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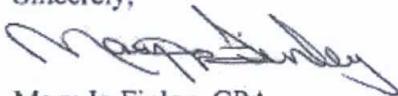
June 17, 2019

Louisiana Legislative Auditor
P.O. Box 94397
Baton Rouge, LA 70804-9397

RE: Franklin Parish Police Jury

Subsequent to submitting the financial statements for the Franklin Parish Police Jury for the year ended December, 31, 2018 to the Louisiana Legislative Auditor, I became aware that the report submitted was not the final draft of the report. During the final revision changes were made to the Independent Auditors Report on pages 9 through 11, and the 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* on pages 74 and 75.

Sincerely,



Mary Jo Finley, CPA

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

Release Date JUL 03 2019

REISSUE

FRANKLIN PARISH POLICE JURY
Winnsboro, Louisiana

Primary Government Financial Statements
With Independent Auditor's Report
As of and for the Year Ended
December 31, 2018
With Supplemental Information Schedules

**Franklin Parish Police Jury
Winnsboro, Louisiana**

**Primary Government Financial Statements
With Independent Auditor's Report
As of and for the Year Ended
December 31, 2018
With Supplemental Information Schedules**

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Franklin Parish Police Jury
Winnsboro, Louisiana
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Required Supplemental Information (Part I)
Management's Discussion and Analysis

Franklin Parish Police Jury
Winnsboro, Louisiana
Management's Discussion and Analysis
December 31, 2018
(Unaudited)

As management of the Franklin Parish Police Jury, we offer readers of the police jury's financial statements this narrative overview and analysis of the financial activities of the police jury for the year ended December 31, 2018. We encourage readers to consider the information presented here, in conjunction with the basic financial statements, and the supplementary information provided in this report in assessing the efficiency and effectiveness of our stewardship of public resources.

Overview of the Financial Statements

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

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

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

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

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

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of

the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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

The Franklin Parish Police Jury maintains 20 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, Road and Bridge, Drainage Maintenance, Parish Equipment, and Sales Tax special revenue funds, which are considered to be a major funds. Data from the other funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining schedules in the other supplemental information section of the report.

Franklin Parish Police Jury adopts an annual appropriated budget for the General Fund and all special revenue funds. Budgetary comparison schedules are provided in the Required Supplemental Information (Part II) for the major funds to demonstrate compliance with this budget.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain other supplemental information concerning the Franklin Parish Police Jury. The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplemental information section.

Government-Wide Financial Analysis As noted earlier, net position may serve over time as a useful indicator of a government's financial position. At the close of the fiscal year, assets of the Franklin Parish Police Jury exceeded liabilities by \$31,808,310. Of those net position, \$19,924,136 represents the police jury's investment in capital assets net of accumulated depreciation. These assets are not available for future spending. The remaining net position are made up of bank balances and receivables.

Statement of Net Position			
Assets	2018	2017	
Cash and cash equivalents	\$10,500,076	\$12,177,333	
Receivables	4,165,640	3,994,559	
Net Pension Asset - PERS	151,650		
Capital assets (net)	<u>20,390,660</u>	<u>18,740,226</u>	
Total Assets	<u>35,208,026</u>	<u>34,912,118</u>	
Deferred Outflows of Resources			
Pension related	<u>344,898</u>	<u>573,271</u>	

Total Assets and Deferred Outflow of Resources	<u>\$35,552,924</u>	<u>\$35,485,389</u>
Liabilities		
Accounts payable	\$351,340	\$366,948
Salaries payable		45,251
Payroll withholding payable	79,757	67,749
Compensated absences payable	98,495	106,978
Capital leases payable	429,524	37,670
Certificates of indebtedness	37,000	55,000
Net pension liability - ROV	22,357	441,392
Net OPEB obligation	<u>2,003,640</u>	<u>1,840,738</u>
Total Liabilities	<u>3,022,113</u>	<u>2,961,726</u>
Deferred Inflows of Resources		
Pension related	722,501	82,724
Net Position		
Invested in capital assets, net of related debt	19,924,136	18,647,556
Unrestricted	<u>11,884,174</u>	<u>13,793,383</u>
Total Net Position	<u>\$31,808,310</u>	<u>\$32,440,939</u>

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

As of December 31, 2018, combined governmental fund balances of \$14,234,619 showed a decrease of \$1,475,338 over December 31, 2017. The General Fund's balance of \$989,266 showed an increase of \$49,282 from the 2017 balance of \$939,984.

Budgetary Highlights

GENERAL FUND - The differences in revenues were due to increase in other revenues, fees, charges and commissions, use of money and property, other revenues and operating transfers in. Expenditures required an increase in finance and administrative and health and welfare and decreases in legislative, elections, and public safety.

ROAD AND BRIDGE - The differences in revenues were due to a decrease in sales tax and an increase in other revenues. Expenditures required an increase in public works and capital outlay.

SALES TAX - The differences were line item only.

DRAINAGE MAINTENANCE - The differences in expenditures was due to an increase in public works. Revenues required an increase in ad valorem taxes, state revenue sharing and use of money and property and decreases in federal grants and other revenue.

PARISH EQUIPMENT - The differences in expenditures were due to an increase in capital outlay and a decrease in public works. Revenues required an increase in federal grants, state revenue sharing and proceeds from disposal of assets.

Capital Asset and Debt Administration

Capital Assets. The Franklin Parish Police Jury's investment in capital assets for its governmental activities as of December 31, 2018, amounts to \$20,390,660 (net accumulated depreciation). This investment includes land, buildings and improvements, infrastructure roads and bridges, and furniture and equipment. The increase in capital assets for the year was \$3,296,358. Reductions in capital assets for the year ended December 31, 2018 were \$120,795. Capital outlay does not agree due to capital lease additions and capital lease paying out.

Long-Term Debt. The Franklin Parish Police Jury had long-term debt at December 31, 2018 relating to compensated absences totaling \$98,495. At the end of the fiscal year, the Franklin Parish Police Jury also had debt outstanding, in the form of leases, of \$429,524, which will be paid in full within eleven years. During the year ended December 31, 2018, \$127,223 of debt was paid in accordance with the debt agreement. The Franklin Parish Police Jury has Certificates of Indebtedness outstanding of \$37,000. The Franklin Parish Police Jury contributes to a single-employer defined benefit healthcare plan ("the Retiree Health Plan"). The plan provides lifetime healthcare insurance for eligible retirees through the police jury's group health insurance plan. Net OPEB obligation associated with the Retiree Health Plan at December 31, 2018 is \$2,003,640. Net pension asset for Parochial Retirement at December 31, 2018 is \$151,650. Net pension liability for Registrar of Voters Retirement is (\$22,357).

Requests for Information

This financial report is designed to be a summary of the Franklin Parish Police Jury's finances. If there are any questions regarding any information, a request can be made in writing to the Franklin Parish Police Jury, at 6558 Main Street, Winnsboro, Louisiana 71295. Our telephone number is (318) 435-9429.

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Practice Limited to
Governmental Accounting,
Auditing and
Financial Reporting

Independent Auditor's Report

Franklin Parish Police Jury
Winnsboro, Louisiana

Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Franklin Parish Police Jury, as of December 31, 2018, and for the year then ended, and the related notes to the financial statements, which collectively comprise the 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 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

My responsibility is to express opinions on these financial statements based on my audit. I conducted my 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 I 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 Franklin Parish Police Jury'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 Franklin Parish Police Jury's internal control. Accordingly, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Basis for Adverse Opinion on the Aggregate Discretely Presented Component Units

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 the financial data for all those component units to be reported with the financial data of the Police Jury's primary

FRANKLIN PARISH POLICE JURY
Winnsboro, Louisiana
Independent Auditor's Report
December 31, 2018

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. The amount by which this departure would affect the assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, revenues and expenses of the aggregate discretely presented component units has not been determined.

Adverse Opinion

In my opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on the Aggregate Discretely Presented Component Units" paragraph, the financial statements referred to above do not present fairly, the financial position of the aggregate discretely presented component units of the Police Jury as of December 31, 2018, 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.

Unmodified Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Franklin Parish Police Jury as of December 31, 2018, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

As described in Note 1L to the financial statements, the Police Jury adopted Government Accounting Standards Board (GASB) Statement No. 75, Accounting and Financial Reporting for Post-Employment Benefits Other than Pensions, which resulted in a cumulative effect of change in accounting principal of (\$185,307). My opinions are 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 management's discussion and analysis, the budgetary comparison information, the schedule of the Police Jury's proportionate share of the net pension liability, and the schedule of Employer Contributions to Pension Plan, as listed in the table of contents, 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. I 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 managements's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

FRANKLIN PARISH POLICE JURY
Winnsboro, Louisiana
Independent Auditor's Report
December 31, 2018

Other Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Franklin Parish Police Jury's primary government financial statements. The combining fund financial statements, the schedule of compensation paid to police jurors, and the schedule of compensation, benefits, and other payments to agency head, are presented for the purpose of additional analysis and are not a required part of the basic financial statements.

The combining funds financial statements, the schedule of compensation paid to police jurors, and the schedule of compensation, benefits, and other payments to agency head are the responsibility of management and was derived from and relates 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 my opinion, the combining funds financial statements, the schedule of compensation paid to police jurors, and the schedule of compensation, benefits, and other payments to agency head 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*, I have also issued a report dated May 3, 2019, on my consideration of the Franklin Parish Police Jury's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Franklin Parish Police Jury's internal control over financial reporting and compliance.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Louisiana Legislative Auditor, I have issued a report, dated May 3, 2019, on the results of my statewide agreed-upon procedures performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards*. The purpose of that report is solely to describe the scope of testing performed on those control and compliance areas identified in the Louisiana Legislative Auditor's statewide agreed-upon procedures, and the results of that testing, and not to provide an opinion on control or compliance.



West Monroe, Louisiana
May 3, 2019

Basic Financial Statements

Statement A

Franklin Parish Police Jury
 Winnsboro, Louisiana
 Governmental Activities
 Statement of Net Position
 December 31, 2018

Assets	
Cash and cash equivalents	\$10,500,076
Receivables	4,165,640
Net pension asset - PERS	151,650
Capital assets (net)	<u>20,390,660</u>
Total Assets	<u>35,208,026</u>
DEFERRED OUTFLOW OF RESOURCES	
Pension related	<u>344,898</u>
TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES	<u>\$35,552,924</u>
Liabilities	
Accounts payable	\$351,340
Payroll withholding payable	79,757
Compensated absences payable	98,495
Capital leases payable	429,524
Long term liabilities:	
Due within one year	18,000
Due in more than one year	19,000
Net Pension Liability - ROV	22,357
Net OPEB obligation	<u>2,003,640</u>
Total Liabilities	<u>3,022,113</u>
DEFERRED INFLOWS OF RESOURCES	
Pension related	722,501
Net Position	
Invested in capital assets, net of related debt	19,924,136
Unrestricted	<u>11,884,174</u>
Total Net Position	<u>31,808,310</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u>\$35,552,924</u>

See accompanying notes to basic financial statements.

Franklin Parish Police Jury
Winnsboro, Louisiana
Statement of Activities
For the Year Ended December 31, 2018

Functions:	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
General government	\$971,022	\$107,885	\$3,711		(\$859,426)
Public safety	496,142		18,833	\$31,928	(445,381)
Public works	7,732,744	11,880	347,423	60,782	(7,312,659)
Health and welfare	415,591	39,880	88,897		(286,814)
Culture and recreation	160,748	52,221		2,444	(106,083)
Economic development and assistance	123,060				(123,060)
Total governmental activities	<u>\$9,899,307</u>	<u>\$211,866</u>	<u>\$458,864</u>	<u>\$95,154</u>	<u>(9,133,423)</u>
General revenues:					
Taxes:					
Ad valorem taxes					4,121,430
Sales taxes					3,862,253
State revenue sharing					172,746
Fire insurance rebate					83,668
Other taxes, penalties, and interest					5,288
Grants and contributions not restricted to specific programs					45,440
Licenses and permits					177,365
Unrestricted investment earnings					147,931
Other revenues					39,277
Gain (Loss) on disposal of assets					4,847
Total general revenues					<u>8,660,245</u>
Change in net position					(473,178)
Net position at beginning of year as restated					<u>32,281,488</u>
Net position at end of year					<u>\$31,808,310</u>

See accompanying notes to basic financial statements.

Franklin Parish Police Jury
Winnsboro, Louisiana
Governmental Funds
Balance Sheet December 31, 2018

	General	Road and Bridge	Drainage Maintenance	Parish Equipment	Sales Tax	Other Governmental Funds	Total Governmental Funds
Assets							
Cash and equivalents	\$712,289	\$2,363,688	\$1,018,740	\$908,832	\$1,790,345	\$3,706,182	\$10,500,076
Receivables	298,229	235,623	1,115,824	811,145	105,407	1,599,412	4,165,640
Due from other funds	107,761	6,037		45	30,000	231	144,074
Total Assets	<u>\$1,118,279</u>	<u>\$2,605,348</u>	<u>\$2,134,564</u>	<u>\$1,720,022</u>	<u>\$1,925,752</u>	<u>\$5,305,825</u>	<u>\$14,809,790</u>
Liabilities and Fund Balances							
Liabilities:							
Accounts payable	\$18,980	\$53,764	\$43,146	\$38,658	\$108,217	\$88,575	\$351,340
Payroll withholdings payable	79,757						79,757
Due to other funds	30,276	395	83	695	52,706	59,919	144,074
Total Liabilities	129,013	54,159	43,229	39,353	160,923	148,494	575,171
Fund Equity - fund balances:							
Restricted:							
Other General Government						1,448,107	1,448,107
Health and welfare						1,057,525	1,057,525
Culture and recreation						1,240	1,240
Public safety						775,614	775,614
Public works		2,551,189	2,091,335	1,680,669	1,764,829	1,139,364	9,227,386
Economic development						232,031	232,031
Committed						32,621	32,621
Assigned						470,829	470,829
Unassigned	989,266						989,266
Total Fund Equity - fund balances	<u>989,266</u>	<u>2,551,189</u>	<u>2,091,335</u>	<u>1,680,669</u>	<u>1,764,829</u>	<u>5,157,331</u>	<u>14,234,619</u>
Total Liabilities and Fund Balances	<u>\$1,118,279</u>	<u>\$2,605,348</u>	<u>\$2,134,564</u>	<u>\$1,720,022</u>	<u>\$1,925,752</u>	<u>\$5,305,825</u>	<u>\$14,809,790</u>

See accompanying notes to basic financial statements.

Franklin Parish Police Jury
 Winnsboro, Louisiana
 Reconciliation of Governmental Funds Balance Sheet to
 Statement of Net Position
 December 31, 2018

Total fund balance - governmental funds (Statement C)		\$14,234,619
Amounts reported for governmental activities in the statement of net assets are different because:		
Deferred outflows of cash		344,898
Net pension asset - PERS		151,650
Capital assets used in governmental activities are not financial resources		20,390,660
Long term liabilities:		
Compensated absences payable	(\$98,495)	
Capital leases payable	(429,524)	
Certificates of Indebtedness	(37,000)	
Net Pension Liability - ROV	(22,357)	
Net OPEB obligation	(2,003,640)	
Deferred inflows of resources	<u>(722,501)</u>	<u>(3,313,517)</u>
Net position of governmental activities (Statement A)		<u>\$31,808,310</u>

See accompanying notes to basic financial statements.

Statement D

Franklin Parish Police Jury
Winnsboro, Louisiana
Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended December 31, 2018

	General	Road and Bridge	Drainage Maint	Parish Equipment	Sales Tax	Other Governmental Funds	Total Governmental Funds
REVENUES							
Taxes:							
Ad valorem	\$310,486		\$1,196,348	\$869,681		\$1,744,915	\$4,121,430
Sales		\$2,552,464			\$1,275,978	33,811	3,862,253
Other taxes, penalties, and interest	5,288						5,288
Licenses and permits	177,365						177,365
Intergovernmental revenues:							
Federal funds	192		442	321		81,507	82,462
State funds:							
Severance taxes	45,440						45,440
Fire insurance rebate	39,170					44,498	83,668
State revenue sharing	15,285		56,865	41,338		59,258	172,746
Parish transportation		291,047					291,047
Other	3,085						3,085
Local	31,928						31,928
Fees, charges, and commissions for services	104,139				11,880	95,847	211,866
Use of money and property	9,570	43,061	14,813	13,049	22,428	45,010	147,931
Other	1,087	48,317	32,167	201		63,725	145,497
Total revenues	<u>743,035</u>	<u>2,934,889</u>	<u>1,300,635</u>	<u>924,590</u>	<u>1,310,286</u>	<u>2,168,571</u>	<u>9,382,006</u>
EXPENDITURES							
Current:							
General government:							
Legislative	145,805						145,805
Judicial	96,817						96,817
Elections	27,720						27,720
Finance and administrative	275,231						275,231
Other						311,639	311,639
Public safety	81,385					236,181	317,566

Public works	7,900	2,907,220	1,029,799	649,332	1,332,122	420,248	6,346,621
Health and welfare	23,670					266,141	289,811
Culture and recreation	56,905					46,198	103,103
Economic development and assistance	69,974					53,086	123,060
Debt service						34,938	34,938
Capital outlay	47,928	2,182,478		159,728		850,331	3,240,465
Total expenditures	<u>833,335</u>	<u>5,089,698</u>	<u>1,029,799</u>	<u>809,060</u>	<u>1,332,122</u>	<u>2,218,762</u>	<u>11,312,776</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>(90,300)</u>	<u>(2,154,809)</u>	<u>270,836</u>	<u>115,530</u>	<u>(21,836)</u>	<u>(50,191)</u>	<u>(1,930,770)</u>
OTHER FINANCING SOURCES (Use)							
Operating transfers in	139,582						139,582
Residual equity transfer in						21,310	21,310
Proceeds from lease						414,197	414,197
Proceeds from insurance						15,000	15,000
Proceeds from disposal of assets		4,925					4,925
Operating transfers out						(139,582)	(139,582)
Total other financing sources (use)	<u>139,582</u>	<u>4,925</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>310,925</u>	<u>455,432</u>
EXCESS (Deficiency) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER USE	<u>49,282</u>	<u>(2,149,884)</u>	<u>270,836</u>	<u>115,530</u>	<u>(21,836)</u>	<u>260,734</u>	<u>(1,475,338)</u>
FUND BALANCES - BEGINNING	<u>939,984</u>	<u>4,701,073</u>	<u>1,820,499</u>	<u>1,565,139</u>	<u>1,786,665</u>	<u>4,896,597</u>	<u>15,709,957</u>
FUND BALANCES - ENDING	<u>\$989,266</u>	<u>\$2,551,189</u>	<u>\$2,091,335</u>	<u>\$1,680,669</u>	<u>\$1,764,829</u>	<u>\$5,157,331</u>	<u>\$14,234,619</u>

See accompanying notes to basic financial statements.

Franklin Parish Police Jury
 Winnsboro, Louisiana
 Reconciliation of the Statement of Revenues, Expenditures
 and Changes in Fund Balances to the Statement of Activities
 For the Year Ended December 31, 2018

Net change in fund balances - total governmental funds (Statement D)	(\$1,475,338)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	1,195,219
Governmental funds do not report gain or loss on disposition of assets. In the Statement of Activities, gain on disposition of assets increased when the asset is disposed.	20,003
The issuance of leases are treated in governmental activities as other financing sources and uses, whereas those transactions are not reported in the government wide statement of activities but are carried to the statement of net position.	(414,197)
The payments on the leases are treated in governmental activities as other financing sources and uses, whereas those transactions are not reported in the government wide statement of activities but are carries to the statement of net position.	127,223
The payments on the leases are treated in governmental activities as other financing sources and uses, whereas those transactions are not reported in the government wide statement of activities but are carries to the statement of net position and added as asset when paid out.	55,888
The payments on the certificates of indebtedness are treated in governmental activities as other financing sources and uses, whereas those transactions are not reported in the government wide statement of activities but are carries to the statement of net position.	18,000
Payments of long-term debt, including contributions to OPEB obligation, are reported as expenditures in governmental funds. However, those amounts are a reduction of long-term liabilities in the Statement of Net Position and are not reflected in the Statement of Activities.	22,405
In the Statement of Activities, certain operating expenses - compensated absences - are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid).	8,483
Non-employer contributions to cost-sharing pension plan	17,966
Pension expense	<u>(48,830)</u>
Change in net position of governmental activities (Statement B)	<u><u>(\$473,178)</u></u>

See accompanying notes to basic financial statements.

Notes to the Financial Statements

FRANKLIN PARISH POLICE JURY
Winnsboro, Louisiana

Notes to the Financial Statements
As of and for the Year Ended December 31, 2018

Introduction

The Franklin Parish Police Jury is the governing authority for Franklin Parish and is a political subdivision of the State of Louisiana. The police jury is governed by seven jurors representing the various districts within the parish. The jurors serve four-year terms which expire in January, 2020.

Louisiana Revised Statute 33:1236 gives the police jury various powers in regulating and directing the affairs of the parish and its inhabitants. The more notable of those are the powers to make regulations for their own government, to regulate the construction and maintenance of roads and bridges, to regulate the construction and maintenance of drainage systems, to regulate the sale of alcoholic beverages, and to provide for the health and welfare of the poor, disadvantaged, and unemployed in the parish. Funding to accomplish these tasks is provided by ad valorem taxes, sales taxes, beer and alcoholic beverage permits, state revenue sharing, and various other state and federal grants.

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

GASB Statement No. 14, *The Reporting Entity*, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the jury is considered a primary government, since it is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement No. 14, fiscally independent means that the police jury may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. In accordance with GASB Statement 14, the reporting entity for Franklin Parish consist of 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.

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

1. Appointing a voting majority of an organization's governing body, and:

Franklin Parish Police Jury
 Winnsboro, Louisiana
 Notes to the Financial Statements (Continued)

- a. The ability of the police jury to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.
2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.
 3. Organizations for which the reporting entity 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>Fiscal Year End</u>	<u>Criteria Used</u>
Franklin Parish:		
Library	December 31	1 & 3
Tourist Commission	December 31	1 & 3
Assessor	December 31	2 & 3
Clerk of Court	June 30	2 & 3
Sheriff	June 30	2 & 3
Section 8	December 31	1 & 3
Communications District	December 31	1 & 3
Hospital Service District No. 1	December 31	1 & 3
Sewerage District No. 1, Horace White/Abe Lincoln	June 30	1 & 3
Sewerage District No. 2, Elam	December 31	1 & 3
Fire District No. 2	December 31	1 & 3
Fire District No. 3	December 31	1 & 3
Fire District No. 4	December 31	1 & 3
Fire District No. 5	December 31	1 & 3
Fifth Judicial District Criminal Court	December 31	3
Crowville Fire District	December 31	1 & 3

Considered in the determination of component units of the reporting entity were the Franklin Parish School Board and the various municipalities in the parish. It was determined that these

Franklin Parish Police Jury
Winnsboro, Louisiana
Notes to the Financial Statements (Continued)

governmental entities are not component units of the Franklin Parish Police Jury reporting entity because they have separately elected governing bodies, are legally separate, and are fiscally independent of the Franklin 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 Franklin Parish reporting entity but rather are intended to reflect only the financial statements of the primary government (police jury).

These primary government (police jury) financial statements include all funds and organizations for which the police jury maintains the accounting records. Organizations for which the police jury maintains the accounting records include the Fire District No. 2, Fire District No. 3, Fire District No. 4, Fire District No. 5, Elam Sewer District #1, Horace White/Abe Lincoln Sewer District #2, Section 8 and the Franklin Parish Tourist Commission.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. 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 nonfiduciary 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 are 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.

B. 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, 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 reports 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 and Bridge Fund accounts for the construction, repair, and maintenance of roads and bridges on a parish wide basis. Financing is provided by ad valorem taxes, state revenue sharing, Parish Transportation Act funds, and operating transfers from the General Fund.

Franklin Parish Police Jury
Winnsboro, Louisiana
Notes to the Financial Statements (Continued)

The Sales Tax Fund accounts for the payments made for the garbage pick-up in Franklin Parish. Financing is provided by a one-half cent sales tax paid on purchases made in Franklin Parish.

The Drainage Maintenance Fund accounts for maintenance of storm drainage systems and watershed programs in the parish. Financing is provided by ad valorem taxes.

The Parish Equipment Fund accounts for acquisition and maintenance of police jury equipment. Financing is provided by a parishwide ad valorem tax.

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

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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.

C. 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 and the police jury's investment policy allow 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. Investments for the police jury are reported at fair value.

D. 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 an allowance for uncollectibles. 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 31st. 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 Date</u>
Parishwide taxes:			
General:			
Outside municipalities	3.52	3.25	Indefinite
Inside municipalities	1.76	1.62	Indefinite
Equipment	7.84	8.12	2022
Health Unit	3.16	3.30	2019
Drainage maintenance	10.77	11.17	2022
Road equipment and salary adjustment	4.19	4.27	2023
Courthouse maintenance	3.92	4.07	2022
Fire district 2	10.42	10.53	2020
Fire district 3	10.37	15.00	2027
Fire district 4	10.20	10.47	2019
Fire district 5	10.00	10.00	2026

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):

Franklin Parish Police Jury
 Winnsboro, Louisiana
 Notes to the Financial Statements (Continued)

	2018 Assessed Valuation	Per cent of Total Assessed Valuation
Tennessee Gas Pipeline, Co.	\$12,957	9.44%
Perryville Gas Storage, LLC	11,680	8.51%
Regency Intrastate	8,790	6.41%
ETC Tiger Pipeline, LLC	4,265	3.11%
Entergy Louisiana, LLC	2,899	2.11%
Columbia Gulf Transmission	1,889	1.38%
American Midstream, Inc.	1,791	1.31%
Winnsboro State Bank	1,510	1.10%
Franklin State Bank	1,497	1.09%
Northeast Louisiana Power Coop	1,483	1.08%
Total	<u>\$48,761</u>	<u>35.53%</u>

E. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads and bridges) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Approximately 92% of the police jury's non-infrastructure assets are based on actual costs while the remaining 8% are based on the actual historical costs of like items. The cost of infrastructure assets (roads and bridges) acquired prior to 2018 are based on current replacement cost adjusted to their year of acceptance into the parish road system using the U.S. Department of Labor's producer price index. 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 \$1,000 or more for capitalizing capital 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.

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

Franklin Parish Police Jury
 Winnsboro, Louisiana
 Notes to the Financial Statements (Continued)

<u>Description</u>	<u>Estimated Lives</u>
Infrastructure roads and bridges	20 - 40 Years
Buildings and building improvements	10 - 40 Years
Furniture and fixtures	5 - 10 Years
Vehicles	5 - 10 Years
Heavy equipment	5 - 10 Years
Other equipment	5 - 10 Years

F. Annual and Sick Leave

After one year of service, employees of the police jury are granted from 5 to 20 days of annual leave each year, depending upon length of service. Upon resignation or retirement an employee will be compensated for annual leave accumulated to the date of separation, not to exceed 90 days. Any days over 90 will be credited to their retirement. Employees are granted one day of sick leave for each month of continuous employment and can accumulate up to 90 days sick leave. Employees are not compensated for accumulated sick leave upon separation of service.

Criminal court employees earn from 5 to 10 days of annual leave each year. Sick leave is granted to employees on an as needed basis. Neither annual leave nor sick leave may be accumulated. Employees are not paid for unused annual and sick leave upon separation of service.

The Franklin Parish Tourist Commission has no employees and, therefore, no annual and sick leave policies.

At December 31, 2018, employees of the police jury had accumulated and vested \$98,495 of employee leave benefits, computed in accordance with GASB Codification C60. The liability is recorded within the general long-term obligations account group.

The cost of leave privileges, computed in accordance with the previous codification, is recognized as a current year expenditure within the various funds when leave is actually taken or when employees are paid for accrued annual leave upon resignation or retirement, while the cost of leave privileges not requiring current resources is recorded in the general long-term obligations account group.

G. Sales Taxes

On October 18, 1997, voters of the parish approved a one-half of one per cent sales and use tax which is dedicated for the purpose of solid waste collection and disposal. The tax has been renewed every 5 years. On December 10, 2016, voters of the parish approved the renewal of a ½% sales and use tax for a period of 5 years ending November 30, 2023.

On October 18, 1997, voters of the parish approved a one per cent sales and use tax which is dedicated for the construction, operation, and maintenance of roads and bridges within the parish. The tax has been renewed every 10 years. On November 6, 2012 this tax was renewed for an additional ten years. The police jury entered into an agreement with the Franklin Parish School Board whereby the school board provides collection services for a pro rata fee of the total based on taxes collected by the school board.

On March 5, 1985, as provided by Louisiana Revised Statute 33:4574, the police jury levied a two per cent tax on the occupancy of all hotel/motel rooms in the parish. Proceeds of the tax are used by the Franklin Parish Tourist Commission for the purpose of promoting tourism in the parish. The Franklin Parish School Board collects and remits the taxes, net of collection costs, to the police jury.

H. Equity Classifications

In the government-wide statements, equity is classified as net position and displayed in three components:

- a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowing that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - Consists of net position with constraints placed on the use either by (1) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - All other net position that does not meet the definition of "restricted" or "net investment in capital assets."

Franklin Parish Police Jury
Winnsboro, Louisiana
Notes to the Financial Statements (Continued)

When expenditures are incurred for the purposes for which both restricted and unrestricted amounts are available, the Police Jury reduces restricted amounts first, followed by unrestricted amounts. When expenditures are incurred for purposes for which committed, assigned and unassigned amounts are available, the Police Jury reduces committed amounts first, followed by assigned amounts and the unassigned amounts.

In the fund financial statements, governmental fund equity is classified as fund balance. The Police Jury adopted GASB Statement 54 for the year ended December 31, 2018. As such, fund balances of the governmental funds are classified as follows:

Nonspendable - represents amounts that are not expected to be converted to cash because they are either not in spendable form or legally or contractually required to be maintained intact.

Restricted - represents balances where constraints have been established by parties outside the Police Jury's office or imposed by law through constitutional provisions or enabling legislation.

Committed - represents balances that can only be used for specific purposes pursuant to constraints imposed by formal action of the Police Jury's highest level of decision-making authority.

Assigned - represents balances that are constrained by the government's intent to be used for specific purposes, but are not restricted nor committed.

Unassigned - represents balances that have not been assigned to other funds and that have not been restricted, committed, or assigned to specific purposes within the general fund.

The General Fund has an unassigned fund balance of \$989,266. If applicable, the Police Jury would typically use restricted fund balances first, followed by committed resources and assigned resources as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first and to defer the use of these other classified funds.

I. Pension Plans

The Franklin Parish Police Jury is a participating employer in a cost-sharing, multiple-employer defined benefit pension plan as described in Note 5. For purposes of

measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of each of the plans, and additions to/deductions for the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments have been reported at fair value within the plan.

J. Interfund Transactions

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 are reported as transfers.

K. 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.

L. Current Year Adoption Of New Accounting Standards And Restatement Of Net Position

The Franklin Parish Police Jurys' Office adopted Government Accounting Standards Board (GASB) Statement No. 75 - *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* ("GASB 75") to replace GASB 45 which resulted in a restatement of Net Position. The net effect of the restatement will be to decrease net position of the Police Jury by (\$185,307).

As of July 1, 2014, the Police Jury implemented Governmental Accounting Standards Board (GASB) Statement 68 *Accounting and Financial Reporting for Pensions - Amendment of GASB Statement 27*, which resulted in a cumulative change in accounting principle and also a restatement of net position.

Franklin Parish Police Jury
 Winnsboro, Louisiana
 Notes to the Financial Statements (Continued)

Errors were made during the GASB 68 calculation in the prior year. The net effect of the restatement to correct this error will be to increase net position of the Police Jury by \$25,856.

The net effect to the Government-Wide Statement of Net Position is as follows:

Total Net Position, December 31, 2018, as previously stated	\$32,440,939
Net Change at December 31, 2018	<u>(159,451)</u>
Total Net Position, December 31, 2018, Restated	<u><u>\$32,281,488</u></u>

2. CASH AND EQUIVALENTS

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, 2018, the police jury has cash (book balances), in total of \$10,500,076, consisting of demand deposits.

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. Cash (bank balances) at December 31, 2018, are secured in total as follows:

Bank Balances	<u>\$10,614,921</u>
Federal deposit insurance	\$295,295
Pledged securities (uncollateralized)	<u>13,877,422</u>
Total	<u><u>\$14,172,717</u></u>

Custodial Credit Risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the government will not be able to recover its deposits. Under state law, the 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 or exceed 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. 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. Further, Louisiana

Franklin Parish Police Jury
 Winnsboro, Louisiana
 Notes to the Financial Statements (Continued)

Revised Statute 39:1224 states that securities held by a third party shall be deemed to be held in the Police Jury's name.

Because the pledged securities are held by a custodial bank in the name of the fiscal agent bank rather than in the name of the police jury, they are considered uncollateralized (Category 3) under the provisions of GASB Codification C20.106. However, 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. Further, LRS 39:1224 states that securities held by a third party shall be deemed to be held in the police jury's name.

3. RECEIVABLES

The receivables of \$4,165,640 at December 31, 2018, are as follows:

	General Fund	Special Revenue Funds	Total
Taxes:			
Ad valorem	\$274,589	\$3,359,399	\$3,633,988
Sales		316,220	316,220
Alcoholic Beverage	1,187		1,187
State grants	22,453	182,270	204,723
Accounts and other		9,522	9,522
Total	<u>\$298,229</u>	<u>\$3,867,411</u>	<u>\$4,165,640</u>

4. CHANGES IN CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended 12/31/18 is as follows:

	Balance January 1,	Additions	Deletions	Balance December 31,
Police Jury:				
Capital assets not being depreciated:				
Land	\$668,421	\$47,005		\$715,426
Construction in progress	483,472	35,059		518,531
Assets under Capital Lease	55,886	526,197	(\$55,888)	526,195
Total capital assets not being depreciated	<u>1,207,779</u>	<u>608,261</u>	<u>(\$55,888)</u>	<u>1,760,152</u>
Capital assets being depreciated:				
Infrastructure - roads	88,386,270	2,182,477		90,568,747

Franklin Parish Police Jury
 Winnsboro, Louisiana
 Notes to the Financial Statements (Continued)

	Balance January 1,	Additions	Deletions	Balance December 31,
Infrastructure - bridges	\$3,366,140			\$3,366,140
Buildings and improvements	7,291,643			7,291,643
Improvements other than buildings	3,424,024	\$3,872		3,427,896
Office furniture and equipment	71,561	117,725		189,286
Heavy equipment	1,934,719	329,537	(\$36,764)	2,227,492
Other equipment	864,928	54,486	(11,868)	907,546
Vehicles	1,430,344		(16,275)	1,414,069
Total capital assets being depreciated	106,769,629	2,688,097	(64,907)	109,392,819
Less accumulated depreciation for:				
Infrastructure - roads	(78,190,408)	(882,064)		(79,072,472)
Infrastructure - bridges	(1,794,446)	(40,552)		(1,834,998)
Buildings and improvements	(4,057,100)	(182,481)		(4,239,581)
Improvements other than buildings	(2,139,044)	(119,744)		(2,258,788)
Office furniture and equipment	(65,428)	(25,765)		(91,193)
Heavy equipment	(1,138,465)	(160,516)	29,910	(1,269,071)
Other equipment	(609,664)	(106,646)	11,868	(704,442)
Vehicles	(1,242,628)	(57,184)	8,046	(1,291,766)
Total accumulated depreciation	(89,237,183)	(1,574,952)	49,824	(90,762,311)
Total capital assets being depreciated (net)	\$17,532,446	\$1,113,145	(\$15,083)	\$18,630,508
Total capital assets (net)	\$18,740,225	\$1,721,406	(\$70,971)	\$20,390,660

Depreciation expense as of and for the year ended 12/31/18 was charged as follows:

	Amount
General government	\$37,118
Public safety	176,861
Public works (including depreciation on road infrastructure)	1,177,930
Health and welfare	125,399
Culture and recreation	57,645
Total	\$1,574,953

5. RETIREMENT SYSTEMS

Parochial Employees' Retirement System of Louisiana (System)

Plan Description

The Franklin 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. New employees meeting the age and Social Security criteria have up to 90 days from the date of hire to elect to participate. As of January 1997, elected officials, except coroners, justices of the peace,

Franklin Parish Police Jury
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Notes to the Financial Statements (Continued)

and parish presidents may no longer join PERS. Section 1901 through 2025 of Title 11 of the Louisiana Revised Statutes (La. R.S. 11:1901-2025) and other general laws of the State of Louisiana govern PERS.

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

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

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

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

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

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

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

For the year ended December 31, 2018, the Franklin Parish Police Jury's total payroll for all employees was \$1,460,378. Total covered payroll was \$1,256,682. Covered payroll refers to all compensation paid by the Franklin Parish Police Jury to active employees covered by the Plan.

The Parochial Employees' Retirement System of Louisiana issued a stand-alone audit report on its financial statements for the year ended December 31, 2017. Access to the audit report can be found on the System's website: www.persla.org or on the Office of Louisiana Legislative Auditor's official website: www.la.state.la.us.

Franklin Parish Police Jury
 Winnsboro, Louisiana
 Notes to the Financial Statements (Continued)

Contributions

According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ended December 31, 2018, the actual employer contribution rate was 11.5% for Plan A, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. In accordance with state statute, the System receives ad valorem taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities, but are not considered special funding situations.

Under Plan A, members are required by state statute to contribute 11.50% of their annual covered salary. The contributions are deducted from the employee's wages or salary and remitted by the Franklin Parish Police Jury to the System monthly. The Franklin Parish Police Jury's contributions to the System under Plan A for the year ending December 31, 2018 were \$144,518.

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

At December 31, 2018, the Employer reported an asset of \$151,650 for its proportionate share of the Net Pension Liability (Asset). The Net Pension (Asset) was measured as of December 31, 2017 and the total pension asset used to calculate the Net Pension Asset was determined by an actuarial valuation as of that date. The Franklin Parish Police Jury's proportion of the Net Pension Asset 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 0.2043%, which was a decrease of 0.028 from its proportion measured as of December 31, 2016.

For the year ended December 31, 2018 the Franklin Parish Police Jury recognized pension expense of \$46,573 and 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		\$98,166
Changes in assumptions	\$191,405	
Net difference between projected and actual earnings on pension plan		350,355
Changes in employer's proportion of beginning NPL	952	791
Differences between employer and proportionate share of contributions		1,705

Franklin Parish Police Jury
 Winnboro, Louisiana
 Notes to the Financial Statements (Continued)

Contributions subsequent to the measurement date	\$144,518	
Total	\$336,875	\$451,017

The \$144,518 reported as deferred outflows of resources related to pensions resulting from the Franklin Parish Police Jury contributions subsequent to the measurement date will be recognized as a reduction of Net Pension Liability in the year ended December 31, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year ended December 31,	
2018	\$21,242
2019	(23,384)
2020	(117,656)
2021	(138,862)
TOTAL	(258,660)

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability (asset) as of December 31, 2017, are as follows:

Valuation Date	December 31, 2017
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Investment Rate of Return	6.75%, per annum
Salary increases	5.25% (2.75% merit, 2.5% inflation)
Inflation rate	2.5%, per annum
Mortality rates	RP-2000 Employees Sex Distinct Table for Employees RP-2000 Healthy Annuitant Sex Distinct Table annuitants and beneficiaries RP-2000 Disabled Lives Mortality Tables for disabled annuitants
Expected remaining service lives	4 years for Plan A
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.

The 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)

Franklin Parish Police Jury
 Winnboro, Louisiana
 Notes to the Financial Statements (Continued)

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 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 and an adjustment for the effect of rebalancing/diversification. The target allocation and best estimates of geometric real rates of return for each major asset class included in the pension plan's target asset allocation as of December 31, 2017 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed income	35%	1.24%
Equity	52%	3.57%
Alternatives	11%	0.69%
Real Assets	2%	0.12%
Totals	100%	5.62%
Inflation		2.00%
Expected arithmetic nominal return		7.62%

Discount Rate

The discount rate used to measure the total pension liability (asset) was 6.75%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from participating employers and non-employer contributing entities will be made at the actuarially determined contribution rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payment to determine the total pension liability (asset).

Sensitivity of the Franklin Parish Police Jury's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate

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

Franklin Parish Police Jury
 Winnsboro, Louisiana
 Notes to the Financial Statements (Continued)

	1.0% Decrease (5.75%)	Current Discount Rate (6.75%)	1.0% Increase (7.75%)
Employer's proportionate share of net pension liability (Asset)	\$747,689	(\$151,650)	(\$952,452)

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 Franklin 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.

Franklin Parish Police Jury
Winnsboro, Louisiana
Notes to the Financial Statements (Continued)

For the year ended December 31, 2018, the Franklin Parish Police Jurys' total payroll for all employees was \$1,650,161. Total covered payroll for the Franklin Registrar of Voters was \$15,642. Covered payroll refers to all compensation paid by the Franklin Parish Registrar of Voters to active employees covered by the Plan.

The Registrars of Voters Employees' Retirement System has issued a stand-alone audit report on their financial statements for the year ended June 30, 2018. Access to the report can be found on the Louisiana Legislative Auditor's website, www.la.gov

Contributions

According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ended December 31, 2018, the actual employer contribution rate was 17.00%, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. In accordance with state statute, the System receives ad valorem taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities, but are not considered special funding situations.

Plan members are required by state statute to contribute 7.00% of their annual covered salary. The contributions are deducted from the employee's wages or salary and remitted by the Franklin Parish Registrar of Voters to the System monthly. The Franklin Parish Registrar of Voters' contributions to the System for the year ending December 31, 2018 were \$11,367.

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

At December 31, 2018, the Employer reported a liability of \$22,357 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2018 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The Franklin Parish Policy Jury's proportion of the Net Pension Liability was based on a projection of the Registrar of Voters' long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2018, the Registrar of Voters' proportion was 0.0947%, which was a decrease of 0.0018% from its proportion measured as of June 30, 2017.

For the year ended December 31, 2018, the Franklin Parish Registrar of Voters recognized pension expense of \$2,659.

At December 31, 2018, the Franklin Parish Registrar of Voters reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Franklin Parish Police Jury
 Winnboro, Louisiana
 Notes to the Financial Statements (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience		\$3,411
Changes in Assumptions	\$3,662	336
Net Difference between projected and actual earnings on pension plan	1,343	
Changes in employers portion of beginning NPL	\$359	\$333
Differences between employer and proportionate share of contributions		80
Subsequent measurement contributions	2,659	
Total	\$8,023	\$4,160

The \$2,659 reported as deferred outflows of resources related to pensions resulting from the Franklin 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, 2019. 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,	
2019	\$908
2020	\$439
2021	(\$574)
2022	\$431

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2018, are as follows:

Valuation Date	June 30, 2018
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Investment Rate of Return	6.50%
Salary increases	6.00% (2.4% inflation, 3.6 % merit)

Franklin Parish Police Jury
 Winnboro, Louisiana
 Notes to the Financial Statements (Continued)

Inflation rate	2.40%
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	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.

The long-term expected rate of return on the 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, 2018. 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, 2018 were as follows:

Asset Class	Target Allocation	Real Return Arithmetic Basis	Long-Term Expected Real Rate of Return
Domestic Equities	40%	7.5%	3.0%
International Equities	20	8.50	1.7
Domestic Fixed Income	12.5	2.50	0.31
International Fixed Income	10	3.50	0.35
Alternative Investments	10	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%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from employers will be made at contractually required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payment to determine the total pension liability.

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

The following presents the Franklin Parish Registrar of Voters' proportionate share of the net pension liability calculated using the discount rate of 6.50%, as well as what the Registrar of Voters' proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (5.50%) 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	\$34,288	\$22,357	\$12,122

6. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

Plan Description. The Franklin Parish Police Jury (the Police Jury) provides certain continuing health care and life insurance benefits for its retired employees. The Franklin Parish Police Jury's OPEB Plan (the OPEB Plan) is a single-employer defined benefit OPEB plan administered by the Police Jury. The authority to establish and/or amend the obligation of the employer, employees and retirees rests with the Police Jury. No assets are accumulated in a trust that meets the criteria in Governmental Accounting Standards Board (GASB) Codification Section P52 *Postemployment Benefits Other Than Pensions-Reporting For Benefits Not Provided Through Trusts That Meet Specified Criteria-Defined Benefit.*

Benefits Provided - Medical, dental, and vision benefits are provided through comprehensive plans and are made available to employees upon actual retirement. Employees retirement eligibility (D.R.O.P. entry) provisions are as follows: Most employees are covered by the Parochial Employees' Retirement System of Louisiana, whose retirement eligibility (D.R.O.P. entry) provisions are as follows: 30 years of service at any age; age 55 and 25 years of service; age 60 and 10 years of service; or, age 65 and 7 years of service. For

Franklin Parish Police Jury
 Winnboro, Louisiana
 Notes to the Financial Statements (Continued)

employees hired on and after January 1, 2007 retirement eligibility (D.R.O.P. entry) provisions are as follows: age 55 and 30 years of service; age 62 and 10 years of service; or, age 67 and 7 years of service.

Life insurance coverage is not considered in this valuation.

Employees covered by benefit terms - At December 31, 2018, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	4
Inactive employees entitled to but not yet receiving benefit payments	0
Active employees	<u>40</u>
Total employees	<u><u>44</u></u>

Total OPEB Liability

The Police Jury's total OPEB liability of \$2,003,640 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, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.5%
Salary increases	3.0%, including inflation
	3.44%, annually (Beginning of Year to Determine ADC)
Discount rate	4.10% annually (As of End of Year Measurement Date)
Healthcare cost trend rates	Flat 5.5% annually

The discount rate was based on the average of the Bond Buyers' 20 Year General Obligation municipal bond index as of December 31, 2018, the end of the applicable measurement period.

Mortality rates were based on the RP-2000 Table without projection with 50%/50% unisex blend.

The actuarial assumptions used in the December 31, 2018 valuation were based on the results of ongoing evaluations of the assumptions from July 1, 2009 to December 31, 2018.

Changes in the Total OPEB Liability

Balance at December 31, 2017	\$2,026,045
Changes for the year:	
Service cost	231,551

Franklin Parish Police Jury
 Winnsboro, Louisiana
 Notes to the Financial Statements (Continued)

Interest	\$73,679
Differences between expected and actual	(113,866)
Changes in assumptions	(168,309)
Benefit payments and net transfers	(45,460)
Net Changes	<u>(22,405)</u>
Balance at December 31, 2018	<u>\$2,003,640</u>

Sensitivity of the total OPEB liability to changes in the discount rate - The following presents the total OPEB liability of the Police Jury, as well as what the Police 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:

	1.0% Decrease (3.10%)	Current Discount Rate (4.10%)	1.0% Increase (5.10%)
<u>Total OPEB liability</u>	<u>\$2,305,324</u>	<u>\$2,003,640</u>	<u>\$1,759,479</u>

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates - The following presents the total OPEB liability of the Police Jury, as well as what the Police Jury's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.5%) or 1-percentage-point higher (6.5%) than the current discount rate:

	1.0% Decrease (4.5%)	Current Discount Rate (5.5%)	1.0% Increase (6.5%)
<u>Total OPEB liability</u>	<u>\$1,750,936</u>	<u>\$2,003,640</u>	<u>\$2,321,743</u>

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

For the year ended December 31, 2018, the Police Jury recognized OPEB expense of \$290,378. At December 31, 2018, the Police Jury reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual expenditures		\$107,873
Changes in assumptions		159,451
Total	<u>NONE</u>	<u>\$267,324</u>

Franklin Parish Police Jury
 Winnsboro, Louisiana
 Notes to the Financial Statements (Continued)

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

Year ended December 31:	
2019	(\$14,851)
2020	(14,851)
2021	(14,851)
2022	(14,851)
2023	(14,851)
Thereafter	(\$193,067)

7. DUE FROM/TO OTHER FUNDS

The following presents interfund balances due from and to other funds at December 31, 2018.

Fund	Due To	Due From
General	\$30,276	\$107,761
Special Revenue:		
Road and Bridge	395	6,037
Drainage Maintenance	83	
Health Unit Maintenance	13,692	
Courthouse Maintenance	95	231
Parish Equipment	695	45
Sales Tax	52,706	30,000
Tourist Commission	2,104	
Turkey Creek		
Fire District No. 2	6,465	
Fire District No. 3	19,484	
Fire District No. 4	4,000	
Fire District No. 5	8,042	
Acquisition/Elevation	6,037	
Total	\$144,074	\$144,074

8. CAPITAL LEASES AND CERTIFICATES OF INDEBTEDNESS

The police jury records items under capital leases as an asset and an obligation in the accompanying financial statements. At December 31, 2018, the police jury has three capital leases outstanding. One of the leases in effect is for a new fire truck, a tractor and an airboat. One lease for a used fire truck paid out this audit period. The first has an original recorded amount of \$378,000, the second has an original recorded amount of \$36,197 and the last has an original recorded amount of \$29,995.

The annual requirements to amortize all outstanding lease debt at December 31, 2018, including interest of \$95,556 is as follows:

<u>Year</u>	<u>Total Payment</u>	<u>Interest</u>	<u>Principal</u>
2019	\$16,764	(\$2,772)	\$13,992
2020	63,363	(17,216)	46,147
2021	55,119	(15,172)	39,947
2022	55,119	(13,448)	41,671
2023	55,119	(11,647)	43,472
2024-2028	232,997	(33,509)	199,488
2029	46,599	(1,792)	44,807
Present value of net minimum	<u>\$525,080</u>	<u>(\$95,556)</u>	<u>\$429,524</u>

The following is a summary of future minimum certificates of indebtedness payments as of December 31, 2018.

Long-term debt payable at December 31, 2018, is comprised of the following individual issues:

\$15,000 - Certificates of Indebtedness, Series 2013 issued April 9, 2013, due in monthly installments of \$3,000 through March 1, 2019, with no interest per annum.	<u>\$3,000</u>
\$90,000 - Certificates of Indebtedness, Series 2013 issued April 9, 2013, due in monthly installments ranging from \$12,000 to \$19,000 through March 1, 2020, with interest at 4.0 per cent per annum.	<u>34,000</u>
Total Certificates of Indebtedness	<u>\$37,000</u>

The annual requirements to amortize all outstanding certificate of indebtedness debt at December 31, 2018, including interest of \$1,440 is as follows:

<u>Year</u>	<u>Total Payment</u>	<u>Interest</u>	<u>Principal</u>
2019	\$19,060	(\$1,060)	\$18,000
2020	19,380	(380)	19,000
Present value of net minimum lease	<u>\$38,440</u>	<u>(\$1,440)</u>	<u>\$37,000</u>

Franklin Parish Police Jury
 Winnsboro, Louisiana
 Notes to the Financial Statements (Continued)

9. CHANGES IN GENERAL LONG-TERM OBLIGATIONS

The following is a summary of long-term obligation transactions for the year ended December 31, 2018:

	Compensated Absences	Capital Leases	Cert of Indebted	Total
Long-term obligations at 12/31/17	\$106,978	\$37,670	\$55,000	\$199,648
Additions	43,677	526,197		569,874
Deductions	(57,129)	(134,343)	(18,000)	(209,472)
Adjustments	4,969			4,969
Long-term obligations at 12/31/18	<u>\$98,495</u>	<u>\$429,524</u>	<u>\$37,000</u>	<u>\$565,019</u>

¹As discussed in note 1G, upon separation from employment, employees are paid for accumulated leave at their current rate of pay. The adjustment is for the purpose of adjusting amounts for annual leave resulting from the differences between beginning and ending rates of pay and to reflect the maximum accumulation of ninety days.

10. RISK MANAGEMENT

The police jury is exposed to various risk of loss related to torts; theft of, damage to, and destruction of assets; liability; and injuries to employees and others. To handle risk of loss, the police jury maintains commercial insurance covering; automobile liability; general liability; public officials liability; and worker's compensation and employer's liability. No claims were paid on any of the policies during the past three years which exceeded the policies' coverage amounts.

11. LITIGATION AND CLAIMS

At December 31, 2018, the police jury is involved in several lawsuits. Although the total amount of potential liability cannot be determined at this time, any damages awarded would be covered under the police jury's insurance. In the event there is an unfavorable outcome, the police jury's maximum loss would be limited to the insurance deductible amount. No provision for the potential liability has been made in the accompanying financial statements.

12. REPAYMENT OF LASTEP GRANT

On October 11, 2018 the Franklin Parish Police Jury entered into an agreement with the Division of Administration to repay \$132,143 in disallowed cost after failing to complete certain requirements of a Louisiana Community Development Block Grant. Due to the community failing to fulfill the community involvement requirements for the grant for the provision of potable water to households in the Chase area of the parish, the Franklin Parish Police Jury was required to repay the disallowed costs in order to be eligible for future consideration for Division of Administration funds.

Required Supplemental Information (Part II)

Franklin Parish Police Jury
Winnsboro, Louisiana

Required Supplementary Information
Budgetary Comparison Schedules for Major Funds
For the Year Ended December 31, 2018

Preliminary budgets for the ensuing year are prepared by the secretary/treasurer prior to November of each year. During November, the finance committee reviews the proposed budgets and makes changes as they deem appropriate. The availability of the proposed budgets for public inspection and the date of the public hearing on the budgets are then advertised in the official journal. During its regular December meeting, the police jury holds a public hearing on the proposed budget 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 regular December meeting, and a notice is published in the official journal.

During the year, the police jury receives monthly budget comparison statements which are used as a tool to control the operations of the parish. The secretary/treasurer presents necessary budget amendments to the police jury during the year when, in his judgement, actual operations are differing materially from those anticipated in the original budget. The jury, during a regular meeting, reviews the proposed amendments, makes changes as they feel 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 function level. Unexpended appropriations lapse at year end and must be reappropriated in the next year's budget to be expended.

For the year ended December 31, 2018, modified accrual based budgets were adopted for the General Fund and all special revenue funds. Budgetary comparison schedules include the original budgets and all subsequent amendments.

Franklin Parish Police Jury
Winnsboro, Louisiana
Budgetary Comparison Schedule - General Fund
For the Year Ended December 31, 2018

	General Fund			Variance With Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues				
Taxes:				
Ad Valorem	\$280,000	\$280,000	\$310,486	\$30,486
Other taxes, penalties, & interest	6,000	6,000	5,288	(712)
Licenses and permits	166,000	166,000	177,365	11,365
Intergovernmental revenues:				
Federal funds	250	250	192	(58)
State funds:				
Severance taxes	18,300	18,300	45,440	27,140
Fire insurance rebate			39,170	39,170
State revenue sharing (net)	15,000	15,000	15,285	285
Other	525	75,645	3,085	(72,560)
Local			31,978	31,978
Fees, charges, and commissions for services	80,226	88,803	104,139	15,336
Use of money and property	3,500	7,400	9,570	2,170
Other revenue	900	5,000	1,087	(3,913)
Total revenues	<u>570,701</u>	<u>662,398</u>	<u>743,085</u>	<u>80,687</u>
Expenditures				
Current:				
General government:				
Legislative	165,400	160,900	145,805	15,095
Judicial	98,065	98,357	96,817	1,540
Elections	35,730	34,730	27,720	7,010
Finance and administrative	200,050	334,664	275,231	59,433
Public safety	61,800	60,025	81,385	(21,360)
Public works			7,900	(7,900)
Health and welfare	20,350	32,550	23,670	8,880
Culture and recreation	72,485	72,855	56,905	15,950
Economic development and assistance	39,700	39,700	69,974	(30,274)
Capital outlay			47,978	(47,978)
Total expenditures	<u>693,580</u>	<u>833,781</u>	<u>833,385</u>	<u>396</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(122,879)</u>	<u>(171,383)</u>	<u>(90,300)</u>	<u>81,083</u>
Other Financing Source				
Operating transfer in	100,000	139,500	139,582	82
Total other financing source	100,000	139,500	139,582	82
Net Change In Fund Balances	(22,879)	(31,883)	49,282	81,165
Fund Balance - Beginning	142,358	476,310	939,984	463,674
Fund Balance - Ending	<u>\$119,479</u>	<u>\$444,427</u>	<u>\$989,266</u>	<u>\$544,839</u>

(Continued)

Franklin Parish Police Jury
Winnsboro, Louisiana
Budgetary Comparison Schedule
Road and Bridge and Sales Tax Funds
For the Year Ended December 31, 2018

	Road and Bridge				Sales Tax			
	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final			Original	Final		
Revenues								
Taxes - Sales	\$2,761,590	\$2,561,590	\$2,552,464	(\$9,126)	\$1,250,000	\$1,250,000	\$1,275,978	\$25,978
Intergovernmental revenues - State funds:								
Parish transportation	284,817	284,817	291,047	6,230				
Fees, charges, and commissions					12,000	12,000	11,880	(120)
Use of money and property	38,549	38,549	43,061	4,512	16,000	16,000	22,428	6,428
Other	38,177	58,868	48,317	(10,551)				
Total revenues	<u>3,123,133</u>	<u>2,943,824</u>	<u>2,934,889</u>	<u>(8,935)</u>	<u>1,278,000</u>	<u>1,278,000</u>	<u>1,310,286</u>	<u>32,286</u>
Expenditures								
Current - Public works	1,585,735	3,090,964	2,907,220	183,744	1,381,200	1,381,200	1,332,122	49,078
Capital outlay	379,789	2,319,668	2,182,478	137,190				
Total expenditures	<u>1,965,524</u>	<u>5,410,632</u>	<u>5,089,698</u>	<u>320,934</u>	<u>1,381,200</u>	<u>1,381,200</u>	<u>1,332,122</u>	<u>49,078</u>
Excess of Revenues over Expenditures	<u>1,157,609</u>	<u>(2,466,808)</u>	<u>(2,154,809)</u>	<u>311,999</u>	<u>(103,200)</u>	<u>(103,200)</u>	<u>(21,836)</u>	<u>81,364</u>
Other Financing Source								
Proceeds from disposal of assets			4,925	4,925				
Total other financing source	<u>NONE</u>	<u>NONE</u>	<u>4,925</u>	<u>4,925</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	
Net Change In Fund Balances	<u>1,157,609</u>	<u>(2,466,808)</u>	<u>(2,149,884)</u>	<u>316,924</u>	<u>(103,200)</u>	<u>(103,200)</u>	<u>(21,836)</u>	<u>81,364</u>
Fund Balance - Beginning	<u>2,987,924</u>	<u>4,312,020</u>	<u>4,701,073</u>	<u>389,053</u>	<u>1,828,808</u>	<u>1,904,951</u>	<u>1,786,665</u>	<u>(118,286)</u>
Fund Balance - Ending	<u>\$4,145,533</u>	<u>\$1,845,212</u>	<u>\$2,551,189</u>	<u>\$705,977</u>	<u>\$1,725,608</u>	<u>\$1,801,751</u>	<u>\$1,764,829</u>	<u>(\$36,922)</u>

(Continued)

Franklin Parish Police Jury
Winnsboro, Louisiana
Budgetary Comparison Schedule
Drainage Maintenance and Parish Equipment Funds
For the Year Ended December 31, 2018

	Drainage Maintenance				Parish Equipment			Variance With Final Budget Positive (Negative)
	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)	Budgeted Amounts		Actual	
	Original	Final			Original	Final		
Revenues								
Taxes - Ad valorem	\$949,000	\$989,000	\$1,196,348	\$207,348	\$700,000	\$700,000	\$869,681	\$169,681
Intergovernmental revenues -								
Federal grants	18,000	500	442	(58)	350	14,150	321	(13,829)
State - State revenue sharing (net)	17,500	37,749	56,865	19,116	25,500	89,500	41,338	(48,162)
Use of money and property	8,000	15,500	14,813	(687)	9,000	9,000	13,049	4,049
Other	32,300	30,000	32,167	2,167	1,800	1,800	201	(1,599)
Total revenues	<u>1,024,800</u>	<u>1,072,749</u>	<u>1,300,635</u>	<u>227,886</u>	<u>736,650</u>	<u>814,450</u>	<u>924,590</u>	<u>110,140</u>
Expenditures								
Current - Public works	1,013,710	1,154,249	1,029,799	124,450	648,000	616,657	649,332	(32,675)
Capital outlay					20,000	255,000	159,728	95,272
Total expenditures	<u>1,013,710</u>	<u>1,154,249</u>	<u>1,029,799</u>	<u>124,450</u>	<u>668,000</u>	<u>871,657</u>	<u>809,060</u>	<u>62,597</u>
Excess (Deficiency) of Revenues over Expenditures	<u>11,090</u>	<u>(81,500)</u>	<u>270,836</u>	<u>352,336</u>	<u>68,650</u>	<u>(57,207)</u>	<u>115,530</u>	<u>172,737</u>
Other Financing Source								
Proceeds from disposal of assets						4,200		(4,200)
Total other financing source	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>4,200</u>	<u>NONE</u>	<u>(4,200)</u>
Net Change In Fund Balances	<u>11,090</u>	<u>(81,500)</u>	<u>270,836</u>	<u>352,336</u>	<u>68,650</u>	<u>(53,007)</u>	<u>115,530</u>	<u>168,537</u>
Fund Balance - Beginning	<u>349,297</u>	<u>756,613</u>	<u>1,820,499</u>	<u>1,063,886</u>	<u>741,813</u>	<u>796,340</u>	<u>1,565,139</u>	<u>768,799</u>
Fund Balance - Ending	<u>\$360,387</u>	<u>\$675,113</u>	<u>\$2,091,335</u>	<u>\$1,416,222</u>	<u>\$810,463</u>	<u>\$743,333</u>	<u>\$1,680,669</u>	<u>\$937,336</u>

(Concluded)

Franklin Parish Police Jury
 Schedule of Changes in Net OPEB Liability and Related Ratios
 FYE December 31, 2018

Schedule of Funding Progress

Total OPEB Liability	
Service cost	\$231,551
Interest	73,679
Changes of benefits terms	
Differences between expected and actual experience	(113,866)
Changes of assumptions	(168,309)
Benefit payments	<u>(45,460)</u>
Net change in total OPEB liability	(22,405)
Total OPEB liability - beginning	<u>2,026,045</u>
Total OPEB liability - ending	<u><u>\$2,003,640</u></u>
Covered employee payroll	\$1,194,574
Net OPEB liability as a percentage of covered-employee payroll	167.73%

Note:

Benefit Changes. There were no changes of benefit terms for the year ended June 30, 2018.

Changes of Assumptions. There were no changes of assumptions for the year ended June 30, 2018.

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

Franklin Parish Police Jury
 Parochial Employees Retirement System
 Schedule of Employer's Share of Net Pension Liability
 December 31, 2018

Fiscal Year*	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Employee Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	0.181037%	\$49,497	\$1,135,867	4.36%	99.15%
2016	0.199338%	\$524,715	\$1,183,013	44.35%	92.23%
2017	0.201556%	\$415,107	\$1,258,872	32.97%	94.15%
2018	0.204312%	(\$151,650)	\$1,256,682	(12.07%)	101.98%

* - Amounts presented were determined as of the measurement date (previous fiscal year end).

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

Franklin Parish Police Jury
 Registrar of Voters Retirement System
 Schedule of Employer's Share of Net Pension Liability
 December 31, 2018

Fiscal Year*	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Employee Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	0.093812%	\$22,975	\$12,725	180.55%	76.86%
2016	0.092634%	\$26,285	\$12,725	206.56%	73.98%
2017	0.092911%	\$20,395	\$12,725	160.28%	80.51%
2018	0.094716%	\$22,357	\$13,142	170.12%	80.57%

* - Amounts presented were determined as of the measurement date (previous fiscal year end).

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

Franklin Parish Police Jury
Parochial Employees Retirement System
Schedule of Employer Contributions
December 31, 2018

Fiscal Year*	Contractually Required Contribution	Contributions in Relations to Contractual Required Contributions	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a Percentage of Covered Payroll
2015	\$164,701	\$164,701	\$0	\$1,135,867	14.50%
2016	\$153,792	\$153,792	\$0	\$1,183,013	13.00%
2017	\$157,359	\$157,359	\$0	\$1,258,872	12.50%
2018	\$144,518	\$144,518	\$0	\$1,256,682	11.50%

* - Amounts presented were determined as of the end of the fiscal year.

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

**Franklin Parish Police Jury
Registrar of Voters Retirement System
Schedule of Employer Contributions
December 31, 2018**

Fiscal Year *	Contractually Required Contribution	Contributions in Relations to Contractual Required Contributions	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a Percentage of Covered Payroll
2015	\$3,086	\$3,086	\$0	\$12,725	24.25%
2016	\$2,863	\$2,863	\$0	\$12,725	22.50%
2017	\$2,546	\$2,546	\$0	\$12,725	20.01%
2018	\$2,234	\$2,234	\$0	\$13,142	17.00%

* - Amounts presented were determined as of the end of the fiscal year.

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

Other Supplemental Schedules

FRANKLIN PARISH POLICE JURY
Winnsboro , Louisiana
SUPPLEMENTAL INFORMATION SCHEDULES
As of and for the Year Ended December 31, 2018

SPECIAL REVENUE FUNDS

MAINTENANCE FUNDS

The Courthouse Maintenance Fund accounts for maintenance of the courthouse building, equipment, and grounds. Financing is provided by a parishwide ad valorem tax and state revenue sharing funds.

The Health Unit Maintenance Fund accounts for maintenance of the parish health unit and the local share of the health unit operation. Financing is provided by ad valorem taxes and state revenue sharing funds.

ROAD EQUIPMENT AND SALARY ADJUSTMENT FUND

The Road Equipment and Salary Adjustment Fund accounts for purchases of equipment and annual compensation of employees of the parish. Financing is provided by ad valorem taxes, and state revenue sharing funds.

SECTION 8 HOUSING FUND

The Section 8 Housing Fund provides housing assistance payments to participating owners on behalf of eligible tenants to provide decent, safe, and sanitary housing for very low income families at rents they can afford. Housing assistance payments are used to make up the difference between the approved rent due to the owner for the dwelling unit and the occupant family's required contribution towards the rent.

Assisted families are required to contribute up to 30 per cent of their adjusted family income towards rent. Funding is provided through the US Department of Housing and Urban Development.

WITNESS FEE FUND

The Witness Fee Fund was established to pay off-duty law enforcement officers. Financing is provided by fines paid by defendants who are found guilty.

TOURIST COMMISSION FUND

The Tourist Commission Fund accounts for the promotion of tourism within Franklin Parish. Financing is provided by a two per cent hotel/motel sales tax.

UNEMPLOYMENT ESCROW

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

TURKEY CREEK

The Turkey Creek Fund accounts for the fees charged from Turkey Creek park for boating and camping.

HORACE WHITE/ABE LINCOLN SEWER

The Horace White/Abe Lincoln Sewer Fund accounts for the sewer fees collected by North Franklin Waterworks.

FIRE DISTRICT NO. 2

The Fire District Fund No. 2 accounts for operations of the fire district. Financing is provided by ad valorem taxes.

FIRE DISTRICT NO. 3

The Fire District Fund No. 3 accounts for operations of the fire district. Financing is provided by ad valorem taxes.

FIRE DISTRICT NO. 4

The Fire District Fund No. 4 accounts for operations of the fire district. Financing is provided by ad valorem taxes.

FIRE DISTRICT NO. 5

The Fire District Fund No. 5 accounts for operations of the fire district. Financing is provided by ad valorem taxes.

CAPITAL PROJECTS

CDBG FUNDS

The CDBG Funds account for financial resources received and used for the acquisition, construction, or improvement of capital facilities such as fire stations and equipment and water storage tanks and culture and recreation projects. Funding is provided by community development block grants from the U.S. Department of Housing and Urban Development through the Louisiana Office of the Governor - Division of Administration.

FRANKLIN PARISH POLICE JURY
Winnsboro, Louisiana
Other Governmental Funds
Combining Balance Sheet, December 31, 2018

	MAINTENANCE FUNDS	ROAD EQUIP & SALARY	SECT 8	WIT- NESS FEE	TOURIST COMM	UNEMP ESCROW	TUR- KEY CREEK	HW/AL SEWER	FIRE DISTRICTS	CDBG FUNDS	TOTAL
ASSETS											
Cash and cash equivalents	\$1,762,942	\$737,982	\$10,074	\$7,064	\$232,634	\$32,621	\$2,862	\$36,362	\$406,775	\$476,866	\$3,706,182
Receivables	736,223	426,550			1,850			5,625	427,117	2,047	1,599,412
Due from other funds	231										231
TOTAL ASSETS	\$2,499,396	\$1,164,532	\$10,074	\$7,064	\$234,484	\$32,621	\$2,862	\$41,987	\$833,892	\$478,913	\$5,305,825
LIABILITIES AND FUND EQUITY											
Liabilities:											
Accounts payable	\$36,311	\$25,168	\$1	\$50	\$349		\$1,622	\$2,740	\$20,287	\$2,047	\$88,575
Due to other funds	13,787				2,104				37,991	6,037	59,919
Total liabilities	50,098	25,168	1	50	2,453	NONE	1,622	2,740	58,278	8,084	148,494
Fund Equity - fund balances:											
Restricted:											
Other General Government	1,441,093			7,014							1,448,107
Health and welfare	1,008,205		10,073					39,247			1,057,525
Culture and recreation							1,240				1,240
Public safety									775,614		775,614
Public works		1,139,364									1,139,364
Economic development					232,031						232,031
Assigned										\$470,829	470,829
Committed						\$32,621					32,621
Total Fund Equity - fund balances	2,449,298	1,139,364	10,073	7,014	232,031	32,621	1,240	39,247	775,614	470,829	5,157,331
TOTAL LIABILITIES AND FUND EQUITY	\$2,499,396	\$1,164,532	\$10,074	\$7,064	\$234,484	\$32,621	\$2,862	\$41,987	\$833,892	\$478,913	\$5,305,825

FRANKLIN PARISH POLICE JURY
Winnsboro, Louisiana
Other Governmental Funds

Combining Schedule of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended December 31, 2018

	MAINTENANCE FUNDS	ROAD EQUIP & SALARY ADJ	SECTION 8	WITNESS FEE	TOURIST COMM	UNEMP ESCROW	TURKEY CREEK	HW/AL SEWER	FIRE DISTRICTS	CDBG FUNDS	TOTAL
REVENUES											
Taxes:											
Ad valorem	\$789,365	\$457,343							\$498,207		\$1,744,915
Sales					\$33,811						33,811
Intergovernmental:											
Federal funds - grants	291	168	\$45,989							\$35,059	81,507
State funds:											
Fire insurance rebate									44,498		44,498
State revenue sharing	37,520	21,738									59,258
Fees, charges, and commissions for services											
Use of money and property	22,880	12,212	112	\$3,746	16,775	\$401	\$35,446	\$39,880			95,847
Other revenues	1,984		42,908	62	2,590		55	6	6,692		45,010
Total revenues	<u>852,040</u>	<u>491,461</u>	<u>89,009</u>	<u>3,808</u>	<u>53,176</u>	<u>401</u>	<u>35,501</u>	<u>39,886</u>	<u>568,230</u>	<u>35,059</u>	<u>2,168,571</u>
EXPENDITURES											
Current:											
General government:											
Other	310,071			1,568							311,639
Public safety									236,181		236,181
Public works		420,145								103	420,248
Health and welfare	158,683		85,509					21,949			266,141
Culture and recreation							46,198				46,198
Economic development and assistance					53,086						53,086
Debt service									34,938		34,938
Capital outlay		89,976							725,296	35,059	850,331
Total expenditures	<u>468,754</u>	<u>510,121</u>	<u>85,509</u>	<u>1,568</u>	<u>53,086</u>	<u>NONE</u>	<u>46,198</u>	<u>21,949</u>	<u>996,415</u>	<u>35,162</u>	<u>2,218,762</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES											
	<u>383,286</u>	<u>(18,660)</u>	<u>3,500</u>	<u>2,240</u>	<u>90</u>	<u>401</u>	<u>(10,697)</u>	<u>17,937</u>	<u>(428,185)</u>	<u>(103)</u>	<u>(50,191)</u>

OTHER SOURCES (USE)

Proceeds from lease									414,197		414,197
Proceeds from insurance									15,000		15,000
Residual equity transfer in								21,310			21,310
Operating transfers out	<u>(89,582)</u>	<u>(50,000)</u>									<u>(139,582)</u>
Total other financing use	<u>(89,582)</u>	<u>(50,000)</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>21,310</u>	<u>429,197</u>	<u>NONE</u>	<u>310,925</u>

EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES AND OTHER USE

293,704	(68,660)	3,500	2,240	90	401	(10,697)	39,247	1,012	(103)	260,734
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FUND BALANCES AT BEGINNING OF YEAR

<u>2,155,594</u>	<u>1,208,024</u>	<u>6,573</u>	<u>4,774</u>	<u>231,941</u>	<u>32,220</u>	<u>11,937</u>	<u>NONE</u>	<u>774,602</u>	<u>470,932</u>	<u>4,896,597</u>
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FUND BALANCES AT END OF YEAR

<u>\$2,449,298</u>	<u>\$1,139,364</u>	<u>\$10,073</u>	<u>\$7,014</u>	<u>\$232,031</u>	<u>\$32,621</u>	<u>\$1,240</u>	<u>\$39,247</u>	<u>\$775,614</u>	<u>\$470,829</u>	<u>\$5,157,331</u>
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FRANKLIN PARISH POLICE JURY
Winnsboro, Louisiana
Other Governmental Funds - Maintenance Funds

Combining Balance Sheet, December 31, 2018

	COURTHOUSE MAINTENANCE	HEALTH UNIT MAINTENANCE	TOTAL
ASSETS			
Cash and cash equivalents	\$1,056,814	\$706,128	\$1,762,942
Receivables	406,571	329,652	736,223
Due from other funds	231		231
TOTAL ASSETS	<u>\$1,463,616</u>	<u>\$1,035,780</u>	<u>\$2,499,396</u>
LIABILITIES AND FUND EQUITY			
Liabilities:			
Accounts payable	\$22,428	\$13,883	\$36,311
Due to other funds	95	13,692	13,787
TOTAL LIABILITIES	22,523	27,575	50,098
Fund equity - fund balances:			
Restricted:			
Other general government	1,441,093		1,441,093
Health and welfare		1,008,205	1,008,205
Total Fund Equity - fund balances	<u>1,441,093</u>	<u>1,008,205</u>	<u>2,449,298</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$1,463,616</u>	<u>\$1,035,780</u>	<u>\$2,499,396</u>

FRANKLIN PARISH POLICE JURY
Winnsboro, Louisiana
Other Governmental Funds - Maintenance Funds

Combining Schedule of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended December 31, 2018

	COURTHOUSE MAINTENANCE	HEALTH UNIT MAINTENANCE	TOTAL
REVENUES			
Taxes - Ad valorem	\$435,915	\$353,450	\$789,365
Federal grant	161	130	291
State funds - state revenue sharing	20,720	16,800	37,520
Use of money and property	13,260	9,620	22,880
Other revenues	1,984		1,984
Total revenues	<u>472,040</u>	<u>380,000</u>	<u>852,040</u>
EXPENDITURES			
Current - general government	310,071		310,071
Health and welfare		158,683	158,683
Total expenditures	<u>310,071</u>	<u>158,683</u>	<u>468,754</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>161,969</u>	<u>221,317</u>	<u>383,286</u>
OTHER FINANCING USE			
Operating transfers out		(89,582)	(89,582)
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER USE	<u>161,969</u>	<u>131,735</u>	<u>293,704</u>
FUND BALANCES AT BEGINNING OF YEAR	<u>1,279,124</u>	<u>876,470</u>	<u>2,155,594</u>
FUND BALANCES AT END OF YEAR	<u>\$1,441,093</u>	<u>\$1,008,205</u>	<u>\$2,449,298</u>

FRANKLIN PARISH POLICE JURY
Winnsboro, Louisiana
Other Governmental Funds - Fire District Funds

Combining Balance Sheet, December 31, 2018

	<u>FIRE DISTRICT 2</u>	<u>FIRE DISTRICT 3</u>	<u>FIRE DISTRICT 4</u>	<u>FIRE DISTRICT 5</u>	<u>TOTAL</u>
ASSETS					
Cash and cash equivalents	\$195,568	\$30,113	\$84,799	\$96,295	\$406,775
Receivables	220,748	49,033	65,132	92,204	427,117
TOTAL ASSETS	<u>\$416,316</u>	<u>\$79,146</u>	<u>\$149,931</u>	<u>\$188,499</u>	<u>\$833,892</u>
LIABILITIES AND FUND EQUITY					
Liabilities:					
Accounts payable	\$8,661	\$2,412	\$3,545	\$5,669	\$20,287
Due to other funds	6,465	19,484	4,000	8,042	37,991
Total liabilities	15,126	21,896	7,545	13,711	58,278
Fund Equity - fund balances - restricted - public safety	401,190	57,250	142,386	174,788	775,614
TOTAL LIABILITIES AND FUND EQUITY	<u>\$416,316</u>	<u>\$79,146</u>	<u>\$149,931</u>	<u>\$188,499</u>	<u>\$833,892</u>

FRANKLIN PARISH POLICE JURY
Winnsboro, Louisiana
Other Governmental Funds - Fire District Funds

Combining Schedule of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended December 31, 2018

	FIRE DISTRICT 2	FIRE DISTRICT 3	FIRE DISTRICT 4	FIRE DISTRICT 5	TOTAL
REVENUES					
Taxes - Ad valorem	\$232,873	\$55,275	\$92,313	\$117,746	\$498,207
State funds - Fire insurance rebate	9,681	4,581	9,552	20,684	44,498
Use of money and property	3,656	545	1,551	940	6,692
Miscellaneous revenues		18,833			18,833
Total revenues	<u>246,210</u>	<u>79,234</u>	<u>103,416</u>	<u>139,370</u>	<u>568,230</u>
EXPENDITURES					
Current - public safety	64,990	68,981	62,300	39,910	236,181
Debt service	19,660		15,278		34,938
Capital outlay	500,544	53,985	55,173	115,594	725,296
Total expenditures	<u>585,194</u>	<u>122,966</u>	<u>132,751</u>	<u>155,504</u>	<u>996,415</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>(338,984)</u>	<u>(43,732)</u>	<u>(29,335)</u>	<u>(16,134)</u>	<u>(428,185)</u>
OTHER FINANCING SOURCES:					
Proceeds from lease	378,000			36,197	414,197
Proceeds from insurance		15,000			15,000
Total other financing sources	<u>378,000</u>	<u>15,000</u>	<u>NONE</u>	<u>36,197</u>	<u>429,197</u>
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCE OVER EXPENDITURES	<u>39,016</u>	<u>(28,732)</u>	<u>(29,335)</u>	<u>20,063</u>	<u>1,012</u>
FUND BALANCES AT BEGINNING OF YEAR					
	362,174	85,982	171,721	154,725	774,602
FUND BALANCES AT END OF YEAR	<u>\$401,190</u>	<u>\$57,250</u>	<u>\$142,386</u>	<u>\$174,788</u>	<u>\$775,614</u>

FRANKLIN PARISH POLICE JURY
Winnsboro, Louisiana
Other Governmental Funds - CDBG Funds

Combining Balance Sheet, December 31, 2018

	<u>IKE/GUSTAV</u>	<u>ACQ ELEVATION</u>	<u>TOTAL</u>
ASSETS			
Cash and cash equivalents	\$584	\$476,282	\$476,866
Accounts receivables	2,047		2,047
TOTAL ASSETS	<u>\$2,631</u>	<u>\$476,282</u>	<u>\$478,913</u>
LIABILITIES AND FUND EQUITY			
Liabilities:			
Accounts payable	\$2,047		\$2,047
Due to other funds		\$6,037	6,037
Fund Equity - fund balances -assigned	584	470,245	470,829
TOTAL LIABILITIES AND FUND EQUITY	<u>\$2,631</u>	<u>\$476,282</u>	<u>\$478,913</u>

FRANKLIN PARISH POLICE JURY
Winnsboro, Louisiana
Other Governmental Funds - CDBG Funds

Combining Schedule of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended December 31, 2018

	CDBG - IKE/GUSTAV	CDBG - ACQ/ELEVATION	TOTAL
REVENUES			
Federal grants	\$35,059		\$35,059
Total revenues	<u>35,059</u>	NONE	<u>35,059</u>
EXPENDITURES			
Public works	103		103
Capital outlay	35,059		35,059
Total expenditures	<u>35,162</u>	NONE	<u>35,162</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>(103)</u>	NONE	<u>(103)</u>
FUND BALANCES AT BEGINNING OF YEAR	<u>687</u>	<u>\$470,245</u>	<u>470,932</u>
FUND BALANCES AT END OF YEAR	<u>\$584</u>	<u>\$470,245</u>	<u>\$470,829</u>

FRANKLIN PARISH POLICE JURY
Winnsboro , Louisiana
SUPPLEMENTAL INFORMATION SCHEDULES
As of and for the Year Ended December 31, 2018

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. The president receives \$1,600 per month, and the other jurors receive \$1,400 per month.

FRANKLIN PARISH POLICE JURY
Winnsboro, Louisiana

Schedule of Compensation Paid Police Jurors
For the Year Ended December 31, 2018

Ricky Campbell (President)	\$19,200
Troy Hendry	16,800
Rawhide Robinson	16,800
Leroy Scott	16,800
Buddy Parks	16,800
James Harris	16,800
Joe Lewis	16,800
Total	<u>\$120,000</u>

FRANKLIN PARISH POLICE JURY
Winnsboro, Louisiana

Schedule of Compensation, Benefits and Other Payments to Agency Head
For the Year Ended December 31, 2018

RICKY CAMPBELL, POLICE JURY PRESIDENT

PURPOSE	AMOUNT
Salary	\$19,200
Benefits - Medicare	278
Deferred Compensation	4,800
Benefits - Other	255
Meals	65
Mileage	154
Registration fees	217
Cellphone	530

ALAN DUPY, FIRE DISTRICT NO.2 FIRE CHIEF

PURPOSE	AMOUNT
Salary	\$8,691
Benefits - Medicare	122
Reimbursements	455

NATHAN JONES, FIRE DISTRICT NO.3 CHIEF

PURPOSE	AMOUNT
Reimbursements	\$500
Mileage	248
Meals	145

MANDY PARKER, FIRE DISTRICT NO.4 CHIEF

PURPOSE	AMOUNT
Meetings	\$2,355

Other Reports

**Independent Auditor's Report Required
by *Government Auditing Standards***

The following independent auditor's report on compliance and internal control over financial reporting is presented in compliance with the requirements of *Government Auditing Standards* issued by the Comptroller General of the United States and the *Louisiana Governmental Audit Guide*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor.

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

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116 Professional Drive - West Monroe, LA 71291
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Practice Limited to
Governmental Accounting,
Auditing and
Financial Reporting

**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***

Franklin Parish Police Jury
Winnsboro, Louisiana

I 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 Franklin Parish Police Jury as of and for the year ended December 31, 2018 and the related notes to the financial statements, which collectively comprise the Franklin Parish Police Jury's basic financial statements, and have issued my report thereon dated May 3, 2019.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered the Franklin 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 my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Franklin Parish Police Jury's internal control. Accordingly, I do not express an opinion on the effectiveness of the Franklin Parish Police Jury's internal control.

A deficiency in internal control exist 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 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.

My 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. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

FRANKLIN PARISH POLICE JURY
Winnsboro, Louisiana
Independent Auditor's Report on Compliance
And Internal Control Over Financial Reporting, etc.
December 31, 2018

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Franklin Parish Police Jury's financial statements are free from material misstatement, I 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 my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed one instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and is included as finding 2018-001 in the accompanying schedule of findings and questioned costs.

Franklin Parish Police Jury's Response to Findings

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

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Franklin Parish Police Jury'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 Franklin Parish Police Jury's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Office of the Louisiana Legislative Auditor as a public document.



West Monroe, Louisiana
May 3, 2019

FRANKLIN PARISH POLICE JURY
Winnsboro, Louisiana

Schedule of Audit Findings
For the Year Ended December 31, 2018

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unmodified opinion on the annual financial statements of the Franklin Parish Police Jury.
2. One instance of noncompliance material to the financial statements of the Franklin Parish Police Jury was disclosed during the audit.
3. No significant deficiencies relating to the audit of the financial statements are reported in the Independent Auditor's Report on Internal Control.

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

2018-001 Possible Misappropriation of Assets

Condition: While performing various audit procedures, it appears that the former fire chief, Jason Armstrong resigned from the Fire District No. 4 and did not return items, (ex. radio and ipad, and other miscellaneous items) issued to him.

Criteria: A public entity is not allowed to donate anything of value.

Cause of Condition: It appears former fire chief of the Fire District No. 4, Jason Armstrong did not return assets to the fire district upon resignation.

Effect of Condition: Material noncompliance relating to the financial statements.

Recommendation: Management should continue to pursue the former fire chief to return items to the Fire District No. 4.

Response: The police jury has requested multiple times for Jason Armstrong to return the property to the fire district with no avail.

FRANKLIN PARISH POLICE JURY
Winnsboro, Louisiana

Summary Schedule of Prior Audit Findings
For the Year Ended December 31, 2018

2017-001 Need to Comply LRS 42:1115A(1)

Finding: LRS 42:1115A(1) states that no public servant shall solicit or accept, directly or indirectly, any thing of economic value as a gift or gratuity from any person or from any officer, director, agent, or employee of such person, if such public servant knows or reasonably should know that such person; has or is seeking to obtain contractual or other business or financial relationships with the public servant's agency. The police jury received several cash donations, which totaled \$850, from vendors and deposited the money into the police jury bank account. The parish superintendent then purchased several items to be raffled off at the office Christmas party.

Recommendation: The police jury should not accept any thing of economic value from vendors.

Conclusion: This finding has been resolved.

OFFICERS:

President

Ricky Campbell
jurors@franklinparish.org

Vice President

Buddy Parks
jurors@franklinparish.org

Chaplain

James Harris
jurors@franklinparish.org



6558 MAIN STREET • WINNSBORO, LA 71295
PHONE (318) 435-9429 • FAX (318) 435-9420

OFFICERS:

Parish Superintendent

Beau Hill
superintendent@fppj.org

Secretary Treasurer

Sam Wiggins
samwiggins@franklinparish.org

Assistant Secretary Treasurer

Karah Lochbrunner
karah@fppj.org

May 3, 2019

Mary Jo Finley, CPA
116 Professional Drive
West Monroe, LA 7291

RE: 2018 Audit Finding

Dear Mrs. Finley,

Upon Mr. Armstrong leaving the Fire Protection District No. 4 he failed to return property of the district. Mr. Armstrong has been asked several times in 2018 and once in 2019 to return Fire District No. 4's property to no avail. To our knowledge there are two radios, an iPad and miscellaneous gear.

Respectfully,

Ricky Campbell
President

MEMBERS:

District 1
Ricky Campbell

District 2
K. W. "Buddy" Parks

District 3
James Harris

District 4
Troy Hendry

District 5
Leroy Scott

District 6
WH "Rawhide" Robinson

District 7
Joe Lewis

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Independent Accountant's Report on Applying Agreed-Upon Procedures

Franklin Parish Police Jury
6568 Main Street
Winnsboro, LA 71295

To the Franklin Parish Police Jury's Office

I have performed the procedures enumerated below, which were agreed to by the management of the Franklin Parish Police Jury's Office and the Louisiana Legislative Auditor, State of Louisiana, on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2018 through December 31, 2018. Management of Franklin Parish Police Jury's Office 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, I 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:

AGREED-UPON PROCEDURES

WRITTEN POLICIES AND PROCEDURES

1. Obtain the entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the entity does not have any written policies and procedures), as applicable:
 - A. Budgeting, including preparing, adopting, monitoring, and amending the budget.
 - 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.
 - C. Disbursements, including processing, reviewing, and approving

- D. Receipts, including receiving, recording, and preparing deposits
- E. Payroll/Personnel, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
- 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
- G. Credit Cards (and debit cards, fuel cards, P-Cards, if applicable), including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage.
- H. Travel and expense reimbursement, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- 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.
- J. Debt Service, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

Written policies and procedures were obtained and address the function noted above.

BOARD (OR FINANCE COMMITTEE, IF APPLICABLE)

- 2. Obtain and review the board/committee minutes for the fiscal period, and:
 - a) Report whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.
 - b) Report whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the entity's prior audit (GAAP-basis).
 - ▶ If the budget-to-actual comparisons show that management was deficit spending during the fiscal period, report whether there is a formal/written plan to eliminate the deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, report whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan.

- c) Report whether the minutes referenced or included non-budgetary financial information (e.g. approval of contracts and disbursements) for at least one meeting during the fiscal period.

The police jury meets monthly in accordance with the agency by-laws. The treasurer prepares the financial statements presents budget to actual comparisons at each meeting. Non-budgetary financial information is also presented at meetings.

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:
 - 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);
 - 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);
 - 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.

The agency provided me with a certified list of all bank accounts. October, 2018 was randomly selected to be tested. For the 5 bank accounts selected for testing it was determined that the all 5 bank reconciliations were performed by the receptionist and that the reconciliations were reviewed by the treasurer. There was evidence that the reconciliations are performed within 60 days of the bank statement date. None of the 5 accounts selected to test had outstanding reconciling items over 12 months.

COLLECTIONS

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).

Agency provided me with a certified list of deposit sites and I verified that it was complete.

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:

- A) Employees that are responsible for cash collections do not share cash drawers/registers.
- 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.
- 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.
- 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 agency has 1 collection location with one cash drawer, which is maintained by the treasurer. All transactions in the cash drawer are handled by the Treasurer. The money is deposited on the day received and deposit slips are posted by the payroll clerk. Bank reconciliations are prepared by the receptionist and reviewed by the treasurer.

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

The Police Jury has surety bond coverage on the Treasurer, Secretary, Road Superintendent, and the Jury president. There is no coverage on any other employees.

- 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 statement 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:

- A) Observe that receipts are sequentially pre-numbered.
- B) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
- C) Trace the deposit slip total to the actual deposit per the bank statement.
- 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).

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

The Police Jury uses pre-numbered receipts. Deposit documentation was traced to the supporting documentation for the receipts. The deposit slips selected were traced to the bank statement. The Police Jury's office makes deposits on the day money is received. The deposits were traced to the posting in the Quickbooks accounting software.

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).

Agency provided a complete list of locations that process payments and represented that the list was complete.

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:

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

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

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.

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.

The Police Jury uses a purchase order system and purchase requisitions. The employees initiate all purchases and request a purchase order from the receptionist or the designated employee at the road barn. Each keep a manual book of purchases orders. The receptionist enters the purchase orders into the quickbooks software. Then all purchase orders are printed out and given to the treasurer who matches them up with invoices. The treasurer adds all new vendors. The treasurer enters all bills into the quickbooks accounting system and initiates the checks. Checks require 2 signatures, the treasurer and the police jury president normally sign all checks. The receptionist mails all check payments.

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:

- A) Observe that the disbursement matched the related original invoice/billing statement.
- B) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

All disbursements selected to be tested had the proper support documentation. The treasurer initiates the disbursements and the treasurer and police jury president signs all checks. The receptionist reconciles all bank statements and the treasurer reviews the reconciliations.

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.

The agency provided me with a certified list of all active credit cards, fuel cards, etc.

- 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:

- 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, 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.]

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

The treasurer reviews all credit card statements and then prepares the checks and the treasurer and police jury president sign all checks. For the cards tested, there were no interest charges on the credit card statements.

- 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).

All transactions tested had the proper documentation. An authorized employee is the card holder and the receptionist initiates all purchases and the treasurer approves all purchases. No meal charges were noted during test period.

TRAVEL AND EXPENSE REIMBURSEMENT

14. The Franklin Parish Police Jury had no exceptions in the prior year AUP testing, therefore this section was excluded from testing for the current period.

CONTRACTS

15. The Franklin Parish Police Jury had no exceptions in the prior year AUP testing, therefore this section was excluded from testing for the current period.

PAYROLL AND PERSONNEL

16. The Franklin Parish Police Jury had no exceptions in the prior year AUP testing, therefore this section was excluded from testing for the current period.
17. The Franklin Parish Police Jury had no exceptions in the prior year AUP testing, therefore this section was excluded from testing for the current period.
18. The Franklin Parish Police Jury had no exceptions in the prior year AUP testing, therefore this section was excluded from testing for the current period.
19. The Franklin Parish Police Jury had no exceptions in the prior year AUP testing, therefore this section was excluded from testing for the current period.

ETHICS (EXCLUDING NONPROFITS)

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

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

Agency provided support for ethics training for the three employees. Agency had written documentation to show that the employees have read the agency policy concerning the ethics policy.

DEBT SERVICE

21. The Franklin Parish Police Jury had no exceptions in the prior year AUP testing, therefore this section was excluded from testing for the current period.
22. The Franklin Parish Police Jury had no exceptions in the prior year AUP testing, therefore this section was excluded from testing for the current period.

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.

The Police Jury's office has no known misappropriation of funds during the test period.

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.

I observed the fraud hotline notice posted on the premises.

I was 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, I do not express such an opinion or conclusion. Had I performed additional procedures, other matters might have come to my 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.



Mary Jo Finley, CPA
May 3, 2019

OFFICERS:

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Ricky Campbell
jurors@franklinparish.org

Vice President

Buddy Parks
jurors@franklinparish.org

Chaplain

James Harris
jurors@franklinparish.org



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OFFICERS:

Parish Superintendent

Beau Hill
superintendent@fppj.org

Secretary Treasurer

Sam Wiggins
samwiggins@franklinparish.org

Assistant Secretary Treasurer

Karah Lochbrunner
karah@fppj.org

May 3, 2019

Mary Jo Finley, CPA
116 Professional Drive
West Monroe, LA 71291

RE: AUP Exceptions Response

Following is the Franklin Parish Police Jury's response to the report of exceptions found during your testing performed in accordance with the LLA's Statewide Agreed-Upon Procedures:

6 – A Cash Collections

All employees that handle cash for the Franklin Parish Police Jury are bonded with the exception of the Receptionist. Being that there have not been any issues or discrepancies and since a bond is not legally required, the parish deems that it is not financially feasible.

Respectfully,

Ricky Campbell
Ricky Campbell, President

Sam Boyd
Sam Boyd, Secretary

MEMBERS:

District 1
Ricky Campbell

District 2
K. W. "Buddy" Parks

District 3
James Harris

District 4
Troy Hendry

District 5
Leroy Scott

District 6
WH "Rawhida" Robinson

District 7
Joe Lewis