

OUACHITA PARISH, LOUISIANA

2011 ANNUAL OPERATING BUDGET

POLICE JURORS

SHANE SMILEY, President	DISTRICT E
CHARLES E JACKSON, III Finance Committee Chair	DISTRICT A
MACK CALHOUN, Public Works Chair	DISTRICT B
WALT CALDWELL, Vice-President	DISTRICT C
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PATRICK HEMPHILL, District Fire Chief	STEVE McADAMS, Health Unit
JOHN TOM MURRAY, Public Works	ROBIN TOMS, Public Library
V. MICHAEL RHODES, Juvenile Detention Home	SHANNON RIDER, Mosquito Abatement
JULIA KIRBY, Corrections Coordinator	TRACY HILBURN, Homeland Security
PEGGY STEELE, Housing	CRAIG LOTT, 911 Communications District
MAJ. BRIAN NEWCOMER, Warden, O. C. C.	DPTY. HACK TULL, Animal Control
DORETHA BENNETT, WORKFORCE INVESTMENT BOARD	LEONARD TIMS, LaJET

GOVERNMENTAL FUNDS

ANNUAL OPERATING BUDGETS

2010 AMENDED * * * 2011 ADOPTED

The Budget Committee and Treasurer are pleased to present the annual operating budgets for the various funds and departments for the 2011 Operating, Capital Improvement, Debt Service and Internal Service budgets for the Ouachita Parish Police Jury. This recap summarizes the most significant factors included in the 2010 Amended and 2011 Adopted budgets and includes the revenue and expenditure assumptions. The parish's resources include a wide variety of revenues that are designed to protect the community's physical security, improve its physical condition, and enhance the quality of life for its citizens.

After very careful consideration of the needs of the parish, we have prepared the following budgets in a manner that we feel will meet those needs and maintain sufficient funds available for future periods. I am confident that all decisions were considered in light of their impact on future years in a manner that continues to provide basic public services in support of a healthy, secure, safe, and very livable community, while at the same time, protecting the fiscal integrity of the parish.

Here are some highlights...

General Financial Conditions

- As stated last year, the nation's economic crisis has had an impact upon the budgets under the umbrella of the Police Jury, and is beginning to have a significant impact on the services provided by the Parish due to cuts in funding from Federal and State agencies. Although energy and fuel costs have risen, the largest expenditure category for the budgets remains personnel costs. The Jury has allowed departments to include a cost of living increase within their budgets in the amount of 2%. Unfortunately, personnel related benefits such as health insurance and retirement have seen major increase for the year 2011, and it appears that the increases in retirement are here to stay for the short term, and the increase in health insurance is here to stay for the long term.

As part of the budget process each year, the Jury reviews a variety of information related to salaries and wages of its employees. In general, this review continues to indicate that our employees are at or below prevailing levels in the workplace for their level or responsibility or longevity. Retirement provisions for Parish employees are dictated by state law and the funds are administered at the state level. The Jury is largely limited to a role of funding the requirement. Since the various retirement programs remain defined benefit, the low interest rate environment continues to result in very substantial increases in that funding requirement. Based on present projections it is entirely possible that the next budget will not allow any provision for cost of living increases

Early during the past decade the Parish headcount declined for several years and has been stable for the last 3 years. Overall levels of service remain stable, although this is by no means assured for coming years.

- Using conservative practices in the past few years, the elected officials have been able to maintain the General Fund in a positive cash flow position while meeting all demands placed upon the fund by State laws that mandate support for a variety of “reasonable and necessary” expenses of the local Judiciary system as well as other Parish-level officials. However with the legislature approving two additional judgeships for the Fourth Judicial District, the Police Jury’s General Fund will not be able to maintain that trend for 2011, which has a budgeted deficit of \$83,917.

Exhibit 1 provides information regarding the impact of “state-mandated” and “reasonable and necessary” expenses on the parish General Fund.

Road and Drainage

- The Ouachita Parish Public Works Department performs maintenance on gravel and hard surface roads totaling 874 miles. This includes roadside drainage and mowing.

Sales tax collections for 2010 are expected to be approximately \$5,569,440. This figure is \$111,268 above the original budgeted amount for 2010. This amounts to a decrease of \$313,507 from the 2009 total. The sales tax revenue had remained basically flat from 2005 through 2008 at just above \$6,000,000. From a high of \$6,287,118 in 2007, however this revenue has declined each year since. In 2009 sales tax revenue fell below \$6,000,000 for the first time since 2005. This difference in sales tax collections from the 2007 actual to the amended 2010 figure is \$717,678 or just above 11%.

The portion of the sales tax remitted to the Town of Sterlington per the agreement between the town and the Police Jury amounted to \$202,952 in 2009. The transfer for 2010 is expected to be below \$190,000. The town, in return performs all maintenance on streets and drainage within the town limits.

The Public Works Department completed the 2009 chip seal and overlay program in 2010. This project had been delayed because of weather issues. The department also completed the 2010 Road Improvement Program on schedule. This work included converting 0.40 miles of gravel roads to hard surface. The department also resurfaced another 13 miles of improved roads. A total of \$899,321 was spent to complete this work.

Contract paint striping of parish roads continued in 2010 with funding coming from the Public Works budget. A total of \$225,000 was transferred to the program in 2010.

Through funding made available by the Louisiana Government Assistance Program, Barr Lane was extended on to Laird Street from Cypress Street.

Work began in late 2009 on 2 bridges and an additional 6 structures in 2010. Reconstruction on 5 more bridges is scheduled to begin in 2011. Bridge replacements are prioritized through the Federal Off-System Bridge Replacement Program and administered by the Louisiana Department of Transportation and Development. These bridge projects had been in the pipeline for some time and were “shovel ready” with only funding issues holding them up. The ARRA allowed for these projects to proceed.

Also a number of road reconstruction projects had been made ready and the stimulus funding through the ARRA allowed for 3.23 miles of roadway to be improved.

In general, the situation with regard to road maintenance is increasingly serious. With more than 850 miles of roads within the parish, it is maintaining only 5%. To resurface each road once every 20 years would require resurfacing approx 45 miles annually. In recent years the parish has managed to resurface 20 miles or less in any given year. Lack of funding is the primary culprit and must be addressed on an urgent basis.

Fire Protection

- The Ouachita Parish Fire Department is the agency of first response to emergencies reported within its jurisdiction, which includes the entire Parish of Ouachita with the exception of the cities of Monroe and West Monroe. The department maintains a balanced budget with primary funding sources of an Ad Valorem tax and a sales tax. The Ad Valorem tax of 19.11 mills is projected to generate \$7,400,000 in 2011. The one-cent sales tax remains fairly constant and is projected to generate \$5,500,000 in 2011. The Police Jury has chosen to set aside capital funds in a Fire District No. 1 Capital Outlay Fund each year starting in 2006. All fire fighting apparatus, vehicles, and major equipment purchases are made from this fund. The balanced budget for 2011 designates a deposit of \$300,000 into the Capital Outlay Fund. The balance in the Fire Capital Outlay Fund is expected to be \$3,850,105 at 12/31/11.

Library

- Two new facilities for the Ouachita Parish Public Library were constructed during 2010. The Ollie Burns Memorial Branch Library was dedicated and opened to the public on August 12, 2010. It is named in honor of Mrs. Ollie H. Burns, the first African-American to receive the Master's of Science degree in Library Science from LSU, and who later went on to become the first African-American appointed to serve on the Ouachita Parish Library Board of Control. This beautiful library is located in the community of Richwood on Highway 165, north of Richwood High School. An identical facility, located in southwest Ouachita Parish at the corner of Highway 34 and Mount Vernon Church Road, is currently nearing completion and will open in early 2011. A grassroots citizens' effort sought to have this library named the CPL JR Searcy Memorial Branch Library, to honor the memory of the former Ouachita Parish Sheriff's deputy killed in the line of duty in March, 2010. CPL Searcy served as the traffic officer at Woodlawn Elementary School, located within sight of the new library.

Both of these new facilities will make library services more accessible to citizens in the southernmost areas of Ouachita Parish. Each of the eleven library facilities that together make up the Ouachita Parish Public Library System are well-used by the public. A total of 97,760 citizens are registered borrowers of the library. During the first eleven months of 2010, the library system circulated a total of 877,234 items to borrowers, an increase of 2.9% over the same period in 2009. Library users made a total of 857,742 actual visits to all library facilities and 2,682,922 virtual visits to the library's website. The materials collection includes 392,889 total items including books, DVDs, videos, recordings, e-books, periodicals, art prints and more. The Ouachita Parish Public Library leads the state in the total number of Library programs and events it offers citizens and in the number of persons attending these programs. From January through the end of November 2010, 2,418 programs were held with 67,110 people attending. The Ouachita Parish Public Library was named a STAR library for 2010 by *Library Journal*, the only library in Louisiana to receive this notable distinction from this prestigious publication.

Mosquito Control

- West Nile Virus continues to be a risk for individuals residing in Ouachita Parish. Fortunately in 2010, Ouachita Parish saw extremely unusual low numbers in regards to West Nile Virus. As of November 30, 2010, Ouachita Parish had only two mosquito pools return positive for the presence of West Nile Virus out of 670 pools collected and sent for testing. Also as of this date, there were zero reports of human infection. These extremely low West Nile numbers are not characteristic for this area especially under drought conditions which were seen in 2009. This in addition to the extremely low numbers of mosquitoes present due to the drought allowed Ouachita Parish Mosquito Abatement District to spray at a lower dosage rate.

This lowered dosage rate allowed OPMAD to operate longer on its original shipment of chemicals whereas we generally must reorder earlier in the season. By being able to prolong a second shipment, we will be able to save the district money by carrying over a greater amount of inventory into 2011 at the 2010 bid price.

The district also saw a surplus in 2010. This surplus has allowed the district to dedicate \$200,000.00 to the Emergency Disease Control Fund bringing the fund balance to the desired \$1,000,000.00. **In reaching the goal of \$1,000,000.00, the OPMAD Board of Commissioners voted to reduce the millage from 1.9 mils to 1.6 mils. This millage reduction will take effect in 2011.**

Juvenile Justice

- The voters approved two millages for Green Oaks Juvenile Detention Center in 2006. The 2.91 mills, for five years, is to operate and maintain the facility. The .30 mills for 5 years to construct a new Juvenile Detention Alternative Center (JDAC). The new JDAC houses juvenile related services, such as Fourth Juvenile District Attorney's Office, Juvenile Drug Court, Families in Need of Services, and other Juvenile Diversion Programs. The Juvenile Detention Center also added an eight bed dorm for girls at a cost of \$750,000 out of its regular operations fund. These improvements were completed in 2010, and 2010 will be the last year of levying the construction millage. In the fall of 2010, the 2.91 mills for operations was renewed by the voters and will expire December 31, 2015. **At the present time, the Green Oaks millage is being levied BELOW the authorized level.** It is anticipated that within the next 1-2 years it will be necessary to return this to the authorized level

OCC

- The Correctional Center completed a new "trusty" dorm in 2010 that will house 100 inmates. The addition increased the capacity at the Jail by only 60 beds since the previous dorm for the trustees held 40 trustees, which are Department of Corrections (DOC) inmates. The State of Louisiana currently pays \$24.39 per day for each DOC inmate. During the time of construction of the trusty dorm, OCC was not able to house 40 DOC inmates. Therefore the revenue during 2010 dropped substantially. While it is anticipated that the dorm will be filled with DOC inmates and generate some revenues in support of OCC, this is by no means guaranteed.

The millage of 8.60 for operations and the .60 millage dedicated for future capital outlay improvements will expire in 2011. The fund balance for OCC continues to experience substantial depletion. It is probable that early in 2011 the Jury will be required to call an early election for an increased millage. State law dictates responsibilities for both the Police Jury and the Sheriff regarding provision and staffing of a local jail. In the event the fund balance is depleted and the voters decline to approve the millage, the General fund will be the only source of funding available to fulfill the Police Jury portion of those obligations in the amount of approximately \$3.5 million. **GIVEN THAT THE GENERAL FUND ALREADY HAS A PLANNED DEFICIT AND UNOBLIGATED BALANCE OF LESS THAN 3 MONTHS OF NORMAL EXPENSES, THE FINANCIAL CONDITION OF THE OCC FUND REPRESENTS A SUBSTANTIAL RISK TO GENERAL PARISH GOVERNMENT.**

Other Areas of Interest

- During 2010 the Office of Public Health/Ouachita Parish Health Unit provided clinic services to over 36,000 patients including the issuance of \$4,000,000 in WIC vouchers. Immunization records were retrieved and printed for 5,659 residents. The Vital Records office received over 22,000 visitors. Environmental Health Services made 6,500 field visits during the course of completing among other duties 3,000 retail food inspections, over 400 institution inspections (day care centers, schools, detention centers, hospitals and clinics, and public buildings), reviewed, permitted, and approved the installation of over 1,600 individual sewage systems, and 390 private premises for home sale or complaint investigation. The State OPH budget for staffing and operating costs for Ouachita Parish in 2010 was approximately \$3,000,000. Parish millage funding expended for Health Unit operations was approximately \$400,000.
- The 911 Communications District is budgeted to receive \$470,000 in 2010 and 2011 from landline telephone service providers and \$1,082,970 from wireless telephone service providers in 2010 and \$1,320,000 in 2011. The total expenditures for 2010 related to the Communications District are budgeted to be \$1,440,207 and \$1,320,000 in 2011 which will be used solely for operation of the implemented 911 communications services.

We are assuming a 3.5% growth rate in wireless revenue and a flat growth rate in landline revenue for 2011. Our surcharge rate is currently at 3% on landline telephone service and can be raised to 5% if necessary. Ouachita Parish has the lowest surcharge rate in the State. The Wireless surcharge is \$.85 and is fixed by State Law. The prepaid wireless surcharge is 2% on the sale of prepaid wireless telephone service. We expect to realize the revenue from the prepaid wireless surcharge in the last quarter of 2010 and this revenue is likely to increase in future years, as wireless prepaid phones become more popular. The State has been collecting this new surcharge since January 2010 however; the first collections have gone to administrative expenses of the Louisiana Department of Revenue.

In accordance with the 9-1-1 System Assessment that was completed in 2010 we plan to equalize and enhance communications systems at the seven, 9-1-1 PSAP locations. These enhancements will include meshing the two CAD systems into a unified CAD and introducing the CAD system at the 9-1-1 Center.

We will then upgrade the dispatch mapping systems at all locations and automate the map updates at all locations. These changes will require network improvements, software improvements, reclassification of employees and the addition of a network specialist position as recommended by the System Assessment.

The next generation 9-1-1 telephone system has been pushed forward into the 2011 budget. The next generation 9-1-1 system will replace our analog system and is necessary to receive and transmit digital data, such as text and video, from 9-1-1 callers. We also hope to gain improved voice quality at our secondary PSAPs by switching to digital trunks. This new system will be necessary to achieve full CAD/Mapping functionality at all PSAPs. Once the CAD and dispatch mapping systems are functioning to their fullest potential we will evaluate the functionality and lifespan of the current software and the decision will be made to upgrade or replace the installed CAD and/or Mapping Software. We also intend to replace aging uninterruptible power supplies with networkable units.

In compliance with FCC order no. 94-102, the District implemented the wireless 911 system in two phases. Phase I displays the wireless 911 caller's telephone number, active tower address and the direction of the caller from the wireless tower being utilized. Phase II displays the wireless 911 caller's location on a digital map display with a 125 meter accuracy level. Phase I and II have been fully implemented for all wireless service providers operating in Ouachita Parish as of September 2006. The landline 9-1-1 service was fully implemented in 1990. Continuing maintenance of the wireless location service is necessary to insure location accuracy levels are in compliance to insure wireless calls are routed to the correct jurisdiction.

FUND BALANCES:

The amended budget for 2010 and the adopted budget for 2011 have been prepared to consider utilizing available operating revenues and fund balances as follows:

1. **GENERAL FUND**

The fund balances for the years ended December 31, 2010 and 2011 are anticipated to be \$3,201,657 and \$3,117,740 respectively. You will see the consolidated General Fund in Section 3 of this book. The consolidated General Fund includes funds that have been set aside by the Police Jury for specific projects or anticipated needs, such as School-Based Clinics, Drainage and Litter programs, and Cemetery maintenance. The Jurors recognize the importance of keeping the General Fund in a positive cash flow position and hold monthly Finance Committee meetings to receive monthly updates in order to stay abreast of the General Fund's status.

2. **PUBLIC WORKS**

The Public Works Special Revenue Fund Balances are expected to be in 2010 and 2011, \$2,227,533 and \$1,220,011 respectively.

3. **CAPITAL OUTLAY ROAD PROGRAM**

There is \$2,558,182 budgeted for road surfacing projects in 2011. The fund balance will be reduced to \$1,383,714 by 12/31/2011.

4. **FIRE PROTECTION DISTRICT**

The fund balance anticipated for December 31, 2011 is \$11,298,105. Although, glad to have experienced an increase of Sales Tax proceeds during 2006 - 2008, we are anticipating a decrease in those elevated collections for the future years. Property tax collections will remain steady as projected due to a renewal of the existing millage.

5. **PARISH LIBRARY**

The anticipated fund balance of \$5,682,236 as of 12/31/2011 reflects anticipated construction costs for branches in the Town of Richwood and the Southwestern part of the parish, which construction is substantially complete. The Library will be watching expenditures carefully after this construction phase in order to maintain sufficient cash flow.

6. **GREEN OAKS DETENTION**

Green Oaks is anticipating \$6,092,711 fund balance at 12/31/2011.

7. **CRIMINAL COURT FUND**

The District Attorney is working diligently with other local jurisdictions on new ways to increase revenues to keep the Criminal Court Fund adequately funded.

8. **MOSQUITO ABATEMENT FUND**

The fund balance for the Mosquito Abatement District at 12/31/2011 will be \$2,176,981 with on-going positive cash flow, and a newly created Emergency Disease Control Fund that has been allocated a total of \$1,000,000 from the Operations Fund.

9. **CORRECTIONAL FACILITIES FUND**

The fund balance for 12/31/11 is anticipated to be \$5,852,506.

10. **HEALTH UNIT AND ANIMAL CONTROL FUNDS**

HEALTH UNIT – The anticipated fund balance at 12/31/11 will be \$1,588,683. The Police Jury has been setting aside some of the operating funds into a Capital Outlay Fund for future capital needs. The total in the Capital Outlay fund at 12/31/2011 will be \$432,598 after \$200,000 is used in 2011 for heating system improvements.

ANIMAL SHELTER – The fund balance at 12/31/11 is anticipated to be \$473,035 and positive cash flow is expected.

11. **COMMUNICATIONS DISTRICT FUND**

The Fund Balance for the 911 District at 12/31/2011 will be \$2,811,004 with on-going positive cash flow.

12. **OTHER SPECIAL REVENUE FUNDS**

Other special revenue funds have not experienced material fluctuations in revenues, expenditures and the resulting fund balances; thus a written detailed descriptive analysis is not included in this message.

Description	General Fund	Special Revenue Funds
Fund Balances 12-31-09	\$2,978,921	\$55,758,375
Estimated Revenues 1-1-10 thru 12-31-10	5,677,951	61,091,626
Estimated Expenditures	5,221,565	65,775,200
Other Financing Sources (Uses)	(233,650)	(1,206,850)
Fund Balance 12-31-10	3,201,657	49,867,951
Proposed Revenues 1-1-2011 thru 12-31-2011	5,573,681	74,469,585
Proposed Expenditures	5,404,348	81,313,546
Other Financing Sources (Uses)	(253,250)	327,250
Anticipated Fund Balances 12-31-2011	\$3,117,740	\$43,351,240

In conclusion, I would like to thank Mr. Shane Smiley, President, and the remaining Jurors for allowing me the opportunity to guide the development of this budget.

Charles E. Jackson, III,
District A
Finance / Budget Committee Chairman

INTRODUCTION

The Ouachita Parish Police Jury is the governing authority for Ouachita Parish and is a political subdivision of the State of Louisiana. The police jury is governed by six (6) jurors representing six single member districts within the parish. The jurors serve four-year terms that expire with the first scheduled meeting in January 2012.

Louisiana Revised Statute 33:1236 gives the police jury various responsibilities to regulate and direct the affairs of the parish and its inhabitants. These responsibilities include: 1) providing the construction and maintenance of roads, bridges, and drainage systems, 2) providing for the health and welfare of the poor, disadvantaged, and unemployed in the parish, and 3) provide safe neighborhoods and streets. Funding to accomplish these tasks is provided by ad valorem property taxes, sales and use taxes, beer and alcoholic beverage permits, occupational license, state revenue sharing, and various other state and federal grants.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

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

B. REPORTING ENTITY

As the governing authority of the parish the Police Jury is the reporting entity for Ouachita Parish. The financial reporting entity consists of (a) the primary government, the 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 Police Jury are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

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

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

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

<u>Component Unit</u>	<u>Fiscal Criteria</u>	
	<u>Year End</u>	<u>Used</u>
Fourth Judicial District Criminal Court Fund	December 31	1a
Hospital Service District No. 1	December 31	1a
G.B. Cooley Hospital for Retarded Citizens	June 30	1a
Monroe/West Monroe Convention and Visitors' Bureau of Ouachita Parish	December 31	1a
Ouachita Parish Firemen's Pension and Relief Fund	December 31	1a
Ouachita Parish Library	December 31	1a
East Town and Country Drainage District	December 31	1a
Gravity Drainage District No. 1 (Inactive)		
Lake Park Drainage District	December 31	1a
Town and Country Drainage District No. 1	December 31	1a
Town and Country Drainage District No. 3 (Inactive)		
East Ouachita Recreation District No. 1	December 31	1a
West Ouachita Recreation District No. 1 (Inactive)		
Eastern Forest Subdivision Sewerage District No. 14	December 31	1a
Green Acres Sewerage District No. 13	December 31	1a
Hideaway Road Sewerage District No. 11	December 31	1a
Lakeshore Subdivision Sewerage District No. 1	December 31	1a
North Monroe Subdivision Sewerage District No. 1	December 31	1a
Ouachita Sewerage District No. 10	December 31	1a
Rowland Road Sewerage District No. 12 (Inactive)		
Southeast Sewerage District No. 3	December 31	1a
Sterlington Consolidated Sewerage District	December 31	1a
West Ouachita Sewerage District No. 5	August 31	1a
West Ouachita Sewerage District No. 9	December 31	1a
Cadeville Water District	December 31	1a
Prairie Road Water District	December 31	1a
Tanglewood Pine Bayou Water Works (Inactive)		

The primary government (Ouachita Parish Police Jury) financial statements include all funds and 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 Ouachita Parish Police Jury and include the Fourth Judicial District Criminal Court Fund, the Ouachita Parish Library, West Ouachita Sewer District No. 9, Green Acres Sewer District No. 13, and Southeast Sewer District No. 3.

GASB Statement 14 provides for the issuance of primary government financial statements that are separate from those of the reporting entity. However, the Ouachita Parish Police Jury financial statements are not a substitute for the reporting entity's financial statements. The accompanying primary government financial statements have been prepared in conformity with generally accepted accounting principles as applied to governmental units. These financial statements are not intended to and do not report on the reporting entity but rather are intended to reflect only the financial statements of the Ouachita Parish Police Jury.

Also considered in the determination of component units of the reporting entity were the Ouachita Parish Sheriff, Clerk of Court, Tax Assessor, and School Board, the District Attorney for the Fourth Judicial District, and the various municipalities in the parish. It was determined that these governmental entities are not component units of the Ouachita Parish Police Jury reporting entity because they have separately

elected governing bodies, are legally separate, and are fiscally independent of the Ouachita Parish Police Jury. The Ouachita Parish Police Jury neither appoints their governing boards nor designates management. Furthermore, the police jury has no ability to significantly influence their operations, nor does it have any accountability for fiscal matters of the entities. They are considered by the police jury to be separate autonomous governments and issue financial statements separate from those of the Ouachita Parish Police Jury reporting entity.

C. FUND ACCOUNTING

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

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

Funds of the police jury are classified into three categories: (1) governmental, (2) proprietary, and (3) fiduciary. In turn, each category is divided into separate fund types. The fund classifications and a description of each existing fund type follow:

GOVERNMENTAL FUNDS

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

1. General Fund - the general operating fund of the police jury and accounts for all financial resources, except those required to be accounted for in other funds.
2. Special Revenue Funds - to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.
3. Capital Projects Funds - to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds).

PROPRIETARY FUNDS

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Proprietary funds differ from governmental funds in that their focus is on income measurement, which, together with the maintenance of equity, is an important financial indicator. Proprietary fund includes:

1. Enterprise Fund - to account for operations (a) where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or (b) where the governing body has decided that periodic determination of

revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

2. Internal Service Funds - account for the financing of goods and services provided by one department or agency to other departments or agencies of the governmental unit on a cost reimbursement basis.

FIDUCIARY FUNDS

These funds are used to account for assets held by the police jury in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds.

Expendable Trust Fund - This fund is used to account for assets held by the Ouachita Parish Police Jury for the parish and other governmental units. Expendable trust funds are reported similar to governmental funds.

D. BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds and expendable trust funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The modified accrual basis of accounting is used by all governmental funds, expendable trust funds, and agency funds. The governmental funds and expendable trust funds use the following practices in recording revenues and expenditures:

Revenues

Revenues are recorded on the modified accrual basis. Ad valorem taxes are recorded when received in accordance with the 60-day rule. Ad valorem taxes are assessed and become due on November 15 of each year and become delinquent on December 31. The taxes are generally collected in December of the current year and January and February of the ensuing year. The related state revenue sharing, based on homesteads in the parish, is recorded when received.

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

Sales taxes are received by the police jury's collection agents, the City of Monroe and the Louisiana Department of Public Safety and Corrections, Office of Motor Vehicles and recognized when collected by vendors in accordance with the 60-day rule.

Fines, forfeitures, and court costs are recognized in the period collected by the Ouachita Parish Tax Collector.

Interest income on time deposits is recorded when the time deposits have matured and the interest is available. Interest income on interest bearing demand deposits is recorded at the end of each month when credited by the bank. Interest income on investments is recorded periodically as the instruments mature. Substantially all other revenues are recorded when they become available to the police jury.

Expenditures

Expenditures are generally recognized under the accrual basis of accounting when the related fund liability is incurred, except for compensated absences, which are recognized during the year when leave is actually taken.

Other Financing Sources (Uses)

Transfers between funds that are not expected to be repaid, sale of assets and proceeds from the issuance of long-term debt are accounted for as other financing sources (uses). These other financing sources (uses) are recognized at the time the underlying event occurs.

Deferred Revenues

The police jury reports deferred revenues on its combined balance sheet. Deferred revenues arise when resources are received by the police jury before it has a legal claim to them as when grant monies are received prior to the incurring of qualifying expenditures. In subsequent periods, when the police jury has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and the revenue is recognized.

Prepaid Expenses

Occasionally, the Police Jury will prepay general liability insurance. The payment is carried as an asset on the balance sheet and is recognized in the year in which the coverage applies.

The proprietary fund and non-expendable trust fund are accounted for on a flow of economic resources measurement focus and a determination of net income and capital maintenance. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. The proprietary fund and non-expendable trust fund use the accrual basis of accounting. Revenues are recognized when earned, and expenses are recognized at the time liabilities are incurred.

E. BUDGETS

Preliminary budgets prepared on the modified accrual basis of accounting, for the ensuing year are prepared annually by the treasurer. During the months of September through November, the finance committee reviews the proposed budgets with the department heads and makes changes, as it deems appropriate. Notice of the location and availability of the proposed budgets for public inspection and the date of the public hearings to be conducted on the budgets are then advertised in the official journal of the police jury. Prior to the selected December meeting, the police jury conducts a public hearing on the proposed budget(s) in order to receive comments from residents. Changes are made to the proposed budgets based on the public hearing and the desires of the police jury as a whole. The budgets are then adopted during the police jury's selected December meeting, and a notice of adoption that includes a summary of the budget is published in the official journal of the parish. During the year, the police jury receives monthly budget comparison statements that are used as a tool to control parish operations. The police jury exercises budgetary control at the account level. Within accounts, the treasurer has the authority to make adjustments as necessary. However, the treasurer does not have the authority to increase or decrease overall revenue and/or expenditure amounts. The police jury uses encumbrance accounting in its budget practices. Unexpended appropriations lapse at year-end and must be re-appropriated in the next year's budget.

Budget comparison statements included in the accompanying financial statements include the original adopted budgets and any subsequently adopted amendment.

F. ENCUMBRANCES

Encumbrance accounting, under which purchase orders are recorded in order to reserve that portion of the applicable appropriation, is employed. Outstanding purchase orders are taken into consideration before expenditures are incurred in order to assure that applicable appropriations are not exceeded.

G. INTERFUND TRANSACTIONS

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

All other interfund transactions, except reimbursements, are reported as transfers.

H. SALES AND USE TAXES

On October 15, 1977, voters of the parish approved a one per cent sales and use tax dedicated to improving, resurfacing, renovating, operating and maintaining public roads and bridges (including necessary drainage therefor and purchasing the necessary equipment to carry out such purposes) within said parish and outside the corporate limits of Monroe and West Monroe. The tax is for an indefinite period of time. The police jury entered into an intergovernmental agreement with the City of Monroe whereby the Monroe City Sales and Use Tax Collection Department will provide collection services for a fee of \$2,100 each month.

In December 1995, voters of the parish approved one percent sales and use tax dedicated to operating expenses and capital outlay for fire protection in said district. The tax is for an indefinite period of time. It was an increase in the one-half cent sales tax approved on January 17, 1987.

On October 21, 1995, voters of the parish approved an additional one-half of one per cent sales and use tax dedicated to operating expenses and capital outlay for fire protection in said district. The tax is for an indefinite period of time. The police jury has entered into an intergovernmental agreement with the City of Monroe whereby the Monroe City Sales and Use Tax Collection Department will provide collection services for a fee of \$1,050 each month.

2. AD VALOREM TAXES

The following is a summary of authorized and levied ad valorem taxes for 2010:

	Authorized <u>Millage</u>	Levied <u>Millage</u>	Expiration <u>Date</u>
<u>General Fund:</u>			
Inside municipalities	2.11	2.09	Statutory
Outside municipalities	4.22	4.18	Statutory
<u>Special Revenue Funds:</u>			
Green Oaks Detention Home	2.91	2.65	12/31/10
Health Unit / Animal Control	.79	.74	12/31/13
Mosquito Abatement Dist. No. 1	1.99	1.99	12/31/18
Library	7.75	7.50	12/31/15
Jail Facilities	8.60	8.51	12/31/11
Road Lighting Dist. No. 1	4.81	2.00	12/31/10
Fire Prot. Dist. No. 1	19.24	19.11	12/31/19
<u>Capital Projects Funds:</u>			
Correctional Center Construction Fund	.60	.59	12/31/11
Juvenile Detention Home Construction Fund	.30	.30	12/31/10

The differences between authorized and levied millage are the result of reassessments of taxable property as required by Article 7, Section 23 of the Louisiana Constitution of 1974.

The following is a schedule of the property tax calendar year:

Assessment date January 1

Official levy date November

Date taxes become due December 31