \$21,167 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2019 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The Union Parish Registrar of Voter's proportion of the Net Pension Liability was based on a projection of the Policy Jury long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2019, the Policy Jury proportion was 0.113191%, which was an increase of 0.001135% from its proportion measured as of June 30, 2018.

For the year ended December 31, 2019, the Union Parish Registrar of Voters recognized pension expense of \$5,296 plus employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, which was (\$1,473). Total pension expense for the Union Registrar of Voters for the year ended December 31, 2019 was \$3,823.

UNION PARISH POLICE JURY
 FARMERVILLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
 AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 8 – RETIREMENT SYSTEMS (CONTINUED)

At December 31, 2019, the Union Parish Registrar of Voters reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$-	\$5,222
Changes in assumption	3,133	-
Net difference between projected and actual earnings on pension plan investments	-	1,208
Changes in employer’s portion of beginning net pension liability	235	262
Differences between employer contributions and proportionate share of employer contributions	(2)	30
Subsequent measurement contributions	1,399	-
Total	\$4,765	\$6,722

The \$1,399 reported as deferred outflows of resources related to pensions resulting from the Union Parish Registrar of Voters contributions subsequent to the measurement date will be recognized as a reduction of Net Pension Liability in the year ended December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year ended December 31,	
2020	\$(429)
2021	(1,680)
2022	(451)
2023	(818)

UNION PARISH POLICE JURY
 FARMERVILLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
 AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 8 – RETIREMENT SYSTEMS (CONTINUED)

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2019, are as follows:

Valuation Date	June 30, 2019
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Investment Rate of Return	6.50%, net of investment expense
Salary increases	6.00% (2.40% inflation)
Mortality rates	RP-2000 Combined Healthy Mortality Table for active members, healthy annuitants, and beneficiaries RP-2000 Disabled Lives Mortality Tables for disabled annuitants
Expected remaining service lives	2019-5 years 2018-5 years 2017-5 years 2016-5 years 2015-5 years
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.

During the year ended June 30, 2019, mortality assumptions were set after reviewing an experience study performed on plan data for the period from July 1, 2009, through June 30, 2014. The data was assigned credibility weightings and combined with a standard table to produce current levels of mortality. The mortality was then projected forward to a period equivalent to the estimated duration of the System’s liabilities. The mortality tables selected were set forward or set back to approximate mortality improvement.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The resulting long-term rate of return is 8.83% for the year ended June 30, 2019.

UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 8 – RETIREMENT SYSTEMS (CONTINUED)

The best estimates of arithmetic real rates of return for each major asset class based on the System’s target asset allocation as of June 30, 2019 were as follows:

Asset Class	Target Allocation %	Real Return Arithmetic Basis %	Long-Term Expected Real Rate of Return %
Domestic equities	40.0	7.50	3.00
International equities	20.0	8.50	1.70
Domestic fixed income	12.5	2.50	0.31
International fixed income	10.0	3.50	0.35
Alternative investments	10.0	6.33	0.63
Real estate	7.5	4.50	0.34
Totals	100%		6.33%
Inflation			2.50
Expected arithmetic nominal return			8.83%

Discount Rate

The discount rate used to measure the total pension liability was 6.50% as of June 30, 2019. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by the Public Retirement Systems’ Actuarial Committee, taking into consideration the recommendation of the System’s actuary. Based on those assumptions, the System’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the Union Parish Policy Jury proportionate share of the net pension liability calculated using the discount rate of 6.50%, as well as what the Policy Jury proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (5.50%) or one percentage-point higher (7.50%) than the current rate:

	1.0% Decrease (5.50%)	Current Discount Rate (6.50%)	1.0% Increase (7.50%)
Employer’s proportionate share of net pension liability	\$35,709	\$21,167	\$8,687

UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 8 – RETIREMENT SYSTEMS (CONTINUED)

Payables to the Pension Plan

These financial statements do not include a payable to the pension plan.

Plan Fiduciary Net Position

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

NOTE 9 - POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS

General Information about the OPEB Plan

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 are established by the Union Parish Police Jury. The Retiree Health Plan does not issue a publicly available financial report.

Benefits Provided

The Union Parish Policy contributes 100% of the cost of medical premiums of eligible retirees until they reach the age of 65.

UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2019

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

Employees covered by benefit terms

At December 31, 2019, the following employees were covered by the benefit term:

Inactive employees or beneficiaries currently receiving benefit payments	13
Inactive employees entitled to but not yet receiving benefit payments	0
Active employees	100
Total	<u>113</u>

Total OPEB Liability

The Jury's total OPEB liability (TOL) of \$1,086,078 was measured as of December 31, 2018 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and other inputs

The total OPEB liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	3.00%
Salary Increases	3.50%
Prior Discount Rate	3.00% annually
Discount Rate	4.10% annually (As of End of Year Measurement Date)
Healthcare Cost Trend Rates	Flat 5.00% annually

The discount rate was based on the Bond Buyer GO Bond 20 Index.

Mortality rates were based on the RPH-2014 Total Table with Projection MP-2018.

The actuarial assumptions used in the December 31, 2019 valuation were based on the results of ongoing evaluations of the assumptions from July 1, 2009 to December 31, 2019.

UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
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NOTE 9 - POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Changes in the Total OPEB Liability:

Balance at December 31, 2018	<u>\$ 1,086,078</u>
Changes for the year:	
Service Cost	\$ 51,469
Interest	45,617
Differences between expected and actual experience	-
Changes in assumptions	-
Benefit payments and net transfers	<u>(144,300)</u>
Net Change	<u>\$ (47,214)</u>
Balance at December 31, 2019	<u>\$ 1,038,864</u>

Sensitivity of the total OPEB liability to changes in the discount rate

The following presents the total OPEB liability of the Jury, as well as what the Jury's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.10%) or 1-percentage-point higher (5.10%) than the current discount rate:

	1.00% Decrease (3.10%)	Current Discount (4.10%)	1.00% Increase (5.10%)
Total OPEB Liability	<u>\$ 1,151,090</u>	<u>\$ 1,086,078</u>	<u>\$ 1,026,411</u>

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rate

The following presents the total OPEB liability of the Jury, as well as what the Jury's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (4.00%) or 1-percentage-point higher (6.00%) than the current healthcare trend rates:

	1.00% Decrease (4.00%)	Current Discount (5.00%)	1.00% Increase (6.00%)
Total OPEB Liability	<u>\$ 1,008,553</u>	<u>\$ 1,086,078</u>	<u>\$ 1,178,715</u>

UNION PARISH POLICE JURY
 FARMERVILLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
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NOTE 9 - POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2019, the Jury recognized OPEB expense of \$97,086. At December 31, 2019, the Jury reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ -
Changes in assumptions	-	-
Net difference between projected and actual investments	-	-
Total	<u>\$ -</u>	<u>\$ -</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Years ending December 31:	
2019	\$ -
2020	-
2021	-
2022	-
2023	-
Thereafter	-

NOTE 10 - 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.

**UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2019**

NOTE 11 - LANDFILL CLOSURE AND POST-CLOSURE CARE COSTS

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

The \$9,272,952 reported as landfill closure and post-closure care liability at December 31, 2019, represents sixty-nine percent of the estimated capacity of the currently active cells. For the year ended December 31, 2019, the Police Jury recognized expenses of \$1,395,675. The police jury will recognize the remaining estimated cost of closure and post-closure care of \$4,124,486 as the remaining capacity is filled. These amounts are based on what it would cost to perform all closure and post-closure care in 2019. The police jury expects to close the landfill in 2020. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

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, 2019, there is approximately 1,645,284 tons of Type II waste in the landfill. As shown on the statement of net position, the police jury has restricted \$9,645,985 at December 31, 2019, for landfill post-closure care costs. The estimated closure and post-closure care costs were updated in 2015. The new estimate has been used in these financial statements. An estimate is required to provide the Louisiana Department of Environmental Quality with a financial assurance plan. The purpose of the plan is to demonstrate that the police jury will have the financial resources to properly close the landfill at its completion and also establish and maintain ground water monitoring activities for a period of thirty years. The closure and post-closure care cost estimates will be adjusted annually based on the United States Department of Commerce's Producer Price Index. Over the years since the jury's first estimate in 1995, the methodology for depositing waste into the landfill has changed to allow for more deposits than originally planned on the same area of ground.

NOTE 12 - EMERGENCY 911 WIRELESS SERVICE

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

UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 13 - SUBSEQUENT EVENTS

Management has evaluated subsequent events through June 24, 2020, the date on which the financial statements were available to be issued. Operations of the Police Jury are impacted by the pandemic caused by the Coronavirus/COVID-19. The Police Jury is uncertain how and to what extent the pandemic will negatively affect operations, financial position, and the ability to provide services.

NOTE 14 – CONTINGENCIES

The Police Jury is involved in litigation. The Police Jury believes that it has reasonable defenses. Any potential damages against the Police Jury would be covered by its liability insurance policy.

NOTE 15 – NEW ACCOUNTING STANDARDS

The following summaries of recently issued Statements include the Statements' original effective dates. In response to the COVID-19 global pandemic, GASB issued Statement Number 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, which changes effective dates for Statements 83 through 93 to June 15, 2019 through December 31, 2022.

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

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

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

UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 15 – NEW ACCOUNTING STANDARDS (CONTINUED)

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

GASB Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*, was issued in June 2018. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5–22 of Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. This Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged. The requirements of this Statement should be applied prospectively.

**UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2019**

NOTE 15 – NEW ACCOUNTING STANDARDS (CONTINUED)

GASB Statement No. 90, *Majority Equity Interests – An Amendment of GASB Statements No. 14 and No. 61*, was issued in August 2018. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government’s majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government’s holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. For all other holdings of a majority equity interest in a legally separate organization, a government should report the legally separate organization as a component unit, and the government or fund that holds the equity interest should report an asset related to the majority equity interest using the equity method. This Statement establishes that ownership of a majority equity interest in a legally separate organization results in the government being financially accountable for the legally separate organization and, therefore, the government should report that organization as a component unit. This Statement also requires that a component unit in which a government has a 100 percent equity interest account for its assets, deferred outflows of resources, liabilities, and deferred inflows of resources at acquisition value at the date the government acquired a 100 percent equity interest in the component unit. Transactions presented in flows statements of the component unit in that circumstance should include only transactions that occurred subsequent to the acquisition. The requirements should be applied retroactively, except for the provisions related to (1) reporting a majority equity interest in a component unit and (2) reporting a component unit if the government acquires a 100 percent equity interest. Those provisions should be applied on a prospective basis. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged.

GASB Statement No. 91, *Conduit Debt Obligations*, The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021. Earlier application is encouraged.

UNION PARISH POLICE JURY
 FARMERVILLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
 AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 16 – FUND BALANCE/NET POSITION RESTATEMENT

Management identified an error related to the sales tax receivable in the Sales Tax Landfill Fund which required a restatement of net position and fund balance. The receivable for sales tax was not recorded as of December 31, 2018. The beginning fund balance and net position for the Section 8 Fund was also readjusted to agree the beginning balance to the financials submitted to HUD.

Government-Wide Financial Statements

The following provides a summary of the change in the total net position as of December 31, 2019 in the government-wide financial statements:

	Beginning Balance	Prior Period Adjustment	Beginning Balance, as Restated
Governmental Activities	\$20,392,205	\$ 256,534	\$20,648,739

Fund Financial Statements

The following provides a summary of the change in beginning fund balance as of December 31, 2019 in the fund financial statements:

	Beginning Balance	Prior Period Adjustment	Beginning Balance, as Restated
Sales Tax Landfill Fund	\$ 11,177,482	\$ 247,853	\$ 11,425,335
Section 8 Fund	\$ 8,649	\$ 8,681	\$ 17,330

Required Supplemental Information

UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2019

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		
Revenues:				
Taxes:				
Ad valorem	\$ 677,000	\$ 593,492	\$ 650,227	\$ 56,735
Other taxes, penalties, and interest	20,500	18,965	15,929	(3,036)
Licenses and permits	146,760	176,995	176,431	(564)
Intergovernmental funds:				
Federal funds	2,500	2,685	2,684	(1)
Severance taxes	652,000	831,851	831,851	-
State revenue sharing	55,000	56,092	55,193	(899)
Fire insurance rebate	95,000	92,754	92,754	-
Other state funds	35,000	34,432	34,432	-
Fees, charges, and commissions for services	51,500	49,581	45,976	(3,605)
Use of money and property	42,000	45,000	44,414	(586)
Other revenues	10,000	71,430	90,236	18,806
Total revenues	<u>1,787,260</u>	<u>1,973,277</u>	<u>2,040,127</u>	<u>66,850</u>
Expenditures:				
Current:				
General government:				
Legislative	183,140	174,833	175,150	317
Judicial	265,310	254,837	250,943	(3,894)
Elections	56,245	27,330	26,936	(394)
Finance and administrative	254,550	246,204	236,948	(9,256)
Other general government	553,955	452,621	429,692	(22,929)
Public safety	347,050	396,099	373,796	(22,303)
Health and welfare	288,400	240,926	240,925	(1)
Culture and recreation	1,800	1,800	1,800	-
Economic development and assistance	57,000	54,821	54,821	-
Capital outlay	1,000	-	-	-
Total expenditures	<u>2,008,450</u>	<u>1,849,471</u>	<u>1,791,011</u>	<u>(58,460)</u>
Excess (deficiency) of revenues over expenditures	<u>(221,190)</u>	<u>123,806</u>	<u>249,116</u>	<u>125,310</u>
Other sources (uses):				
Operating transfers in	700,000	400,000	400,000	-
Operating transfers out	<u>(715,000)</u>	<u>(555,000)</u>	<u>(555,000)</u>	<u>-</u>
Total other sources (uses)	<u>(15,000)</u>	<u>(155,000)</u>	<u>(155,000)</u>	<u>-</u>
Net change in fund balances	(236,190)	(31,194)	94,116	125,310
Fund balances at beginning of year	<u>1,699,874</u>	<u>1,459,980</u>	<u>1,459,980</u>	<u>-</u>
Fund balances at end of year	\$ 1,463,684	\$ 1,428,786	\$ 1,554,096	\$ 125,310

UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA

BUDGETARY COMPARISON SCHEDULE - ROAD MAINTENANCE FUND
FOR THE YEAR ENDED DECEMBER 31, 2019

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		
Revenues:				
Taxes:				
Ad valorem	\$ 940,000	\$ 826,185	\$ 905,126	\$ 78,941
Intergovernmental funds:				
Federal funds	5,200	5,917	5,917	-
State revenue sharing	75,000	76,392	75,167	(1,225)
Parish transportation	335,000	389,765	420,746	30,981
Other state funds	1,000	43,130	43,129	(1)
Fees, charges, and commissions for services	100,000	-	-	-
Use of money and property	2,800	3,600	3,575	(25)
Other revenues	3,000	7,100	7,073	(27)
Total revenues	<u>1,462,000</u>	<u>1,352,089</u>	<u>1,460,733</u>	<u>108,644</u>
Expenditures:				
Current:				
General government:				
Public works	1,678,500	1,526,862	1,862,572	335,710
Capital outlay	110,000	90,917	204,788	113,871
Total expenditures	<u>1,788,500</u>	<u>1,617,779</u>	<u>2,067,360</u>	<u>449,581</u>
Excess (deficiency) of revenues over expenditures	<u>(326,500)</u>	<u>(265,690)</u>	<u>(606,627)</u>	<u>(340,937)</u>
Other sources (uses):				
Operating transfers in	-	150,000	150,000	-
Total other sources (uses)	<u>-</u>	<u>150,000</u>	<u>150,000</u>	<u>-</u>
Net change in fund balances	(326,500)	(115,690)	(456,627)	(340,937)
Fund balances at beginning of year	<u>1,466,696</u>	<u>1,564,914</u>	<u>1,564,914</u>	<u>-</u>
Fund balances at end of year	<u>\$ 1,140,196</u>	<u>\$ 1,449,224</u>	<u>\$ 1,108,287</u>	<u>\$ (340,938)</u>

UNION PARISH POLICE JURY
 FARMERVILLE, LOUISIANA

BUDGETARY COMPARISON SCHEDULE - ROAD CONSTRUCTION FUND
 FOR THE YEAR ENDED DECEMBER 31, 2019

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		
Revenues:				
Taxes:				
Ad valorem	\$ 785,000	\$ 688,260	\$ 754,109	\$ 65,849
Intergovernmental funds:				
Federal funds	556,500	125,719	4,936	(120,783)
State revenue sharing	75,000	76,393	75,168	(1,225)
Use of money and property	5,000	6,500	6,490	(10)
Other revenues	-	11,880	11,880	-
Total revenues	<u>1,421,500</u>	<u>908,752</u>	<u>852,583</u>	<u>(56,169)</u>
Expenditures:				
Current:				
General government:				
Public works	1,082,225	963,038	1,069,825	106,787
Total expenditures	<u>1,182,225</u>	<u>963,038</u>	<u>1,069,825</u>	<u>106,787</u>
Excess (deficiency) of revenues over expenditures	<u>239,275</u>	<u>(54,286)</u>	<u>(217,242)</u>	<u>(162,956)</u>
Net change in fund balances	239,275	(54,286)	(217,242)	(162,956)
Fund balances at beginning of year	<u>1,992,321</u>	<u>2,265,804</u>	<u>2,265,804</u>	<u>-</u>
Fund balances at end of year	<u>\$ 2,231,596</u>	<u>\$ 2,211,518</u>	<u>\$ 2,048,562</u>	<u>\$ (162,956)</u>

UNION PARISH POLICE JURY
 FARMERVILLE, LOUISIANA

BUDGETARY COMPARISON SCHEDULE - SALES TAX LANDFILL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2019

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		
Revenues:				
Taxes:				
Sales and use	\$ 2,500,000	\$ 2,574,600	\$ 2,574,877	\$ 277
Fees, charges, and commissions for services	1,291,500	1,383,100	1,253,836	(129,264)
Use of money and property	25,000	29,817	29,822	5
Other revenues	5,000	5,170	4,665	(505)
Total revenues	<u>3,821,500</u>	<u>3,992,687</u>	<u>3,863,200</u>	<u>(129,487)</u>
Expenditures:				
Current:				
General government:				
Public works	3,614,380	1,720,421	1,112,341	608,080
Capital outlay	300,000	218,280	218,250	(30)
Total expenditures	<u>3,914,380</u>	<u>1,938,701</u>	<u>1,330,591</u>	<u>608,110</u>
Excess (deficiency) of revenues over expenditures	<u>(92,880)</u>	<u>2,053,986</u>	<u>2,532,609</u>	<u>478,623</u>
Other sources (uses):				
Proceeds from insurance	-	31,498	31,498	-
Operating transfers out	(1,700,000)	(1,400,000)	(1,400,000)	-
Total other sources (uses)	<u>(1,700,000)</u>	<u>(1,368,502)</u>	<u>(1,368,502)</u>	<u>-</u>
Net change in fund balances	(1,792,880)	685,484	1,164,107	478,623
Fund balances at beginning of year	<u>10,844,732</u>	<u>11,425,335</u>	<u>11,425,335</u>	<u>247,853</u>
Fund balances at end of year	<u>\$ 9,051,852</u>	<u>\$ 12,110,819</u>	<u>\$ 12,589,442</u>	<u>\$ 726,476</u>

UNION PARISH POLICE JURY
 FARMERVILLE, LOUISIANA

BUDGETARY COMPARISON SCHEDULE - DETENTION CENTER
 FOR THE YEAR ENDED DECEMBER 31, 2019

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		
Revenues:				
Fees, charges, and commissions for services	\$ 2,850,500	\$ 3,512,551	\$ 3,575,896	\$ 63,345
Use of money and property	750	900	891	(9)
Other revenues	27,500	28,193	27,454	(739)
Total revenues	<u>2,878,750</u>	<u>3,541,644</u>	<u>3,604,241</u>	<u>62,597</u>
Expenditures:				
Current:				
General government:				
Public safety	3,213,200	3,904,575	3,761,934	142,641
Capital outlay	1,100	-	135,697	(135,697)
Total expenditures	<u>3,214,300</u>	<u>3,904,575</u>	<u>3,897,631</u>	<u>6,944</u>
Excess (deficiency) of revenues over expenditures	<u>(335,550)</u>	<u>(362,931)</u>	<u>(293,390)</u>	<u>69,541</u>
Other sources (uses):				
Operating transfers in	700,000	400,000	432,992	32,992
Total other sources (uses)	<u>700,000</u>	<u>400,000</u>	<u>432,992</u>	<u>32,992</u>
Net change in fund balances	364,450	37,069	139,602	102,533
Fund balances at beginning of year	164,007	(35,946)	(35,946)	-
Fund balances at end of year	<u>\$ 528,457</u>	<u>\$ 1,123</u>	<u>\$ 103,656</u>	<u>\$ 102,533</u>

**UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA**

**NOTES TO BUDGETARY COMPARISON SCHEDULES
FOR MAJOR FUNDS FOR THE YEAR ENDED DECEMBER 31, 2019**

Preliminary budgets for the ensuing year are prepared by the secretary/treasurer during October of each year. During November, the finance committee reviews the proposed budgets and makes changes as it deems appropriate. The availability of the proposed budgets for public inspection and the date of the public hearing on the proposed budgets are then advertised in the official journal. During a December meeting, the police jury holds a public hearing on the proposed budgets in order to receive comments from residents of the parish. Changes are made to the proposed budgets based on the public hearing and the desires of the police jury as a whole. The budgets are then adopted during a December meeting, and a notice of the adoption is then published in the official journal.

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

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

For the year ended December 31, 2019, 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

POST EMPLOYMENT BENEFITS OTHER THAN PENSION
 SCHEDULE OF FUNDING PROGRESS
 AS OF DECEMBER 31, 2019

GASB 75:		Total OPEB Liability -	Net	Funded	Covered	Net OPEB Liability as a Percentage of Covered Payroll
Measurement Date	Fiduciary Net Position	Entry Age Normal Percentage of Salary	OPEB Liability	Ratio	Payroll	
December 31, 2018	\$ -	\$ 1,086,078	\$ 1,086,078	0.00%	\$ 2,733,709	39.73%

GASB 45:		Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
Actuarial Valuation Date	Actuarial Valuation of Assets					
January 1, 2013	\$ -	\$ 1,408,522	\$ 1,408,522	0%	\$ 3,543,571	39.75%
January 1, 2016	\$ -	\$ 1,638,930	\$ 1,638,930	0%	\$ 3,821,506	42.89%

**UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA**

**SCHEDULE OF EMPLOYER'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
FOR THE YEAR ENDED DECEMBER 31, 2019**

	2019	2018	2017	2016
Public Employees' Retirement System:				
Employer's proportion of the net pension liability (asset)	0.474084%	0.467201%	0.446355%	0.494215%
Employer's proportionate share of the net pension liability (asset)	\$ 2,104,155	\$ (346,778)	\$ 919,274	\$ 1,300,916
Employer's covered employee payroll	\$ 2,871,800	\$ 2,843,611	\$ 2,628,403	\$ 2,835,592
Employer's proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	73.27%	-12.19%	34.97%	45.88%
Plan fiduciary net pension as a percentage of the total pension liability	88.86%	101.98%	94.15%	92.23%
Registrar of Voters Retirement System:				
Employer's proportion of the net pension liability (asset)	0.114600%	0.112060%	0.113500%	0.113180%
Employer's proportionate share of the net pension liability (asset)	\$ 21,167	\$ 26,450	\$ 24,915	\$ 32,116
Employer's covered employee payroll	\$ 15,545	\$ 15,545	\$ 15,545	\$ 15,545
Employer's proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	136.00%	170.00%	160.00%	207.00%
Plan fiduciary net pension as a percentage of the total pension liability	84.83%	80.57%	80.51%	73.98%

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

**UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA**

**SCHEDULE OF EMPLOYER'S CONTRIBUTIONS TO RETIREMENT SYSTEMS
FOR THE YEAR ENDED DECEMBER 31, 2019**

	2019	2018	2017	2016
Public Employees' Retirement System:				
Contractually required contribution	\$ 325,884	\$ 330,257	\$ 342,953	\$ 341,695
Contributions in relation to contractually required contribution	\$ 325,884	\$ 330,257	\$ 342,953	\$ 341,695
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Employer's covered employee payroll	\$ 2,833,772	\$ 2,871,800	\$ 2,843,611	\$ 2,628,403
Contributions as a percentage of covered employee payroll	11.50%	11.50%	12.06%	13.00%
Registrar of Voters Retirement System:				
Contractually required contribution	\$ 2,720	\$ 2,643	\$ 2,876	\$ 3,303
Contributions in relation to contractually required contribution	\$ 2,720	\$ 2,643	\$ 2,876	\$ 3,303
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Employer's covered employee payroll	\$ 15,454	\$ 15,545	\$ 15,545	\$ 15,545
Contributions as a percentage of covered employee payroll	17.50%	17.00%	18.50%	21.25%

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

Other Supplemental Schedules

**UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA**

**NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
FOR THE YEAR ENDED DECEMBER 31, 2019**

ASSETS	TAX ASSESSOR BUILDING DEBT		TOTAL
	SPECIAL REVENUE	SERVICE	
Cash and cash equivalents	\$ 1,806,531	\$ 10,311	\$ 1,816,842
Investments	618,937	-	618,937
Receivables	585,544	-	585,544
Total assets	\$ 3,011,012	\$ 10,311	\$ 3,021,323
LIABILITIES, DEFERRED INFLOWS, AND FUND EQUITY			
Liabilities:			
Accounts payable	18,302	-	18,302
Salaries and related payables	33,303	-	33,303
Total liabilities	51,605	-	51,605
Fund equity - fund balances:			
Restricted	2,959,407	10,311	2,969,718
Total fund equity - fund balances	2,959,407	10,311	2,969,718
Total liabilities, deferred inflows, and fund equity	\$ 3,011,012	\$ 10,311	\$ 3,021,323

**NONMAJOR GOVERNMENTAL FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2019**

	SPECIAL REVENUE	TAX ASSESSOR BUILDING DEBT SERVICE	TOTAL
Revenues:			
Taxes:			
Ad valorem	\$ 499,739	\$ -	\$ 499,739
Intergovernmental funds:			
Federal funds	653,774	-	653,774
State revenue sharing	44,898	-	44,898
Parish transportation	12,542	-	12,542
Other state funds	8,934	-	8,934
Fees, charges, and commissions for services	686,535	-	686,535
Fines and forfeitures	129,255	-	129,255
Use of money and property	14,243	36,687	50,930
Other revenues	36,099	-	36,099
Donations	977	-	977
Total revenues	<u>2,086,996</u>	<u>36,687</u>	<u>2,123,683</u>
Expenditures:			
Current:			
General government:			
Judicial	142,563	-	142,563
Elections	9,403	-	9,403
Finance and administrative	2,223	-	2,223
Public safety	754,357	-	754,357
Public works	805,216	-	805,216
Health and welfare	748,634	-	748,634
Culture and recreation	456,370	-	456,370
Transportation	40,309	-	40,309
Debt service	-	26,376	26,376
Capital outlay	185,787	-	185,787
Total expenditures	<u>3,144,862</u>	<u>26,376</u>	<u>3,171,238</u>
Excess (deficiency) of revenues over expenditures	<u>(1,057,866)</u>	<u>10,311</u>	<u>(1,047,555)</u>
Other sources (uses):			
Operating transfers in	1,041,056	-	1,041,056
Operating transfers out	(36,992)	-	(36,992)
Total other sources (uses)	<u>1,004,064</u>	<u>-</u>	<u>1,004,064</u>
Net change in fund balances	(53,802)	10,311	(43,491)
Fund balances at beginning of year (restated)	3,013,209	-	3,013,209
Fund balances at end of year	<u>\$ 2,959,407</u>	<u>\$ 10,311</u>	<u>\$ 2,969,718</u>

UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA

SUPPLEMENTAL INFORMATION SCHEDULES
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2019

Nonmajor Special Revenue Funds

Solid Waste Collection Fund

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

Library Fund

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

Health Unit Fund

The Health Unit Fund accounts for the maintenance and operation of the parish health unit. Until 2018, financing was provided by a specific parish wide ad valorem tax, interest earnings, vending machine commissions, and state revenue sharing. The fund currently has no source of financing.

HUD Section 8 Housing Fund

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

Unemployment Fund

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

Airport Fund

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

**UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA**

**NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
AS OF DECEMBER 31, 2019**

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	\$ 227,866	\$ 419,850	\$ 804,916	\$ 321,345	\$ 20,877	\$ 1,034	\$ 10,643	\$ 1,806,531
Investments	18,599	-	127,679	472,659	-	-	-	618,937
Receivables	43,141	-	541,322	-	1,081	-	-	585,544
Total assets	\$ 289,606	\$ 419,850	\$ 1,473,917	\$ 794,004	\$ 21,958	\$ 1,034	\$ 10,643	\$ 3,011,012
LIABILITIES AND FUND EQUITY								
Liabilities:								
Accounts payable	\$ -	\$ 466	\$ 17,334	\$ 216	\$ -	\$ -	\$ 286	\$ 18,302
Salaries and related payables	7,592	18,593	-	3,384	3,734	-	-	33,303
Total liabilities	7,592	19,059	17,334	3,600	3,734	-	286	51,605
Fund equity - fund balances:								
Restricted	282,014	400,791	1,456,583	790,404	18,224	1,034	10,357	2,959,407
Total fund equity - fund balances	282,014	400,791	1,456,583	790,404	18,224	1,034	10,357	2,959,407
Total liabilities and fund equity	\$ 289,606	\$ 419,850	\$ 1,473,917	\$ 794,004	\$ 21,958	\$ 1,034	\$ 10,643	\$ 3,011,012

**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, 2019**

	JUDICIAL AND PUBLIC SAFETY FUNDS	SOLID WASTE COLLEC- TION	LIBRARY	HEALTH UNIT	HUD SECTION 8 HOUSING	UNEMPLOY- MENT	AIRPORT	TOTAL
Revenues:								
Taxes:								
Ad valorem	\$ -	\$ -	\$ 499,739	\$ -	\$ -	\$ -	\$ -	\$ 499,739
Intergovernmental funds:								
Federal funds	40,369	-	3,271	-	610,134	-	-	653,774
State revenue sharing	-	-	44,898	-	-	-	-	44,898
Parish transportation	-	-	-	-	-	-	12,542	12,542
Other state funds	-	-	-	-	-	-	8,934	8,934
Fees, charges, and commissions for services	675,530	-	11,005	-	-	-	-	686,535
Fines and forfeitures	126,319	-	906	-	2,030	-	-	129,255
Use of money and property	603	-	3,161	10,479	-	-	-	14,243
Other revenues	31,055	275	1,721	-	-	2,223	825	36,099
Donations	-	-	977	-	-	-	-	977
Total revenues	<u>873,876</u>	<u>275</u>	<u>565,678</u>	<u>10,479</u>	<u>612,164</u>	<u>2,223</u>	<u>22,301</u>	<u>2,086,996</u>
Expenditures:								
Current:								
General government:								
Judicial	142,563	-	-	-	-	-	-	142,563
Elections	-	-	9,403	-	-	-	-	9,403
Finance and administrative	-	-	-	-	-	2,223	-	2,223
Public safety	754,357	-	-	-	-	-	-	754,357
Public works	-	805,216	-	-	-	-	-	805,216
Health and welfare	-	-	-	137,364	611,270	-	-	748,634
Culture and recreation	-	-	456,370	-	-	-	-	456,370
Transportation	-	-	-	-	-	-	40,309	40,309
Capital outlay	-	65,787	104,800	-	-	-	15,200	185,787
Total expenditures	<u>896,920</u>	<u>871,003</u>	<u>570,573</u>	<u>137,364</u>	<u>611,270</u>	<u>2,223</u>	<u>55,509</u>	<u>3,144,862</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, 2019

	JUDICIAL AND PUBLIC SAFETY FUNDS	SOLID WASTE COLLEC- TION	LIBRARY	HEALTH UNIT	HUD SECTION 8 HOUSING	UNEMPLOY- MENT	AIRPORT	TOTAL
Excess (deficiency) of revenues over expenditures	<u>(23,044)</u>	<u>(870,728)</u>	<u>(4,895)</u>	<u>(126,885)</u>	<u>894</u>	<u>-</u>	<u>(33,208)</u>	<u>(1,057,866)</u>
Other sources (uses):								
Operating transfers in	-	1,000,000	-	-	-	-	41,056	1,041,056
Operating transfers out	<u>32,992</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,000</u>	<u>36,992</u>
Total other sources (uses)	<u>(32,992)</u>	<u>1,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>37,056</u>	<u>1,004,064</u>
Net change in fund balances	(56,036)	129,272	(4,895)	(126,885)	894	-	3,848	(53,802)
Fund balances at beginning of year (restated)	<u>338,050</u>	<u>271,519</u>	<u>1,461,478</u>	<u>917,289</u>	<u>17,330</u>	<u>1,034</u>	<u>6,509</u>	<u>3,013,209</u>
Fund balances at end of year	\$ 282,014	\$ 400,791	\$ 1,456,583	\$ 790,404	\$ 18,224	\$ 1,034	\$ 10,357	\$ 2,959,407

UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA

SUPPLEMENTAL INFORMATION SCHEDULES
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2019

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, 2019

ASSETS	JUDICIAL			PUBLIC SAFETY			TOTAL
	CRIMINAL COURT	OFF-DUTY OFFICER WITNESS FEE	PARISH LITTER COURT	COMMUNI-CATIONS DISTRICT	INMATE WELFARE	HOMELAND SECURITY	
Cash and cash equivalents	\$ 2,296	\$ 14,168	\$ 637	\$ 118,724	\$ 90,421	\$ 1,620	\$ 227,866
Investments	-	13	-	18,586	-	-	18,599
Receivables	930	-	-	39,711	-	2,500	43,141
Total assets	<u>\$ 3,226</u>	<u>\$ 14,181</u>	<u>\$ 637</u>	<u>\$ 177,021</u>	<u>\$ 90,421</u>	<u>\$ 4,120</u>	<u>\$ 289,606</u>
LIABILITIES AND FUND EQUITY							
Liabilities:							
Salaries and related payables	-	-	-	7,592	-	-	7,592
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,592</u>	<u>-</u>	<u>-</u>	<u>7,592</u>
Fund equity - fund balances:							
Restricted	3,226	14,181	637	169,429	90,421	4,120	282,014
Total fund equity - fund balances	<u>3,226</u>	<u>14,181</u>	<u>637</u>	<u>169,429</u>	<u>90,421</u>	<u>4,120</u>	<u>282,014</u>
Total liabilities and fund equity	<u>\$ 3,226</u>	<u>\$ 14,181</u>	<u>\$ 637</u>	<u>\$ 177,021</u>	<u>\$ 90,421</u>	<u>\$ 4,120</u>	<u>\$ 289,606</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, 2019

	JUDICIAL			PUBLIC SAFETY			TOTAL
	CRIMINAL COURT	OFF-DUTY OFFICER WITNESS FEE	PARISH LITTER COURT	COMMUNI-CATIONS DISTRICT	INMATE WELFARE	HOMELAND SECURITY	
Revenues:							
Taxes:							
Intergovernmental funds:							
Federal funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 40,369	\$ 40,369
Fees, charges, and commissions for services	-	-	-	293,968	381,562	-	675,530
Fines and forfeitures	122,161	3,508	650	-	-	-	126,319
Use of money and property	-	-	-	412	191	-	603
Other revenues	8,799	-	-	13,430	8,826	-	31,055
Total revenues	130,960	3,508	650	307,810	390,579	40,369	873,876
Expenditures:							
Current:							
General government:							
Judicial	141,203	1,200	160	-	-	-	142,563
Public safety	-	-	-	290,985	431,865	31,507	754,357
Total expenditures	141,203	1,200	160	290,985	431,865	31,507	896,920
Excess (deficiency) of revenues over expenditures	(10,243)	2,308	490	16,825	(41,286)	8,862	(23,044)
Other financing sources (uses):							
Operating transfers out	-	-	-	-	(32,992)	-	(32,992)
Total other financing sources (uses)	-	-	-	-	(32,992)	-	(32,992)
Net change in fund balances	(10,243)	2,308	490	16,825	(74,278)	8,862	(56,036)
Fund balances at beginning of year	13,469	11,873	147	152,604	164,699	(4,742)	338,050
Fund balances at end of year	\$ 3,226	\$ 14,181	\$ 637	\$ 169,429	\$ 90,421	\$ 4,120	\$ 282,014

UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA

SCHEDULE OF COMPENSATION PAID POLICE JURORS
FOR THE YEAR ENDED DECEMBER 31, 2019

Compensation Paid Police Jurors

The schedule of compensation paid to police jurors is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Compensation of the police jurors is included in the legislative expenditures of the General Fund. In accordance with Louisiana Revised Statute 33:1233, the police jury has elected the monthly payment method of compensation. Under this method, jurors receive \$600 per month. The president receives an additional \$100 per month for expenses incurred in fulfilling the responsibilities of his office.

Nathan Futch	\$ 7,200
Glenn W. Hutto	7,200
Michael Jones	7,200
Derek Kennedy	3,000
Ben Bridges	4,200
Lanny Parker	7,200
Charles Sawyer	7,200
Stanley Smith	7,200
Jerry Taylor, President	8,400
John Watley	7,200
Total	<u>\$ 66,000</u>

UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA

SCHEDULE OF COMPENSATION, BENEFITS, REIMBURSEMENTS,
AND OTHER PAYMENTS TO AGENCY HEAD (SECRETARY-TREASURER)
FOR THE YEAR ENDED DECEMBER 31, 2019

Paula Strickland, Secretary-Treasurer

Salary	\$ 58,461
Benefits:	
Health insurance	8,720
Retirement - PERS	6,723
Medicare	840
Workers' Compensation Insurance	1,320
Other items paid on behalf of Secretary-Treasurer:	
Dues	75
Registration fees, lodging, and meals	1,244
Other - mileage	778
Total	<u>\$ 78,340</u>

**UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2019**

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR NAME/ PROGRAM TITLE	CFDA NUMBER	PASS-THROUGH GRANTOR'S NUMBER	FEDERAL EXPENDITURE
UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Direct - Section 8 Housing Choice Vouchers	14.871	LA-48V196	\$ 612,262
Total United States Department of Housing and Urban Development			<u>612,262</u>
UNITED STATES DEPARTMENT OF INTERIOR			
Direct - payment in lieu of taxes	15.226	N/A	<u>16,808</u>
UNITED STATES DEPARTMENT OF LABOR			
Passed through Louisiana Department of Labor - WIA Cluster:			
Adult Program	17.258	N/A	918,130
Youth Activities	17.259	N/A	642,234
Dislocated Workers	17.278	N/A	296,752
Total United States Department of Labor			<u>1,857,116</u>
UNITED STATES DEPARTMENT OF TRANSPORTATION			
Airport Improvement Program - Obstruction Removal	20.106	3-22-0017-015-2019	36,437
Total United States Department of Transportation			<u>36,437</u>
UNITED STATES DEPARTMENT OF HOMELAND SECURITY			
Passed through State of Louisiana - Governor's Office of Homeland Security and Emergency Preparedness -			
Disaster Grants - Public Assistance	97.036	PW 00867	45,075
State Homeland Security Grant Program - 2017	97.067	EMW-2018-EP-00062-SO1	26,711
State Homeland Security Grant Program - 2018	97.067	EMW-2019-EP-00062-SO2	2,500
State Homeland Security Grant Program - 2015	97.067	EMW-2016-SS-00075-SO1	1,158
State Homeland Security Grant Program - 2017	97.067	EMW-2018-SS-00075-SO2	10,000
Total United States Department of Homeland Security			<u>85,444</u>
Total federal expenditures			<u>\$ 2,608,067</u>

UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTES:

General

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

Basis of Accounting

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

Reconciliation to Federal Grant Revenues

Federal expenditures	\$ 2,608,067
Section 8 expenditures	(612,262)
Section 8 revenues	610,134
FEMA expenditures	(45,075)
FEMA revenues	-
Federal revenues	<u>\$ 2,560,864</u>

Other Reports

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Union Parish Police Jury, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Union Parish Police Jury's basic financial statements and have issued our report thereon dated June 24, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Union Parish Police Jury's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Union Parish Police Jury's internal control. Accordingly, we do not express an opinion on the effectiveness of the Union Parish Police Jury's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2019-001 through 2019-004, that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Union Parish Police Jury's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2019-003 and 2019-005.

Union Parish Police Jury
Farmerville, Louisiana
Independent Auditor's Report – GAGAS
December 31, 2019

Union Parish Police Jury's Response to Findings

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

Purpose of this Report

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

BOSCH & STATHAM, LLC



Ruston, Louisiana
June 24, 2020

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

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

Report on Compliance for Each Major Federal Program

We have audited the Union Parish Police Jury's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Union Parish Police Jury's major federal programs for the year ended December 31, 2019. Union Parish Police Jury's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the Union Parish Police Jury, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2019.

Report on Internal Control over Compliance

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

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

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

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

BOSCH & STATHAM, LLC



Ruston, Louisiana
June 24, 2020

UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA

SCHEDULE OF FINDINGS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2019

A. SUMMARY OF AUDIT RESULTS

1. The police jury issues primary government financial statements. The auditor's report expresses unqualified opinions on the financial statements of the governmental activities and each major fund of the Union Parish Police Jury. The auditor's report expresses a qualified opinion on the aggregate remaining fund information and an adverse opinion on the discretely presented component units as the component units are omitted from the financial statements. The component units issue separate financial statements.
2. Four material weaknesses are reported in the Independent Auditor's Report on Compliance and Internal Control over Financial Reporting.
3. Two instances of noncompliance material to the financial statements of the Union Parish Police Jury, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. One significant deficiency in internal control over major federal award programs are reported in the Independent Auditor's Report on Compliance and Internal Control over Financial Reporting.
5. The auditor's report on compliance for the major federal award programs for the Union Parish Police Jury expresses an unmodified opinion on all major federal programs.
6. No audit findings relative to the major federal award programs are required to be reported in accordance with 2 CFR section 200.516(a).
7. The following programs were tested as major programs
 - a. United States Department of Labor – Workforce Investment Act (WIA) cluster (CFDA 17.258, 17.259, and 17.278)
 - b. United States Department of Housing and Urban Development – Housing Choice Voucher Cluster (CFDA 14.871)
8. The threshold for distinguishing Type A and B programs was \$750,000.
9. The Union Parish Police Jury was determined not to be a low-risk auditee.
10. A management letter was issued.

**UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2019**

B. FINDINGS - FINANCIAL STATEMENT AUDIT

2019-001 Detention Center Commission Deficit

First Reported

2013

Type

Material Weakness in Internal Control

Condition

The following summarizes activity in the Detention Center Fund for the year ended December 31, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Fund deficit, beginning of year	\$(35,946)	\$(49,574)
Revenues	3,604,241	2,729,603
Expenditures	3,795,391	3,115,975
Excess (deficiency) of revenues over expenditures	(191,150)	(386,372)
Transfers from General Fund	432,992	400,000
Net change in fund deficit	241,842	13,628
Fund deficit, end of year	<u>\$205,896</u>	<u>\$(35,946)</u>

The Detention Center Commission has significantly eliminated the accumulated deficit. However, for the year ended December 31, 2019, before transfers, expenditures still exceeded revenues by \$191,150 or 5%, indicating the Center is still not covering its costs through operations.

Criteria

Common prudent business practice requires that the Detention Center Commission operate within its available resources. Transfers to the Detention Center place a burden on the Police Jury's General Fund that other parishes do not have.

Cause

For years costs have been rising but revenues were not keeping pace. In 2015, the Transitional Worker Program was established. The program has helped close the gap but operating expenses are still higher than operating revenues.

Effect

The continued practice of operating at a deficit has resulted in significant transfers from the Police Jury's General Fund. The recent progress in reducing the deficit was dependent on revenues from the Transitional Work Program. It should be noted that, as a result of the 2020 pandemic, there is uncertainty about 2020 and future revenues. Inmates were prohibited to work for a period of time between March and May 2020, which will reduce income from the transitional work release program.

Recommendation

The Detention Center Commission must continue to evaluate operations and take the necessary steps to reduce expenditures to a level that does not exceed its expected revenues.

Management's Response

See management's corrective action plan.

UNION PARISH POLICE JURY
 FARMERVILLE, LOUISIANA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
 AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2019

2019-002 Excessive Overtime Pay at Detention Center

First Reported

2018

Type

Material Weakness in Internal Control

Condition

During the 2018 audit, we noted that overtime pay for the fourth quarter of 2018 totaled \$30,773. Total salaries for the year ended December 31, 2018 were \$1,275,391. Based on the fourth quarter, ten percent (\$127,539) or more could be overtime pay.

During our test of 2018 payroll transactions, we selected eleven paychecks for testing including four Detention Center checks. One out of the four checks included overtime pay that was not supported by a supervisor's documented approval of overtime.

During the 2019 audit, we noted \$50,722 of overtime pay compared to \$1,721,093 regular pay for the year. We also compared the fourth quarter of 2019 to the fourth quarter of 2018. Below are the results.

	2019	2018
October	Overtime - \$15,814 Total Salaries – \$147,154 Overtime as a % of Salaries - 11%	Overtime - \$5,570 Total Salaries - \$108,249 Overtime as a % of Salaries – 5%
November	Overtime - \$18,049 Total Salaries – \$151,891 Overtime as a % of Salaries – 12%	Overtime - \$12,727 Total Salaries - \$105,951 Overtime as a % of Salaries – 12%
December	Overtime - \$16,859 Total Salaries – \$144,931 Overtime as a % of Salaries – 12%	Overtime - \$12,476 Total Salaries - \$109,486 Overtime as a % of Salaries – 11%

Criteria

Payroll and benefit costs are typically the highest cost for a governmental agency. Basic standards for managing payroll include ensuring that overtime is properly authorized and is allowed only when necessary. At the Detention Center, this is particularly important as the Center has been operating at a deficit for several years.

Cause

There has been significant turnover in management and the employees of the Detention Center.

Effect

Payroll expenditures may include pay for time not worked, time not authorized, and time worked but unnecessary. Also see finding 2019-003 which discusses an instance where an employee was paid that never reported to work.

Recommendation

We recommend that the Detention Center Commission ensure that controls are properly designed and implemented to reduce the risk of unnecessary, unauthorized, and fraudulent pay and overtime pay. Written policies and procedures should be updated.

UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2019

Management's Response

See Management's Corrective Action Plan.

2019-003 New Hire At Detention Center Who Never Reported for Work Was Paid

First Reported

2019

Type

Material Weakness in Internal Control

Condition

During August 2019, the CPA firm who processes payroll for the Police Jury and the Detention Center requested a form required for overtime pay. The Police Jury's Secretary-Treasurer requested the form from a Detention Center Supervisor. The Supervisor advised the Warden that the employee in question had never reported to work. Upon investigation, the Warden identified two paychecks were issued to the employee. The Payroll Clerk had manually entered time into the time clock system for the employee that did not report to work. Each time, the Payroll Clerk printed and signed a time sheet and presented the time sheets to the Warden for signature. The signed time sheets were submitted to the CPA who processes payroll for the Police Jury and the Detention Center. The gross pay for the two checks totaled approximately \$1,600.

Criteria

Internal Control should be designed and implemented to prevent compensation for time not worked or authorized. Article VII, Section 14 of the Louisiana Constitution prohibits the Detention Center from using its funds for unnecessary or gratuitous purposes.

Cause

Management contacted the Sheriff. An investigation was conducted. Management was unable to determine why the Payroll Clerk manually entered the time that generated two paychecks.

Effect

Payroll expenditures included pay for time not worked. The Police Jury Secretary-Treasurer contacted the person who received the two paychecks and demanded it be returned. To date, the entire amount has been repaid.

Recommendation

We recommend that the Detention Center Commission ensure that controls are properly designed and implemented to reduce the risk of unnecessary, unauthorized, and fraudulent pay and overtime pay. Written policies and procedures should be updated.

Management's Response

See Management's Corrective Action Plan.

2019-004 Detention Center – Lack of Segregation of Duties over Collections

First Reported

2019

Type

Material Weakness in Internal Control

UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2019

Condition

During our procedures, we noted that one person at the Detention Center is responsible for collecting money, preparing deposits, and taking deposits to the bank.

Criteria

To reduce the risk of theft and errors, internal control systems should be designed to ensure that the responsibilities involving authorization, custody, and recordkeeping are segregated. In a properly segregated system, no one employee has control over a transaction.

Cause

There are a limited number of employees in the Detention Center office.

Effect

Funds collected from inmates, family and friends of inmates, and others are at risk for theft or misappropriation.

Recommendation

We recommend that the Detention Center Commission ensure that controls are properly designed and implemented to include a proper segregation of duties.

Management's Response

See Management's Corrective Action Plan.

2019-005 2018 Reporting Package was Submitted to the Federal Audit Clearinghouse after the Deadline

First Reported

2019

Type

Noncompliance

Condition

The audit workpapers indicate the report was released on October 31, 2019. The submission to the FAC was due September 30, 2019. The FAC website shows the package for 2018 was received January 6, 2020.

Criteria

The Code of Federal Regulations (CFR), 2 CFR section 200.512(a), states that the reporting package must be submitted the earlier of 30 calendar days after receipt of the auditor's reports or nine months after the end of the audit period.

Cause

The Auditor does not release the audit report until the Louisiana Legislative Auditor releases it. The LCDBG required a revision delaying the release date. It was an oversight that the reporting package was not filed with the FAC until early January 2020.

**UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2019**

Effect

The Police Jury did not comply with the requirement described under "Criteria". The Police Jury was already considered not to be a low risk auditee under Uniform Guidance. Therefore, there was no effect on the 2018 or 2019 Single Audits.

Recommendation

The auditor will evaluate the firm's system for tracking such submissions and make changes as necessary. We recommend that management also ensure the Police Jury has a system to track such submissions.

Management's Response

See Management's Corrective Action Plan.

C. SUMMARY OF PRIOR YEAR FINDINGS

2018-001 Detention Center Commission Deficit

This finding is repeated as 2019-001.

2018-002 Excessive Overtime Pay at Detention Center

This finding is repeated as 2019-002.

2018-003 Cash Missing from the Detention Center

This finding is not repeated in 2019.

UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA

REPORT OF MISAPPROPRIATION
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2019

#	ELEMENT OF FINDING	RESPONSE
1	A general statement describing the fraud or misappropriation that occurred.	An employee hired at the Detention Center at the beginning of July 2019 never reported for duty. However, two pay periods worth of timesheets were printed by the HR/payroll clerk and approved resulting in the employee receiving two unearned pay checks.
2	A description of the funds or assets that were the subject of the fraud or misappropriation (ex., utility receipts, petty cash, computer equipment).	Payroll funds
3	The amount of funds or approximate value of assets involved.	\$1,342.15
4	The department or office in which the fraud or misappropriation occurred.	Detention Center
5	The period of time over which the fraud or misappropriation occurred.	July 2019
6	The title/agency affiliation of the person who committed or is believed to have committed the act of fraud or misappropriation.	Detention Center Officer, Detention Center HR/Payroll Clerk
7	The name of the person who committed or is believed to have committed the act of fraud or misappropriation, if formal charges have been brought against the person and/or the matter has been adjudicated.	Jalen Andrew (officer) – No formal charges filed Victoria Ramos (HR/Payroll clerk) – Formal charges filed
8	Is the person who committed or is believed to have committed the act of fraud still employed by the agency?	No
9	If the person who committed or is believed to have committed the act of fraud is still employed by the agency, do they have access to assets that may be subject to fraud or misappropriation?	Not applicable
10	Has the agency notified the appropriate law enforcement body about the fraud or misappropriation?	Yes. The Union Parish Sheriff's office was contacted 8/16/2019.
11	What is the status of the investigation at the date of the auditor's/accountant's report?	Investigation completed.

UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA

REPORT OF MISSAPPROPRIATION
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2019

12	If the investigation is complete and the person believed to have committed the act of fraud or misappropriation has been identified, has the agency filed charges against that person?	Formal charges were filed against Victoria Ramos.
13	What is the status of any related adjudication at the date of the auditor's/accountant's report?	A court date has been set for July 8, 2020.
14	Has restitution been made or has an insurance claim been filed?	Jalen repaid the funds in September 2019.
15	Has the agency notified the Louisiana Legislative Auditor and the District Attorney in writing, as required by Louisiana Revised Statute 24:523 (Applicable to local governments only)	Reported to the LLA on 8/20/2019 Reported to the DA on 8/19/2019
16	Did the agency's internal controls allow the detection of the fraud or misappropriation in a timely manner?	Yes. Upon the third-party payroll preparer's request for overtime approval, it was noted the officer never began work after being hired.
17	If the answer to the last question is "no," describe the control deficiency/significant deficiency/material weakness that allowed the fraud or misappropriation to occur and not be detected in a timely manner.	Not applicable.
18	Management's plan to ensure that the fraud or misappropriation does not occur in the future	Following this, management instituted a fingerprint time clock with fingerprints being recorded immediately upon hiring. If time is manually entered, then the shift supervisor and employee must sign off on the timecard/report.



MANAGEMENT LETTER

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

In planning and performing our audit of the financial statements of the Union Parish Police Jury, as of and for the year ended December 31, 2019, we considered the Police Jury's internal control to plan our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control.

However, during our audit, we noted certain matters involving internal control that are presented for your consideration. This letter does not affect our report dated June 24, 2020, on the financial statements of the Police Jury. We will review the status of these comments during our next audit engagement. Our comments and recommendations, which have been discussed with appropriate members of management, are intended to improve the internal control or result in other operating efficiencies. We will be pleased to discuss these comments in further detail at your convenience, to perform additional study of these matters, or to assist you in implementing the recommendations. Our comments and management's responses are summarized as follows:

ML2019-001 Comprehensive Road Department Policies and Procedures

First Reported

2018

Condition

The Police Jury does not have formal, written policies and procedures for the operations of the Road Department.

Criteria

The Louisiana Legislative Auditor has placed an emphasis in recent years on the need for policies and procedures to be formal and written. The Road Department is the most high-profile department of the police jury. Formal, written policies and procedures are necessary to provide a clear understanding of the jury's and management's expectations for the road departments operations. The policies and procedures should outline all aspects of the operations to include who, what, when and where. Areas to address include the procedures for adding or excluding roads in the parish system, prohibited practices, procedures for evaluating roads with the engineer to develop priority lists, and steps and documentation required by the Louisiana Parish Transportation Act. Supervision of work and review of work should be detailed in the written policies and procedures. Additionally, the policies and procedures should elaborate on monitoring of the policies and procedures to ensure that they are carried out in accordance with the jury's and management's expectations. Written procedures reduce the possibility of confusion about responsibilities and aid in the continuity of operations and in training. Further, legal questions, such as what can and cannot be done on private property or be done on the behalf of private parties, often arise during the normal course of operations. A formal adopted written policy can increase efficiencies and alleviate or prevent noncompliance, confusion, and disagreements.

Union Parish Police Jury
Farmerville, Louisiana
Management Letter
December 31, 2019

Cause

No one has suggested to the police jury that such policies be implemented. Issues have been handled on a case by case basis.

Effect

The lack of written policies and procedures likely results in inefficiencies and a higher risk of noncompliance with state law.

Recommendation

We recommend that management develop and implement formal written policies and procedures as discussed above. The document should be reviewed by legal counsel.

Management's Response

See management's corrective action plan.

Our audit procedures are designed primarily to enable us to form opinions on the financial statements of the Union Parish Police Jury, as of and for the year ended December 31, 2019, which collectively comprise the Police Jury's financial statements, and therefore, may not reveal all weaknesses in policies and procedures that may exist.

Also included are management's responses to our current year management letter comments. We have performed no audit work to verify the content of the responses.

This report is intended solely for the information and use of the Treasurer of the Union Parish Police Jury and is not intended to be and should not be used by anyone other than these specified parties.

BOSCH & STATHAM, LLC



Ruston, Louisiana
June 24, 2020

Union Parish Police Jury

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

June 24, 2020

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

OFFICERS:

JOHNNY BUCKLEY
PRESIDENT

BRENDA ABERCROMBIE
VICE-PRESIDENT

PAULA STRICKLAND
SEC-TREASURER

In connection with your engagement to apply agreed-upon procedures to certain control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's Statewide Agreed-Upon Procedures (SAUPs), for the fiscal period January 1, 2019 through December 31, 2019, we confirm to the best of our knowledge and belief, the following representations made to you during your engagement.

MEMBERS:

DISTRICT 1
CURTIS MOSES

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

Yes

No

DISTRICT 2
NATHAN PILGREEN

2. For the fiscal period January 1, 2019 through December 31, 2019, the C/C areas were administered in accordance with the best practice criteria presented in the SAUPs.

Yes

No

DISTRICT 3
DEWAYNE RAMSEY

DISTRICT 4
JOHNNY BUCKLEY

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

Yes

No

DISTRICT 5
BEN BRIDGES

DISTRICT 6
CEIS NYEGAARD

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

Yes

No

DISTRICT 7
L.W. NOLAN

DISTRICT 8
BRENDA ABERCROMBIE

5. We have disclosed to you any communications from regulatory agencies, internal auditors, other independent practitioners or consultants, and others affecting the C/C areas, including communications received between December 31, 2019, and June 24, 2020.

Yes

No

DISTRICT 9
JOHN W. WATLEY

AN EQUAL OPPORTUNITY EMPLOYER

6. We have provided you with access to all records that we believe are relevant to the C/C areas and the agreed-upon procedures.
- Yes
No
7. We represent that the listing of bank accounts for the fiscal period that we provided to you is complete. We also represent that we have identified and disclosed to you our main operating account.
- Yes
No
8. We represent that the listing of deposit sites for the fiscal period that we provided to you is complete.
- Yes
No
9. We represent that the listing of collection locations for the fiscal period that we provided to you is complete.
- Yes
No
10. We represent that the listing of locations that process payments for the fiscal period that we provided to you is complete.
- Yes
No
11. We represent that the non-payroll disbursement transaction population for each location that processes payments for the fiscal period that we provided to you is complete.
- Yes
No
12. We represent that the listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards, that we provided to you is complete.
- Yes
No

13. We represent that the listing of all travel and travel-related expense reimbursements during the fiscal period that we provided to you is complete.
- Yes
No
14. We represent that the listing of all agreements/contracts (or active vendors) for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period that we provided to you is complete.
- Yes
No
15. We represent that the listing of employees/elected officials employed during the fiscal period that we provided to you is complete.
- Yes
No
16. We represent that the listing of employees/officials that received termination payments during the fiscal period that we provided to you is complete.
- Yes
No
17. We represent that the employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines during the fiscal period.
- Yes
No
18. We represent that the listing of bonds/notes issued during the fiscal period that we provided to you is complete.
- Yes
No
19. We represent that the listing of bonds/notes outstanding at the end of the fiscal period that we provided to you is complete.
- Yes
No
20. We represent that the listing of misappropriations of public funds and assets during the fiscal period that we provided to you is complete.

Yes

No

21. We have disclosed to you [*list other matters as you have deemed appropriate*].

Yes

No

22. We have responded fully to all inquiries made by you during the engagement.

Yes

No

23. We are not aware of any events that have occurred subsequent to December 31, 2019, that would require adjustment to or modification of the results of the agreed-upon procedures.

Yes

No

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

Signature

Paul H. Strickland

Title

Secretary / Treasurer



Independent Accountant's Report
on Applying Agreed-Upon Procedures

To the Union Parish Police Jury
and the Louisiana Legislative Auditor

We have performed the procedures enumerated below, which were agreed to by Any Parish Police Jury (Entity) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2019 through December 31, 2019. The Entity's management is responsible for those C/C areas identified in the SAUPs.

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

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):

We obtained and inspected the entity's written policies and procedures.

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

The policy included all required elements.

Exceptions: None

- b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.

The policy included all required elements.

Exceptions: None

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

The policy included all required elements.

Exceptions: None

**UNION PARISH POLICE JURY
REPORT ON STATEWIDE AGREED-UPON PROCEDURES
FOR THE YEAR ENDED DECEMBER 31, 2019**

- d) **Receipts**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

The policy included all required elements.

Exceptions: None

- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

The policy included all required elements.

Exceptions: None

- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process

The policy included all required elements.

Exceptions: None

- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases)

The policy included all required elements.

Exceptions: None

- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers

The policy included all required elements.

Exceptions: None

- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy. Note: Ethics requirements are not applicable to nonprofits.

The policy included all required elements.

Exceptions: None

- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

The policy included all required elements.

Exceptions: None

**UNION PARISH POLICE JURY
REPORT ON STATEWIDE AGREED-UPON PROCEDURES
FOR THE YEAR ENDED DECEMBER 31, 2019**

- k) *Disaster Recovery/Business Continuity*, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operation after a critical event.

The policy included all required elements.

Exceptions: None

Board (or Finance Committee, if applicable)

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:

We obtained and inspected the board and finance committee's minutes for the fiscal period.

- a) Observe that the board/finance committee met with a quorum a least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

We observed the board met at least monthly.

Exceptions: None.

- b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds. *Alternately, for those entities reporting on the non-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

We observed the board's regular meeting minutes referenced monthly budget-to-actuals.

Exceptions: None.

- c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

We obtained the prior year audit report and observed a positive unassigned fund balance.

Exceptions: None.

**UNION PARISH POLICE JURY
REPORT ON STATEWIDE AGREED-UPON PROCEDURES
FOR THE YEAR ENDED DECEMBER 31, 2019**

Bank Reconciliations

3. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:

We obtained a listing of client bank accounts for this fiscal period from management and management's representation that the listing is complete. Management identified the main operating account. The main operating account and four additional accounts were selected for testing. We randomly selected one month to test and obtained the corresponding bank statement and bank reconciliations for each account.

- a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);

We noted four of five bank reconciliations were prepared within 2 months of the related statement closing date. The payroll bank reconciliation for October 2019 was prepared in April 2020 by the payroll processing service.

Exceptions: See above.

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

- b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and

We noted four of five bank reconciliations were signed as reviewed by a member of management that does not handle cash, post ledgers, or issue checks.

Exceptions: See above.

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

- c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

There were stale items on two out of three accounts tested. There was no documentation of research of the items.

Exceptions: See above

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

Collections (excluding EFTs)

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

We obtained a listing of deposit sites from management and management's representation that the listing is complete. We noted three deposit sites.

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5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

We obtained the listing from management and management's representation that the listing is complete. We randomly selected 1 location from each deposit site and inquired of employees about their job duties.

- a) Employees that are responsible for cash collections do not share cash drawers/registers.

We noted no exceptions.

Exceptions: None.

- b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.

Employees responsible for collecting cash at the Police Jury and Library are not responsible for preparing/making bank deposits. The employee responsible for collecting cash at the Detention Center also prepares the deposit and takes it to the bank.

Exceptions: See above.

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

- c) Each employee responsible for collecting cash is not responsible for [posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.

We noted no employees responsible for collecting cash are responsible for posting collection entries to the general ledger.

Exceptions: None.

- d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.

The Secretary-Treasurer reconciles cash collections to the general ledger, and she is not responsible for collecting cash.

Exceptions: None.

6. Inquire of management that all employees who have access to cash covered by a bond or insurance policy for theft.

We inquired of management. Management asserted all employees who have access to cash are covered by a bond or insurance policy for theft.

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7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under “Bank Reconciliations” above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day) . Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc. Obtain supporting documentation for each of the 10 deposits and:

We randomly selected two deposit dates for each of the 5 bank accounts selected for procedure #3. We obtained the supporting documentation for each deposit selected. One bank account only had 1 deposit for the year, so a total of 9 deposits were tested.

- a) Observe that receipts are sequentially pre-numbered.

Most collections at the Police Jury are in the form of checks mailed in, for which the Police Jury does not issue a receipt. The Library uses a cash register. The Detention Center uses computer software.

- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

We noted no exceptions.

- c) Trace the deposit slip total to the actual deposit per the bank statement.

We noted no exceptions.

- d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).

We noted 4 receipts of 25 tested were not deposited within one day of collection.

Exceptions: See above.

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

- e) Trace the actual deposit per the bank statement to the general ledger.

We noted no exceptions.

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

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

We obtained a listing of locations that process payments for the fiscal year and management's representation that the listing is complete. We randomly selected 5 locations.

**UNION PARISH POLICE JURY
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9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that: [Note: Exceptions to controls that constrain the legal authority of certain public officials (e.g. mayor of a Lawrason Act municipality); should not be report.]

In lieu of obtaining written policies and procedures, we inquired of employees about their job duties.

- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

Exceptions: None

- b) At least two employees are involved in processing and approving payments to vendors.

We noted at least two employees are involved in processing and approving payments to vendors.

Exceptions: None

- c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

We noted the employee responsible for processing payments did have access through the software to add/modify vendor files. However that function was disabled during the audit.

Exceptions: See above.

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

- d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

Signed checks are given to an employee who is not responsible for processing payments to be mailed.

Exceptions: None.

10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:

We obtained the entity's non-payroll disbursement transaction population and management's representation that the population is complete. We randomly selected 5 disbursements for each location and obtained supporting documentation for each.

- a) Observe that the disbursement matched the related original invoice/billing statement.

We noted no exceptions.

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- b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

We noted no exceptions.

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

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

We obtained from management a listing of all active cards for the fiscal period, including the card numbers and the names of the person who maintains possession of the cards. We obtained management's representation that the listing is complete.

12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:

We randomly selected 5 cards from the listing. We randomly selected one monthly statement for each card and obtained the supporting documentation.

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

We noted no exceptions.

Exceptions: None.

- b) Observe that finance charges and late fees were not assessed on the selected statements.

We noted no finance charges or late fees assessed on the statements selected.

Exceptions: None

**UNION PARISH POLICE JURY
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13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

We randomly selected 10 transactions, or all transactions if less than 10, from each statement and obtained the supporting documentation. We tested a total of 41 transactions.

- 1) We noted 39 transactions out of 41 tested were supported by an original itemized receipt that identifies precisely what was purchased.*
- 2) We noted 28 of 41 transactions were supported by documentation of the business purpose. The 13 transactions that were not supported by documentation of the business purpose were purchases made by the Detention Center.*
- 3) We noted no charges for meals.*

We did not identify any missing receipts for transactions tested.

Exceptions: See above

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

Travel and Travel-Related Expense Reimbursement (excluding card transactions)

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

We obtained the listing from management and management's representation that the listing is complete. We randomly selected 5 reimbursements and obtained the related expense reimbursement forms and supporting documentation.

- a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).

We noted all 5 expense reimbursements tested were reimbursed using a per diem, and the reimbursement rate agrees with those rates established by the State of Louisiana.

Exceptions: None.

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- b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

We noted no expense reimbursements tested were reimbursed using actual costs.

- c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).

We noted 4 of 5 reimbursements tested were supported by documentation of the business/public purpose for the reimbursement.

Exceptions: See above.

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

- d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

We noted no exceptions.

Contracts

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

We obtained the listing from management. We ignored contracts that were not initiated or renewed during the current year, which left 4 contracts available to be tested.

- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.

We noted no contracts that were subject to the requirements of the LA Public Bid Law.

Exceptions: None.

- b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).

We noted all contracts tested were approved by the governing board.

Exceptions: None.

- c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.

We noted none of the contracts tested were amended during the year.

Exceptions: None.

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- d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

We randomly selected one payment from the 4 contracts tested. We obtained the supporting documentation for each of the checks tested. We noted each invoice and related payment agreed to the terms and conditions of the contract.

Exceptions: None.

Payroll and Personnel

16. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

We did not receive a listing from the agency's payroll processing service. We selected the sample from the payroll check register. We obtained the related information and agreed paid salaries/pay rates to authorized salaries/pay rates.

17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:

We selected a pay period. One of the five employees was not employed during the test period. We obtained records for the remaining four employees.

- a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)

Of the employees tested, all four documented their daily attendance and leave.

Exceptions: None.

- b) Observe that supervisors approved the attendance and leave of the selected employees/officials.

The documentation included supervisors' approval for attendance and leave.

Exceptions: None.

- c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

We noted no exceptions.

Exceptions: None

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18. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulative leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.

We obtained a listing. Only one employee was terminated during the year. We noted no exceptions to the termination pay for the selected employee.

19. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

We obtained management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

Exceptions: None.

Ethics

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:

Using the selected employees from procedure #16, we obtained the ethics documentation from management.

- a. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

We observed one of the five employees tested had not completed the training during the fiscal period. The employee was terminated during February 2019.

- b. Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

We observed two of the five employees tested had not attested to reading the ethics policy during the fiscal period. Both employees who did not train, were terminated during the year.

Debt Service

21. Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.

Management listed no new debt.

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22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

We obtained a listing of bonds/notes outstanding at the end of the fiscal period. We selected one bond/note and inspected the debt covenants. We obtained supporting documentation for the reserve balances and payments. We noted the sinking fund was overfunded.

Other

23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

We obtained a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. The list included one instance of misappropriation. We obtained supporting documentation and observed that the entity reported the misappropriation to the legislative auditor and the district attorney of Union Parish.

24. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

We observed that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

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

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

BOSCH & STATHAM, LLC

Bosch & Statham

Ruston, Louisiana
June 24, 2020

Union Parish Police Jury

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

June 15, 2020

OFFICERS:

JOHNNY BUCKLEY
PRESIDENT

BRENDA ABERCROMBIE
VICE-PRESIDENT

PAULA STRICKLAND
SEC-TREASURER

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

Corrective Action Plan

2019-001 Detention Center Commission Deficit

Responsible Official: Johnny Buckley, Chairman, Detention Center Commission

MEMBERS:

DISTRICT 1
CURTIS MOSES

DISTRICT 2
NATHAN PILGREEN

DISTRICT 3
DEWAYNE RAMSEY

DISTRICT 4
JOHNNY BUCKLEY

DISTRICT 5
BEN BRIDGES

DISTRICT 6
CEIS NYEGAARD

DISTRICT 7
L.W. NOLAN

DISTRICT 8
BRENDA ABERCROMBIE

DISTRICT 9
JOHN W. WATLEY

"The Union Parish Detention Center Commission realizes the only way to erase the deficit is to reduce spending. Unfortunately, the only spending that can be targeted comes from payroll related expenses. Routine expenditures are already closely monitored through the police jury office. The Union Parish Detention Center Commission is going to closely monitor employee hiring and work to eliminate unnecessary positions. The Commission is going to strive to ensure that the facility can operate within its means. The only sources of revenue that the Detention Center has is from state inmates and the work release program."

2019-002 Excessive Overtime Pay at Detention Center

Responsible Official: Johnny Buckley, Chairman, Detention Center Commission

"Overtime continues to plague the Detention Center. The Warden receives a daily report which alerts him when an employee is approaching overtime. Unfortunately, with excessive no-shows and employees calling in sick the overtime continues to stay high. The shift supervisors are now being held accountable for any overtime and have been told that they will receive write-ups for any unjustified overtime. The shift supervisor must justify on paper why the overtime was needed and why that particular employee was called out. The Commission will continue to closely monitor for excessive overtime requests."

2019-003 Detention Center - New Hire Who Never Reported for Work Was Paid

Responsible Official: Johnny Buckley, Chairman, Detention Center Commission

"An employee was paid for two pay periods in 2019 that he never actually worked. When the payroll was sent to the payroll processor an overtime slip was missing. Upon investigation the shift superintendent notified the Warden that the employee had never reported for work and should not be receiving a

paycheck. It was discovered that the HR/Payroll clerk had manually entered the employee's time. The Union Parish Sheriff's Office was notified by the Warden and the Secretary/Treasurer notified the District Attorney and the Legislative Auditor. The software company was questioned about a solution to prevent this issue and now there is an audit feature in place within their program. Anytime that an employee's time is manually entered it shows up on the report and justification is required as to why the time was manipulated. By having this feature installed it alerts the Warden that the employee did not actually clock in and he knows to investigate. The Commission will continue to monitor the enforcement of internal controls."

2019-004 – Detention Center – Lack of Segregation of Duties over Collections
Responsible Official: Johnny Buckley, Chairman, Detention Center Commission

"The Commission understands the need for proper segregation of duties over collections and will divide the collections process over more than just one individual."

2019-005 – 2018 Reporting Package was Submitted to the Federal Audit Clearinghouse after the Deadline

Responsible Person: Paula Strickland, Secretary/Treasurer

"The submittal of the reporting package is normally initiated to the Federal Audit Clearinghouse by the auditor, not the police jury. In this instance the reporting package did not get submitted on time as it had in the past and it went unrealized by the police jury. Realizing that sometimes paperwork gets overlooked, henceforth the police jury will implement a system to track the submittal of the reporting package to the Federal Audit Clearinghouse."

Statewide AUPs

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



Paula Strickland
Secretary/Treasurer
Union Parish Police Jury