

FRANKLIN PARISH POLICE JURY
Winnsboro, Louisiana

**Primary Government Financial Statements
With Independent Auditor's Report
As of and for the Year Ended
December 31, 2017
With Supplemental Information Schedules**

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Winnsboro, Louisiana**

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 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, 2017
(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, 2017. We encourage readers to consider the information presented here, in conjunction with the basic financial statements, and the supplementary information provided in this report in assessing the efficiency and effectiveness of our stewardship of public resources.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the 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 19 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 \$32,440,939. Of those net position, \$18,740,226 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		
	2017	2016
Assets		
Cash and cash equivalents	\$12,177,333	\$11,017,031
Receivables	3,994,559	3,691,104
Capital assets (net)	18,740,226	19,099,164
Total Assets	34,912,118	33,807,299
Deferred Outflows of Resources		
Pension related	573,271	756,985
Total Assets and Deferred Outflow of Resources	\$35,485,389	\$34,564,284

Liabilities		
Accounts payable	\$366,948	\$282,333
Salaries payable	45,251	41,297
Payroll withholding payable	67,749	64,119
Compensated absences payable	106,978	102,451
Capital leases payable	37,670	59,432
Certificates of Indebtedness	55,000	72,000
Net pension liability	441,392	547,690
Net OPEB obligation	<u>1,840,738</u>	<u>1,702,007</u>
Total Liabilities	<u>2,961,726</u>	<u>2,871,329</u>
Deferred Inflows of Resources		
Pension related	82,724	88,901
Net Position		
Invested in capital assets, net of related debt	18,647,556	18,967,732
Unrestricted	<u>13,793,383</u>	<u>12,636,322</u>
Total Net Position	<u>\$32,440,939</u>	<u>\$31,604,054</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, 2017, combined governmental fund balances of \$15,691,944 showed an increase of \$1,371,558 over December 31, 2016. The General Fund's balance of \$939,984 showed an increase of \$74,603 from the 2016 balance of \$865,381.

Budgetary Highlights

GENERAL FUND - The differences in revenues were due to increase in other revenues (donation of land for activity center) and decreases in fees, charges, and commissions. Expenditures required an increase in general government, public safety, economic development and assistance and capital outlay and a decrease in culture and recreation.

ROAD AND BRIDGE - The differences in revenues were due to increases in sales tax, federal funds, parish transportation, fees, charges and commission, use of money and property and other revenues. Expenditures required an increase in public works and capital outlay.

SALES TAX - The differences in expenditures was due to an increase in public works. The differences in revenues was due to an increase in sales tax revenue.

DRAINAGE MAINTENANCE - The differences in expenditures was due to an increase in public works and capital outlay. Revenues required no amendments.

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, 2017, amounts to \$18,740,226 (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 \$2,357,150. Reductions in capital assets for the year ended December 31, 2017 were \$1,402,352.

Long-Term Debt. The Franklin Parish Police Jury had long-term debt at December 31, 2017 relating to compensated absences totaling \$106,978. At the end of the fiscal year, the Franklin Parish Police Jury also had debt outstanding, in the form of leases, of \$37,670, which will be paid in full within four years. During the year ended December 31, 2017, \$21,762 of debt was paid in accordance with the debt agreement. The Franklin Parish Police Jury has Certificates of Indebtedness outstanding of \$55,000. 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, 2017 is \$1,840,738. Net pension liability at December 31, 2017 is \$441,392.

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.

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 Franklin Parish Police Jury, as of December 31, 2017, 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 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 do not include financial data of all of the Police Jury's legally separate component units. Accounting principles generally accepted in the United State of America require the financial data for all component units to be reported with the financial data of the Police Jury's primary government unless the Police Jury also issues financial statements for the financial reporting entity that include the financial data for its component units. The Police Jury has not issued such reporting entity financial statements. The amount by which this departure would affect the assets, liabilities, 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, 2017, or the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions

In addition, 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, 2017, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 8, the budgetary comparison information on pages 49 through 51, and the schedule of funding progress for the retiree healthcare plan on page 52, and the schedule of the police jury's proportionate share of the net pension liability on pages 53 through 56, 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.

Supplementary and Other Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of the Franklin Parish Police Jury's primary government. The accompanying supplemental information and other information, as listed in the table of contents are presented for the purpose of additional analysis and are not a required part of the financial statements.

FRANKLIN PARISH POLICE JURY
Winnsboro, Louisiana
Independent Auditor's Report,
December 31, 2017

The accompanying supplemental information, as listed in the table of contents, is 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. The schedule of compensation, benefits, and other payments to agency head on page 70 presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the primary government 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 accompanying supplementary information, as listed in the table of contents, is fairly stated, in all material respects, in relation to the primary government's basic financial statements as a whole.

The accompanying other information, as listed in the table of contents, has not been subjected to the auditing procedures applied in the audit of the primary government's basic financial statements, and accordingly, I do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, I have also issued a report dated February 28, 2018, 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.



West Monroe, Louisiana
February 28, 2018

Basic Financial Statements

Franklin Parish Police Jury
Winnsboro, Louisiana
Governmental Activities
Statement of Net Position
December 31, 2017

Assets	
Cash and cash equivalents	\$12,177,333
Receivables	3,994,559
Capital assets (net)	<u>18,740,226</u>
Total Assets	<u>34,912,118</u>
DEFERRED OUTFLOW OF RESOURCES	
Pension related	<u>573,271</u>
TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES	<u>\$35,485,389</u>
Liabilities	
Accounts payable	\$366,948
Salaries payable	45,251
Payroll withholding payable	67,749
Compensated absences payable	106,978
Capital leases payable	37,670
Long term liabilities:	
Due within one year	18,000
Due in more than one year	37,000
Net pension liability	441,392
Net OPEB obligation	<u>1,840,738</u>
Total Liabilities	<u>2,961,726</u>
DEFERRED INFLOWS OF RESOURCES	
Pension related	82,724
Net Position	
Invested in capital assets, net of related debt	18,647,556
Unrestricted	<u>13,793,383</u>
Total Net Position	<u>32,440,939</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u>\$35,485,389</u>

See accompanying notes to basic financial statements.

Franklin Parish Police Jury
Winnsboro, Louisiana
Statement of Activities
For the Year Ended December 31, 2017

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	\$967,188	\$104,883	\$3,588		(\$858,717)
Public safety	576,166		4,960	\$250,000	(321,206)
Public works	6,687,217	12,060	348,869	90,110	(6,236,178)
Health and welfare	372,526		69,653		(302,873)
Culture and recreation	138,945	65,507		32,500	(40,938)
Economic development and assistance	83,802				(83,802)
Total governmental activities	<u>\$8,825,844</u>	<u>\$182,450</u>	<u>\$427,070</u>	<u>\$372,610</u>	<u>(7,843,714)</u>
General revenues:					
Taxes:					
Ad valorem taxes					3,855,426
Sales taxes					4,213,542
State revenue sharing					172,376
Fire insurance rebate					91,027
Other taxes, penalties, and interest					5,857
Grants and contributions not restricted to specific programs					55,595
Licenses and permits					143,207
Unrestricted investment earnings					122,651
Other revenues					17,475
Gain (Loss) on disposal of assets					3,443
Total general revenues					<u>8,680,599</u>
Change in net position					836,885
Net position at beginning of year as restated					<u>31,604,054</u>
Net position at end of year					<u>\$32,440,939</u>

See accompanying notes to basic financial statements.

Franklin Parish Police Jury
Winnsboro, Louisiana
Governmental Funds
Balance Sheet December 31, 2017

	General	Road and Bridge	Drainage Maintenance	Parish Equipment	Sales Tax	Other Governmental Funds	Total Governmental Funds
Assets							
Cash and equivalents	\$615,994	\$4,512,020	\$841,372	\$860,763	\$1,802,064	\$3,545,120	\$12,177,333
Receivables	359,219	271,459	1,032,095	750,364	112,766	1,468,656	3,994,559
Due from other funds	87,695	6,037			30,000	231	123,963
Total Assets	<u>\$1,062,908</u>	<u>\$4,789,516</u>	<u>\$1,873,467</u>	<u>\$1,611,127</u>	<u>\$1,944,830</u>	<u>\$5,014,007</u>	<u>\$16,295,855</u>
Liabilities and Fund Balances							
Liabilities:							
Accounts payable	\$17,702	\$64,551	\$38,714	\$45,988	\$101,285	\$98,708	\$366,948
Salaries payable	7,473	21,600	14,023			2,155	45,251
Payroll withholdings payable	67,749						67,749
Due to other funds	30,000	2,292	231		56,376	35,064	123,963
Total Liabilities	122,924	88,443	52,968	45,988	157,661	135,927	603,911
Fund Equity - fund balances:							
Restricted:							
Other General Government						1,283,898	1,283,898
Health and welfare						883,839	883,839
Culture and recreation						11,937	11,937
Public safety						755,343	755,343
Public works		4,701,073	1,820,499	1,565,139	1,787,169	1,208,024	11,081,904
Economic development						231,887	231,887
Committed						32,220	32,220
Assigned						470,932	470,932
Unassigned	939,984						939,984
Total Fund Equity - fund balances	<u>939,984</u>	<u>4,701,073</u>	<u>1,820,499</u>	<u>1,565,139</u>	<u>1,787,169</u>	<u>4,878,080</u>	<u>15,691,944</u>
Total Liabilities and Fund Balances	<u>\$1,062,908</u>	<u>\$4,789,516</u>	<u>\$1,873,467</u>	<u>\$1,611,127</u>	<u>\$1,944,830</u>	<u>\$5,014,007</u>	<u>\$16,295,855</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, 2017

Total fund balance - governmental funds (Statement C)		\$15,691,944
Amounts reported for governmental activities in the statement of net assets are different because:		
Deferred outflows of cash		573,271
Capital assets used in governmental activities are not financial resources		18,740,226
Long term liabilities:		
Compensated absences payable	(\$106,978)	
Capital leases payable	(37,670)	
Certificates of Indebtedness	(55,000)	
Net pension liability	(441,392)	
Net OPEB obligation	(1,840,738)	
Deferred inflows of resources	(82,724)	(2,564,502)
Net position of governmental activities (Statement A)		<u>\$32,440,939</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, 2017

	General	Road and Bridge	Drainage Maint	Parish Equipment	Sales Tax	Other Governmental Funds	Total Governmental Funds
REVENUES							
Taxes:							
Ad valorem	\$287,528		\$1,119,309	\$813,749		\$1,634,840	\$3,855,426
Sales		\$2,786,777			\$1,392,954	33,811	4,213,542
Other taxes, penalties, and interest	5,857						5,857
Licenses and permits	143,207						143,207
Intergovernmental revenues:							
Federal funds	236	40,537	543	395		69,245	110,956
State funds:							
Severance taxes	55,595						55,595
Fire insurance rebate	42,690					48,337	91,027
State revenue sharing	15,141		56,840	41,325		59,070	172,376
Parish transportation		281,997					281,997
Other	32,901						32,901
Fees, charges, and commissions for services	99,219				12,060	71,171	182,450
Use of money and property	7,446	42,446	11,086	9,708	16,968	34,997	122,651
Other	271,709	7,300	49,923	7,910		36,984	373,826
Total revenues	961,529	3,159,057	1,237,701	873,087	1,421,982	1,988,455	9,641,811
EXPENDITURES							
Current:							
General government:							
Legislative	145,535						145,535
Judicial	98,599						98,599
Elections	26,846						26,846
Finance and administrative	249,668						249,668
Other						398,207	398,207
Public safety	92,740					259,507	352,247
Public works	55,877	2,217,470	1,026,474	585,458	1,285,248	334,161	5,504,688

Health and welfare	13,236					235,088	248,324
Culture and recreation	32,654					48,646	81,300
Economic development and assistance	30,921					52,881	83,802
Debt service						51,005	51,005
Capital outlay	251,108	384,854	1,850	254,583		141,080	1,033,475
Total expenditures	997,184	2,602,324	1,028,324	840,041	1,285,248	1,520,575	8,273,696
EXCESS OF REVENUES OVER EXPENDITURES	<u>(35,655)</u>	<u>556,733</u>	<u>209,377</u>	<u>33,046</u>	<u>136,734</u>	<u>467,880</u>	<u>1,368,115</u>
OTHER FINANCING SOURCES (Use)							
Operating transfers in	110,258						110,258
Proceeds from disposal of assets				3,443			3,443
Operating transfers out						(110,258)	(110,258)
Total other financing sources (use)	110,258	NONE	NONE	3,443	NONE	(110,258)	3,443
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER USE	<u>74,603</u>	<u>556,733</u>	<u>209,377</u>	<u>36,489</u>	<u>136,734</u>	<u>357,622</u>	<u>1,371,558</u>
FUND BALANCES - BEGINNING	<u>865,381</u>	<u>4,144,340</u>	<u>1,611,122</u>	<u>1,528,650</u>	<u>1,650,435</u>	<u>4,520,458</u>	<u>14,320,386</u>
FUND BALANCES - ENDING	<u>\$939,984</u>	<u>\$4,701,073</u>	<u>\$1,820,499</u>	<u>\$1,565,139</u>	<u>\$1,787,169</u>	<u>\$4,878,080</u>	<u>\$15,691,944</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, 2017

Net change in fund balances - total governmental funds (Statement D)	\$1,371,558
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.	(358,938)
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.	21,762
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.	17,000
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.	(138,731)
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).	(4,527)
Non-employer contributions to cost-sharing pension plan	17,475
Pension expense	<u>(88,714)</u>
Change in net position of governmental activities (Statement B)	<u>\$836,885</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, 2017

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</u> <u>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
Communications District	December 31	1 & 3
Hospital Service District No. 1	December 31	1 & 3
Sewerage District No. 1	June 30	1 & 3
Sewerage District No. 2	December 31	1 & 3
Elam Sewer District	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 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, 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

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

taxes, state revenue sharing, Parish Transportation Act funds, and operating transfers from the General Fund.

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	8.15	2022
Health Unit	3.16	3.30	2019
Drainage maintenance	10.77	11.21	2022
Road equipment and salary adjustment	4.19	4.27	2023
Courthouse maintenance	3.92	4.08	2022
Fire district 2	10.42	10.53	2020
Fire district 3	10.37	14.98	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 2017 assessed valuation (amounts expressed in thousands):

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

	2017 Assessed Valuation	Per cent of Total Assessed Valuation
Perryville Gas Storage	\$12,886	9.97%
Regency Intrastate	9,248	7.15%
ETC Tiger Pipeline, LLC	4,637	3.59%
Entergy Louisiana, Inc.	5,243	4.06%
Tennessee Gas Pipeline Co.	4,542	3.51%
Columbia Gulf Transmission	2,351	1.82%
Northeast Louisiana Power Coop	1,543	1.19%
American Midstream, Inc.	1,291	1.00%
Winnsboro State Bank	1,249	0.97%
ANR Pipeline Company	1,190	0.92%
Total	<u>\$44,180</u>	<u>34.18%</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 2017 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, 2017, employees of the police jury had accumulated and vested \$106,978 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. Fund Balances

In accordance with Governmental Accounting Standards Board (“GASB”) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the police jury classifies governmental fund balances as follows:

- *Non-spendable* - includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints.
- *Restricted* - includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or grantors, or amounts constrained due to constitutional provisions or enabling legislation.
- *Committed* - includes fund balance amounts that are constrained for specific purposes that are internal imposed by the police jury through formal action of the police jury itself and does not lapse at year-end.

- *Assigned* - Includes fund balance amounts that are intended to be used for a specific purpose that are considered to be neither restricted or committed. Fund balance can be assigned by the Secretary/Treasurer.
- *Unassigned* - includes fund balance amounts within the General Fund which has not been classified within the above-mentioned categories and negative fund balances in other governmental 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.

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, 2017, the police jury has cash (book balances), in total of \$12,177,333, 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, 2017, are secured in total as follows:

Bank Balances	<u>\$12,277,063</u>
Federal deposit insurance	\$255,324
Pledged securities (uncollateralized)	<u>12,030,142</u>
Total	<u>\$12,285,466</u>

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

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 \$3,994,559 at December 31, 2017, are as follows:

	General Fund	Special Revenue Funds	Total
Taxes:			
Ad valorem	\$255,389	\$3,145,216	\$3,400,605
Sales		338,371	338,371
Alcoholic Beverage	1,419		1,419
State grants	101,220	150,279	251,499
Accounts and other	1,191	1,474	2,665
Total	<u>\$359,219</u>	<u>\$3,635,340</u>	<u>\$3,994,559</u>

4. CHANGES IN CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended 12/31/17 is as follows:

	Balance January 1,	Additions	Deletions	Balance December 31,
Police Jury:				
Capital assets not being depreciated:				
Land	\$390,416	\$278,005		\$668,421
Construction in progress	1,788,350	18,796	(\$1,323,674)	483,472
Assets under Capital Lease	55,886			55,886
Total capital assets not being depreciated	<u>2,234,652</u>	<u>296,801</u>	<u>(1,323,674)</u>	<u>1,207,779</u>
Capital assets being depreciated:				
Infrastructure - roads	88,001,416	384,854		88,386,270
Infrastructure - bridges	3,366,140			3,366,140
Buildings and improvements	6,535,288	1,330,064		7,865,352
Improvements other than buildings	2,850,315			2,850,315

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

	Balance January 1,	Additions	Deletions	Balance December 31,
Office furniture and equipment	\$67,836	\$3,725		\$71,561
Heavy equipment	1,925,946	63,561	(\$54,788)	1,934,719
Other equipment	706,239	158,689		864,928
Vehicles	<u>1,334,778</u>	<u>119,456</u>	<u>(23,890)</u>	<u>1,430,344</u>
Total capital assets being depreciated	<u>104,787,958</u>	<u>2,060,349</u>	<u>(78,678)</u>	<u>106,769,629</u>
Less accumulated depreciation for:				
Infrastructure - roads	(77,428,202)	(762,206)		(78,190,408)
Infrastructure - bridges	(1,753,886)	(40,560)		(1,794,446)
Buildings and improvements	(3,874,618)	(182,482)		(4,057,100)
Improvements other than buildings	(2,019,453)	(119,591)		(2,139,044)
Office furniture and equipment	(63,209)	(2,219)		(65,428)
Heavy equipment	(1,064,984)	(128,269)	54,788	(1,138,465)
Other equipment	(512,279)	(97,385)		(609,664)
Vehicles	<u>(1,206,816)</u>	<u>(59,701)</u>	<u>23,890</u>	<u>(1,242,627)</u>
Total accumulated depreciation	<u>(87,923,447)</u>	<u>(1,392,413)</u>	<u>78,678</u>	<u>(89,237,182)</u>
Total capital assets being depreciated (net)	<u>\$16,864,511</u>	<u>\$667,936</u>	<u>NONE</u>	<u>\$17,532,447</u>
Total capital assets (net)	<u>\$19,099,163</u>	<u>\$964,737</u>	<u>(\$1,323,674)</u>	<u>\$18,740,226</u>

Depreciation expense as of and for the year ended 12/31/17 was charged as follows:

	Amount
General government	\$37,118
Public safety	122,962
Public works (including depreciation on road infrastructure)	1,050,889
Health and welfare	123,799
Culture and recreation	<u>57,645</u>
Total	<u>\$1,392,413</u>

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. As of January 1997, elected officials, except coroners, justices of the peace, and parish presidents may no longer join PERS. Section 1901 through 2025 of Title 11 of the Louisiana Revised Statutes (La. R.S. 11:1901-2025) and other general laws of the State of Louisiana govern PERS.

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

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, 2017, the Franklin Parish Police Jury's total payroll for all employees was \$1,540,915. Total covered payroll was \$1,258,872. Covered payroll refers to all compensation paid by the Franklin Parish Police Jury to active employees covered by the Plan.

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

Contributions

According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ended December 31, 2017, the actual employer contribution rate was 12.5% 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

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

taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities, but are not considered special funding situations.

Under Plan A, members are required by state statute to contribute 9.50% of their annual covered salary. The contributions are deducted from the employee's wages or salary and remitted by the 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, 2017 were \$157,359.

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

At December 31, 2017, the Employer reported a liability of \$415,107 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of December 31, 2016 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The Franklin Parish Police Jury's proportion of the Net Pension Liability was based on a projection of the Police Jury's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At December 31, 2016, the Police Jury's proportion was 0.201556%, which was an increase of 0.0022% from its proportion measured as of December 31, 2015.

For the year ended December 31, 2017, the Franklin Parish Police Jury recognized pension expense of \$246,569 less employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, which was \$159,107. Total pension expense for the Franklin Parish Police Jury for the year ended December 31, 2017 was \$87,462.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Beginning balance	\$753,366	\$85,245
Change in system deferred outflows and inflows	(196,095)	(10,751)
Changes in proportionate share	1,417	1,821
Difference between actual contributions and proportionate share of contributions		
Contributions for measurement period	(153,792)	

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

Contributions subsequent to the measurement date	\$157,359	
Total	\$562,255	\$76,315

The \$157,359 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, 2017. 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,	
2017	\$120,716
2018	\$129,416
2019	\$84,859
2020	(\$8,705)

Actuarial Assumptions

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

Valuation Date	December 31, 2016
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Investment Rate of Return	7.00%, per annum
Salary increases	5.25% (2.75% merit, 2.5% inflation)
Inflation rate	2.3%, 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

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

	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.
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The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the CAPM pricing model (top-down), a treasury yield curve approach (bottom-up) and an equity building-block model (bottom-up). Risk return and correlations are projected on a forward looking basis in equilibrium, in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These 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 June 30, 2015 are summarized in the following table:

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

Discount Rate

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

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

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

The following presents the Franklin Parish Police Jury's proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the Police Jury's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (6.00%) or one percentage-point higher (8.00%) than the current rate:

	1.0% Decrease (6.00%)	Current Discount Rate (7.00%)	1.0% Increase (8.00%)
Employer's proportionate share of net pension liability	\$1,241,752	\$415,107	(\$283,846)

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.

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

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

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

For the year ended December 31, 2017, the Franklin Parish Police Jurys' total payroll for all employees was \$1,540,915. Total covered payroll for the Franklin Registrar of Voters was \$12,725. Covered payroll refers to all compensation paid by the Franklin Parish Registrar of Voters to active employees covered by the Plan.

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

Contributions

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

Plan members are required by state statute to contribute 7.00% of their annual covered salary. The contributions are deducted from the employee's wages or salary and remitted by the 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, 2017 were \$2,354.

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

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

At December 31, 2017, the Employer reported a liability of \$26,285 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2016 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, 2016, the Registrar of Voters' proportion was 0.092634%, which was a decrease of 0.001178% from its proportion measured as of June 30, 2015.

For the year ended December 31, 2017, the Franklin Parish Registrar of Voters recognized pension expense of \$3,606.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Beginning balance	\$6,779	\$6,816
Change in system deferred outflows and inflows	4,133	(421)
Changes in proportionate share	612	
Difference between actual contributions and proportionate share of contributions		14
Contributions for measurement period	(2,862)	
Employer contributions subsequent to the measurement date	2,354	
Total	\$11,016	\$6,409

The \$2,354 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, 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,	
2017	(\$289)

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

2018	(\$58)
2019	(\$231)
2020	(\$1,278)

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2016, are as follows:

Valuation Date	June 30, 2016
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Investment Rate of Return	7.00%
Salary increases	6.00% (2.5% inflation, 3.5 % merit)
Inflation rate	2.50%
Mortality rates	RP-2000 Combined Healthy Annuitant 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 8.39% for the year ended June 30, 2016. Best estimates of arithmetic

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

real rates of return for each major asset class based on the System's target asset allocation as of June 30, 2016 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	15	8.50	1.28
Domestic Fixed Income	20	2.50	0.50
International Fixed Income	10	3.50	0.35
Alternative Investments	5	5.87	0.29
Real Estate	10	4.50	0.45
Totals	100%		5.87%
Inflation			2.50%

Discount Rate

The discount rate used to measure the total pension liability was 7.0%. 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 7.00%, 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 (6.00%) or one percentage-point higher (8.00%) than the current rate:

	1.0% Decrease (6.00%)	Current Discount Rate (7.00%)	1.0% Increase (8.00%)
Employer's proportionate share of net pension liability	\$36,544	\$26,285	\$17,447

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

Plan Fiduciary Net Position

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

6. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

Plan Description – The Franklin Parish Police Jury’s medical benefits are provided through a comprehensive medical plan and are made available to employees upon actual retirement.

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 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. For the few employees not covered by that system, the same retirement eligibility has been assumed.

Contribution Rates – Employees do not contribute to their post employment benefits costs until they become retirees and begin receiving those benefits. The plan provisions and contribution rates are contained in the official plan documents.

Fund Policy – Until 2009, the Franklin Parish Police Jury recognized the cost of providing post-employment medical benefits (the Franklin Parish Police Jury’s portion of the retiree medical benefit premiums) as an expense when the benefit premiums were due and thus financed the cost of the post-employment benefits on a pay-as-you-go basis. In 2017 and 2016, the Franklin Parish Police Jury’s portion of health care funding cost for retired employees totaled \$26,253 and \$24,309, respectively.

Effective January 1, 2009, the Franklin Parish Police Jury implemented Government Accounting Standards Board Codification Section P50, *Accounting and Financial Reporting by Employers for Post employment Benefits Other than Pensions* (GASB Codification Section P50). This amount was applied toward the Net OPEB Benefit Obligation as shown in the following table.

Annual Required Contribution – The Franklin Parish Police Jury’s Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB Codification Section P50. The ARC is the sum of the Normal Cost plus the contribution to amortize the Unfunded Actuarial Accrued Liability (UAAL). A level dollar, open amortization period of 30 years (the maximum amortization period allowed by GASB Codification Section P50) has been used for the post-employment benefits. The actuarially computed ARC is as follows:

	<u>2017</u>
Normal cost	\$97,568
30-year UAL amortization amount	97,764
Annual required contribution (ARC)	<u>\$195,332</u>

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

Net Post-employment Benefit Obligation (Asset) – The table below shows the Franklin Parish Police Jury’s Net Other Post-employment Benefit (OPEB) Obligation for fiscal years ending December 31:

	2017	2016
Beginning Net OPEB Obligation	\$1,702,007	\$1,566,426
Annual required contribution	195,332	187,819
Interest on Net OPEB Obligation	68,080	62,657
ARC Adjustment	(98,427)	(90,587)
OPEB Cost	164,985	159,889
Current year retiree premium	(26,253)	(24,309)
Change in Net OPEB Obligation	138,731	135,581
Ending Net OPEB Obligation	<u>\$1,840,738</u>	<u>\$1,702,007</u>

The following table shows the Franklin Parish Police Jury’s annual post employment benefits (PEB) cost, percentage of the cost contributed, and the net unfunded post employment benefits (PEB) liability for last year and this year:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual Cost Contributed	Net OPEB Liability (Asset)
December 31, 2017	\$164,985	15.91%	\$1,840,738
December 31, 2016	\$159,889	15.20%	\$1,702,007

Funded Status and Funding Progress – In 2017 and 2016, the Franklin Parish Police Jury made no contributions to its post employment benefits plan. The plan is not funded, has no assets, and hence has a funded ratio of zero. Based on the January 1, 2015 actuarial valuation, the most recent valuation, the Actuarial Accrued Liability (AAL) at the end of the year December 31, 2017 was \$1,758,158 which is defined as that portion, as determined by a particular actuarial cost method (the Franklin Parish Police Jury uses the Projected Unit Credit Cost Method), of the actuarial present value of post employment plan benefits and expenses which is not provided by normal cost.

Actuarial Accrued Liability (AAL)	\$1,758,158
Actuarial Value of Plan Assets (AVP)	-
Unfunded Act. Accrued Liability (UAAL)	1,758,158
Funded Ratio (AVP/AAL)	0.00%
Covered Payroll (active plan members)	1,331,213
UAAL as a percentage of covered payroll	132.07%

Actuarial Methods and Assumptions – Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. The actuarial valuation for post employment benefits includes estimates and assumptions regarding (1) turnover rate; (2) retirement rate; (3) health care cost trend rate; (4) mortality rate; (5) discount rate (investment return assumption); and (6) the period to which the costs apply (past, current, or future years of service by employees). Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

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

The actuarial calculations are based on the types of benefits provided under the terms of the substantive plan (the plan as understood by the Franklin Parish Police Jury and its employee plan members) at the time of the valuation and on the pattern of sharing costs between the Franklin Parish Police Jury and its plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the Franklin Parish Police Jury and plan members in the future. Consistent with the long-term perspective of actuarial calculations, the actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial liabilities and the actuarial value of assets.

Actuarial Cost Method – The ARC is determined using the Projected Unit Credit Cost Method. The employer portion of the cost for retiree medical care in each future year is determined by projecting the current cost levels using the healthcare cost trend rate and discounting this projected amount to the valuation date using the other described pertinent actuarial assumptions, including the investment return assumption (discount rate), mortality and turnover.

Actuarial Value of Plan Assets – There are not any plan assets. It is anticipated that in future valuations, should funding take place, a smoothed market value consistent with Actuarial Standards Board ASOP 6, as provided in paragraph number 125 of GASB Codification Section P50.

Turnover Rate – An age-related turnover scale based on actual experience has been used. The rates, when applied to the active employee census, produce a composite average annual turnover of approximately 10%.

Post employment Benefit Plan Eligibility Requirements – Based on past experience, it has been assumed that retirees will enter the D.R.O.P. after attainment of 27 years of service. Retirement will then occur three years after D.R.O.P. entry. Medical benefits are provided to employees upon actual retirement.

Investment Return Assumption (Discount Rate) – GASB Codification Section P50 states that the investment return assumption should be the estimated long-term investment yield on the investments that are expected to be used to finance the payment of benefits (that is, for a plan which is funded). Based on the assumption that the ARC will not be funded, a 4% annual investment return has been used in this valuation.

Health Care Cost Trend Rate – The expected rate of increase in medical cost is based on a graded schedule beginning with 8% annually, down to an ultimate annual rate of 5.0% for ten years out and later.

Mortality Rate - The 1994 Group Annuity Reserving (94GAR) table, projected to 2002, based on a fixed blend of 50% of the unloaded male mortality rate and 50% of the unloaded female mortality rates, was used. This is a published mortality table which was designed to be used in determining the value of accrued benefits in defined benefit pension plans. Projected future mortality improvement has not been used since it is our opinion that this table contains sufficiently conservative margin for the population involved in this valuation.

Method of Determining Value of Benefits – The "value of benefits" has been assumed to be the portion of the premium after retirement date expected to be paid by the employer for each retiree and has been used as the basis for calculating the actuarial present value of OPEB benefits to be paid. The employer pays 100% of the cost of the medical and dental insurance for the retirees, but not for dependents. The rates provided applicable before age 65 are "blended" rates. Since GASB Codification Section P50 mandates that "unblended" rates be used, we have estimated the "unblended" rates for two broad groups: active and retired before Medicare eligibility and

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

retired before Medicare eligibility and retired after Medicare eligibility. It has been assumed that the retiree rate before Medicare eligibility is 1.30% of the blended rate and 80% of the blended rate after Medicare eligibility.

Inflation Rate - Included in both the Investment Return Assumption and the Healthcare Cost Trend rates above is an implicit inflation assumption of 2.50% annually.

Projected Salary Increases - This assumption is not applicable since neither the benefit structure nor the valuation methodology involves salary.

Post-retirement Benefit Increases - The plan benefit provisions in effect for retirees as of the valuation date have been used and it has been assumed for valuation purposes that there will not be any changes in the future.

7. DUE FROM/TO OTHER FUNDS

The following presents interfund balances due from and to other funds at December 31, 2017.

Fund	Due To	Due From
General	\$30,000	\$87,695
Special Revenue:		
Road and Bridge	2,292	6,037
Drainage Maintenance	231	
Health Unit Maintenance	13,328	
Courthouse Maintenance		231
Sales Tax	56,376	30,000
Tourist Commission	2,260	
Turkey Creek		
Fire District No. 2	5,808	
Fire District No. 3	2,314	
Fire District No. 4	3,513	
Fire District No. 5	1,804	
Acquisition/Elevation	6,037	
Total	\$123,963	\$123,963

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, 2017, the police jury has two capital leases outstanding. One of the leases in effect is for a used fire truck and the other if for an airboat. The first has an original recorded amount of \$70,000 and the second has an original recorded amount of \$29,995.

The annual requirements to amortize all outstanding lease debt at December 31, 2017, including interest of \$2,340 is as follows:

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

<u>Year</u>	<u>Total Payment</u>	<u>Interest</u>	<u>Principal</u>
2018	\$23,522	(\$1,179)	\$22,343
2019	8,244	(767)	7,477
2020	8,244	(394)	7,850
Present value of net minimum lease	<u>\$40,010</u>	<u>(\$2,340)</u>	<u>\$37,670</u>

The following is a summary of future minimum certificates of indebtedness payments as of December 31, 2017.

Long-term debt payable at December 31, 2017, 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.	\$6,000
\$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>49,000</u>
Total Certificates of Indebtedness	<u>\$55,000</u>

The annual requirements to amortize all outstanding certificate of indebtedness debt at December 31, 2017, including interest of \$3,100 is as follows:

<u>Year</u>	<u>Total Payment</u>	<u>Interest</u>	<u>Principal</u>
2018	\$19,660	(\$1,660)	\$18,000
2019	19,060	(1,060)	18,000
2020	19,380	(380)	19,000
Present value of net minimum lease	<u>\$58,100</u>	<u>(\$3,100)</u>	<u>\$55,000</u>

9. CHANGES IN GENERAL LONG-TERM OBLIGATIONS

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

	<u>Compensated Absences</u>	<u>Capital Leases</u>	<u>Cert of Indebted</u>	<u>Total</u>
Long-term obligations at 12/31/16	\$102,451	\$59,432	\$72,000	\$233,883
Additions	44,708			44,708
Deductions	(45,229)	(21,762)	(17,000)	(83,991)
Adjustments ¹	5,048			5,048
Long-term obligations at 12/31/17	<u>\$106,978</u>	<u>\$37,670</u>	<u>\$55,000</u>	<u>\$199,648</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, 2017, 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. WORKFORCE INVESTMENT ACT PROGRAM

The Workforce Investment Act Fund (WIA) accounts for federally funded job assistance programs designed to develop job skills for economically disadvantaged parishes of Richland, Franklin, Tensas, Madison, East Carroll, Caldwell, and Jackson. Funding is provided by the United States Department of Labor through the Louisiana Department of Labor. Funds are subsequently transferred to the administrative entity (subrecipient) for actual operation of the program. The Union Parish Police Jury is now the subrecipient of this program.

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, 2017

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, 2017, 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, 2017

	General Fund			Variance With Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues				
Taxes:				
Ad Valorem	\$260,000	\$260,000	\$287,528	\$27,528
Other taxes, penalties, & interest	9,000	9,000	5,857	(3,143)
Licenses and permits	163,000	163,000	143,207	(19,793)
Intergovernmental revenues:				
Federal funds	250	250	236	(14)
State funds:				
Severance taxes	18,300	18,300	55,595	37,295
Fire insurance rebate			42,690	42,690
State revenue sharing (net)	15,000	15,000	15,141	141
Other	525	525	32,901	32,376
Fees, charges, and commissions for services	92,100	80,300	99,219	18,919
Use of money and property	3,500	3,500	7,446	3,946
Other revenue	900	250,900	271,709	20,809
Total revenues	<u>562,575</u>	<u>800,775</u>	<u>961,529</u>	<u>160,754</u>
Expenditures				
Current:				
General government:				
Legislative	165,400	150,755	145,535	5,220
Judicial	98,065	101,650	98,599	3,051
Elections	27,600	28,600	26,846	1,754
Finance and administrative	180,450	301,270	249,668	51,602
Public safety	61,800	63,600	92,740	(29,140)
Public works			55,877	(55,877)
Health and welfare	20,350	20,350	13,236	7,114
Culture and recreation	64,617	33,519	32,654	865
Economic development and assistance	39,700	40,500	30,921	9,579
Capital outlay		250,000	251,108	(1,108)
Total expenditures	<u>657,982</u>	<u>990,244</u>	<u>997,184</u>	<u>(6,940)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(95,407)</u>	<u>(189,469)</u>	<u>(35,655)</u>	<u>153,814</u>
Other Financing Source				
Operating transfer in	100,000	100,000	110,258	10,258
Total other financing source	100,000	100,000	110,258	10,258
Net Change In Fund Balances	4,593	(89,469)	74,603	164,072
Fund Balance - Beginning	137,764	137,764	865,381	727,617
Fund Balance - Ending	<u>\$142,357</u>	<u>\$48,295</u>	<u>\$939,984</u>	<u>\$891,689</u>

(Continued)

Franklin Parish Police Jury
Winnsboro, Louisiana
Budgetary Comparison Schedule
Road and Bridge and Sales Tax Funds
For the Year Ended December 31, 2017

	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	\$2,417,236	\$2,757,236	\$2,786,777	\$29,541	\$1,250,000	\$1,380,000	\$1,392,954	\$12,954
Intergovernmental revenues -								
Federal funds		34,500	40,537	6,037				
State funds:								
Parish transportation	275,000	284,000	281,997	(2,003)				
Other								
Fees, charges, and commissions		1,750			12,000	12,000	12,060	60
Use of money and property	25,000	39,000	42,446	3,446	16,000	16,000	16,968	968
Other		1,925	7,300	5,375				
Total revenues	<u>2,717,236</u>	<u>3,118,411</u>	<u>3,159,057</u>	<u>40,646</u>	<u>1,278,000</u>	<u>1,408,000</u>	<u>1,421,982</u>	<u>13,982</u>
Expenditures								
Current - Public works	2,068,900	2,340,327	2,217,470	122,857	1,276,200	1,280,850	1,285,248	(4,398)
Capital outlay	320,000	411,100	384,854	26,246				
Total expenditures	<u>2,388,900</u>	<u>2,751,427</u>	<u>2,602,324</u>	<u>149,103</u>	<u>1,276,200</u>	<u>1,280,850</u>	<u>1,285,248</u>	<u>(4,398)</u>
Excess of Revenues over Expenditures	328,336	366,984	556,733	189,749	1,800	127,150	136,734	9,584
Fund Balance - Beginning	<u>2,659,587</u>	<u>2,659,587</u>	<u>4,144,340</u>	<u>1,484,753</u>	<u>NONE</u>	<u>NONE</u>	<u>1,650,435</u>	<u>1,650,435</u>
Fund Balance - Ending	<u>\$2,987,923</u>	<u>\$3,026,571</u>	<u>\$4,701,073</u>	<u>\$1,674,502</u>	<u>\$1,800</u>	<u>\$127,150</u>	<u>\$1,787,169</u>	<u>\$1,660,019</u>

(Continued)

Franklin Parish Police Jury
Winnsboro, Louisiana
Budgetary Comparison Schedule
Drainage Maintenance and Parish Equipment Funds
For the Year Ended December 31, 2017

	Drainage Maintenance				Parish Equipment			
	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final			Original	Final		
Revenues								
Taxes - Ad valorem	\$949,000	\$949,000	\$1,119,309	\$170,309	\$700,000	\$700,000	\$813,749	\$113,749
Intergovernmental revenues -								
Federal grants	18,000	18,000	543	(17,457)	350	14,150	395	(13,755)
State - State revenue sharing (net)	17,500	17,500	56,840	39,340	25,500	89,500	41,325	(48,175)
Use of money and property	8,000	8,000	11,086	3,086	9,000	9,000	9,708	708
Other	32,300	32,300	49,923	17,623	1,800	1,800	7,910	6,110
Total revenues	<u>1,024,800</u>	<u>1,024,800</u>	<u>1,237,701</u>	<u>212,901</u>	<u>736,650</u>	<u>814,450</u>	<u>873,087</u>	<u>58,637</u>
Expenditures								
Current - Public works	1,024,275	1,060,518	1,026,474	34,044	648,000	616,657	585,458	31,199
Debt service								
Capital outlay		1,850	1,850		20,000	255,000	254,583	417
Total expenditures	<u>1,024,275</u>	<u>1,062,368</u>	<u>1,028,324</u>	<u>34,044</u>	<u>668,000</u>	<u>871,657</u>	<u>840,041</u>	<u>31,616</u>
Excess (Deficiency) of Revenues over Expenditures	<u>525</u>	<u>(37,568)</u>	<u>209,377</u>	<u>246,945</u>	<u>68,650</u>	<u>(57,207)</u>	<u>33,046</u>	<u>90,253</u>
Other Financing Source								
Proceeds from disposal of assets						4,200	3,443	(757)
Total other financing source	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>4,200</u>	<u>3,443</u>	<u>(757)</u>
Net Change In Fund Balances	<u>525</u>	<u>(37,568)</u>	<u>209,377</u>	<u>246,945</u>	<u>68,650</u>	<u>(53,007)</u>	<u>36,489</u>	<u>89,496</u>
Fund Balance - Beginning	<u>348,772</u>	<u>348,772</u>	<u>1,611,122</u>	<u>1,262,350</u>	<u>679,214</u>	<u>679,214</u>	<u>1,528,650</u>	<u>849,436</u>
Fund Balance - Ending	<u>\$349,297</u>	<u>\$311,204</u>	<u>\$1,820,499</u>	<u>\$1,509,295</u>	<u>\$747,864</u>	<u>\$626,207</u>	<u>\$1,565,139</u>	<u>\$938,932</u>

(Concluded)

**Franklin Parish Police Jury
Employee Health Care Plan
December 31, 2017**

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
December 31, 2008	\$0	\$2,429,677	\$2,429,677	0.00%	\$958,232	253.56%
December 31, 2011	\$0	\$1,084,222	\$1,084,222	0.00%	\$1,183,626	91.60%
December 31, 2014	\$0	\$1,625,516	\$1,625,516	0.00%	\$1,288,178	126.19%

Note:

Generally accepted governmental accounting principles (GASB Codification Po50.131-132) require that the schedule present information from the last three actuarial valuations.

**Franklin Parish Police Jury
Parochial Employees Retirement System
Schedule of Employer's Share of Net Pension Liability
December 31, 2017**

Actuarial Valuation Date	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
December 31, 2014	0.181036%	\$49,497	\$1,135,867	4.36%	99.45%
December 31, 2015	0.199338%	\$524,715	\$1,183,013	44.35%	92.23%
December 31, 2016	0.201556%	\$415,107	\$1,258,872	32.97%	94.15%

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, 2017**

Actuarial Valuation Date	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
June 30, 2014	0.097804%	\$22,612	\$12,725	177.70%	77.68%
June 30, 2015	0.093812%	\$22,975	\$12,725	180.55%	76.86%
June 30, 2016	0.092634%	\$26,285	\$12,725	206.56%	73.98%

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, 2017**

Actuarial Valuation Date	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
December 31, 2014	\$164,701	\$164,701	\$0	\$1,135,867	14.50%
December 31, 2015	\$153,792	\$153,792	\$0	\$1,183,013	13.00%
December 31, 2016	\$157,359	\$157,359	\$0	\$1,258,872	12.50%

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, 2017**

Actuarial Valuation Date	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
June 30, 2014	\$2,974	\$2,974	\$0	\$12,725	23.37%
June 30, 2015	\$2,704	\$2,704	\$0	\$12,725	21.25%
June 30, 2016	\$2,354	\$2,354	\$0	\$12,725	18.50%

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, 2017

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.

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, 2017

	MAINTENANCE FUNDS	ROAD EQUIP & SALARY	SECTION 8	WITNESS FEE	TOURIST COMM	UNEMP ESCROW	TURKEY CREEK	FIRE DISTRICTS	CDBG FUNDS	TOTAL
ASSETS										
Cash and cash equivalents	\$1,519,503	\$829,147	\$6,574	\$7,427	\$232,877	\$32,220	\$13,349	\$427,054	\$476,969	\$3,545,120
Receivables	679,470	393,135		204	1,270			394,577		1,468,656
Due from other funds	231									231
TOTAL ASSETS	<u>\$2,199,204</u>	<u>\$1,222,282</u>	<u>\$6,574</u>	<u>\$7,631</u>	<u>\$234,147</u>	<u>\$32,220</u>	<u>\$13,349</u>	<u>\$821,631</u>	<u>\$476,969</u>	<u>\$5,014,007</u>
LIABILITIES AND FUND EQUITY										
Liabilities:										
Accounts payable	\$27,331	\$14,258	\$1	\$2,857			\$1,412	\$52,849		\$98,708
Salaries payable	2,155									2,155
Due to other funds	13,328				\$2,260			13,439	\$6,037	35,064
Total liabilities	<u>42,814</u>	<u>14,258</u>	<u>1</u>	<u>2,857</u>	<u>2,260</u>	<u>NONE</u>	<u>1,412</u>	<u>66,288</u>	<u>6,037</u>	<u>135,927</u>
Fund Equity - fund balances:										
Restricted:										
Other General Government	1,279,124			4,774						1,283,898
Health and welfare	877,266		6,573							883,839
Culture and recreation							11,937			11,937
Public safety								755,343		755,343
Public works		1,208,024								1,208,024
Economic development					231,887					231,887
Assigned									\$470,932	470,932
Committed						\$32,220				32,220
Total Fund Equity - fund balances	<u>2,156,390</u>	<u>1,208,024</u>	<u>\$6,573</u>	<u>\$4,774</u>	<u>231,887</u>	<u>\$32,220</u>	<u>11,937</u>	<u>755,343</u>	<u>470,932</u>	<u>4,878,080</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$2,199,204</u>	<u>\$1,222,282</u>	<u>\$6,574</u>	<u>\$7,631</u>	<u>\$234,147</u>	<u>\$32,220</u>	<u>\$13,349</u>	<u>\$821,631</u>	<u>\$476,969</u>	<u>\$5,014,007</u>

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, 2016

	MAINTENANCE FUNDS	ROAD EQUIP & SALARY ADJ	SECTION 8	WITNESS FEE	TOURIST COMM	UNEMP ESCROW	TURKEY CREEK	FIRE DISTRICTS	CDBG FUNDS	TOTAL
REVENUES										
Taxes:										
Ad valorem	\$736,867	\$426,345						\$471,628		\$1,634,840
Sales					\$33,811					33,811
Intergovernmental:										
Federal funds - grants	358	207	\$37,757						\$30,923	69,245
State funds:										
Fire insurance rebate								48,337		48,337
State revenue sharing	37,419	21,651								59,070
Fees, charges, and										
commissions for services				\$5,664	19,247		\$46,260			71,171
Use of money and property	17,615	9,992	106	63	2,108	\$321	110	4,682		34,997
Other revenues	128		31,896					4,960		36,984
Total revenues	<u>792,387</u>	<u>458,195</u>	<u>69,759</u>	<u>5,727</u>	<u>55,166</u>	<u>321</u>	<u>46,370</u>	<u>529,607</u>	<u>30,923</u>	<u>1,988,455</u>
EXPENDITURES										
Current:										
General government:										
Other	389,940			8,267						398,207
Public safety								259,507		259,507
Public works		322,034							12,127	334,161
Health and welfare	155,457		79,631							235,088
Culture and recreation							48,646			48,646
Economic development and assistance					52,881					52,881
Debt service								51,005		51,005
Capital outlay		55,489						66,795	18,796	141,080
Total expenditures	<u>545,397</u>	<u>377,523</u>	<u>79,631</u>	<u>8,267</u>	<u>52,881</u>	<u>NONE</u>	<u>48,646</u>	<u>377,307</u>	<u>30,923</u>	<u>1,520,575</u>

EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>246,990</u>	<u>80,672</u>	<u>(9,872)</u>	<u>(2,540)</u>	<u>2,285</u>	<u>321</u>	<u>(2,276)</u>	<u>152,300</u>	<u>NONE</u>	<u>467,880</u>
OTHER USE										
Operating transfers out	<u>(85,258)</u>	<u>(25,000)</u>								<u>(110,258)</u>
Total other financing use	<u>(85,258)</u>	<u>(25,000)</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>(110,258)</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES AND OTHER USE	<u>161,732</u>	<u>55,672</u>	<u>(9,872)</u>	<u>(2,540)</u>	<u>2,285</u>	<u>321</u>	<u>(2,276)</u>	<u>152,300</u>	<u>NONE</u>	<u>357,622</u>
FUND BALANCES AT BEGINNING OF YEAR	<u>1,994,658</u>	<u>1,152,352</u>	<u>16,445</u>	<u>7,314</u>	<u>229,602</u>	<u>31,899</u>	<u>14,213</u>	<u>603,043</u>	<u>470,932</u>	<u>4,520,458</u>
FUND BALANCES AT END OF YEAR	<u>\$2,156,390</u>	<u>\$1,208,024</u>	<u>\$6,573</u>	<u>\$4,774</u>	<u>\$231,887</u>	<u>\$32,220</u>	<u>\$11,937</u>	<u>\$755,343</u>	<u>\$470,932</u>	<u>\$4,878,080</u>

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

Combining Balance Sheet, December 31, 2016

	<u>COURTHOUSE MAINTENANCE</u>	<u>HEALTH UNIT MAINTENANCE</u>	<u>TOTAL</u>
ASSETS			
Cash and cash equivalents	\$919,465	\$600,038	\$1,519,503
Receivables	375,642	303,828	679,470
Due from other funds	231		231
TOTAL ASSETS	<u>\$1,295,338</u>	<u>\$903,866</u>	<u>\$2,199,204</u>
LIABILITIES AND FUND EQUITY			
Liabilities:			
Accounts payable	\$16,214	\$11,117	\$27,331
Salaries payable		2,155	2,155
Due to other funds		13,328	13,328
TOTAL LIABILITIES	<u>16,214</u>	<u>26,600</u>	<u>42,814</u>
Fund equity - fund balances:			
Restricted:			
Other general government	1,279,124		1,279,124
Health and welfare		877,266	877,266
Total Fund Equity - fund balances	<u>1,279,124</u>	<u>877,266</u>	<u>2,156,390</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$1,295,338</u>	<u>\$903,866</u>	<u>\$2,199,204</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, 2017

	<u>COURTHOUSE MAINTENANCE</u>	<u>HEALTH UNIT MAINTENANCE</u>	<u>TOTAL</u>
REVENUES			
Taxes - Ad valorem	\$407,374	\$329,493	\$736,867
Federal grant	198	160	358
State funds - state revenue sharing	20,687	16,732	37,419
Use of money and property	10,900	6,715	17,615
Other revenues	128		128
Total revenues	<u>439,287</u>	<u>353,100</u>	<u>792,387</u>
EXPENDITURES			
Current - general government	389,940		389,940
Health and welfare		155,457	155,457
Total expenditures	<u>389,940</u>	<u>155,457</u>	<u>545,397</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>49,347</u>	<u>197,643</u>	<u>246,990</u>
OTHER FINANCING USE			
Operating transfers out		(85,258)	(85,258)
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER USE	<u>49,347</u>	<u>112,385</u>	<u>161,732</u>
FUND BALANCES AT BEGINNING OF YEAR	<u>1,229,777</u>	<u>764,881</u>	<u>1,994,658</u>
FUND BALANCES AT END OF YEAR	<u><u>\$1,279,124</u></u>	<u><u>\$877,266</u></u>	<u><u>\$2,156,390</u></u>

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

Combining Balance Sheet, December 31, 2017

	<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	\$236,004	\$42,461	\$125,307	\$23,282	\$427,054
Receivables	<u>139,514</u>	<u>48,385</u>	<u>61,707</u>	<u>144,971</u>	<u>394,577</u>
TOTAL ASSETS	<u><u>\$375,518</u></u>	<u><u>\$90,846</u></u>	<u><u>\$187,014</u></u>	<u><u>\$168,253</u></u>	<u><u>\$821,631</u></u>
LIABILITIES AND FUND EQUITY					
Liabilities:					
Accounts payable	\$5,996	\$2,473	\$11,450	\$32,930	\$52,849
Due to other funds	<u>5,808</u>	<u>2,314</u>	<u>3,513</u>	<u>1,804</u>	<u>13,439</u>
Total liabilities	<u>11,804</u>	<u>4,787</u>	<u>14,963</u>	<u>34,734</u>	<u>66,288</u>
Fund Equity - fund balances - restricted - public safety	<u>363,714</u>	<u>86,059</u>	<u>172,051</u>	<u>133,519</u>	<u>755,343</u>
TOTAL LIABILITIES AND FUND EQUITY	<u><u>\$375,518</u></u>	<u><u>\$90,846</u></u>	<u><u>\$187,014</u></u>	<u><u>\$168,253</u></u>	<u><u>\$821,631</u></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, 2017

	FIRE DISTRICT 2	FIRE DISTRICT 3	FIRE DISTRICT 4	FIRE DISTRICT 5	TOTAL
REVENUES					
Taxes - Ad valorem	\$165,686	\$54,080	\$84,341	\$167,521	\$471,628
State funds - Fire insurance rebate	10,517	4,940	10,376	22,504	48,337
Use of money and property	2,537	750	1,358	37	4,682
Miscellaneous revenues	4,960				4,960
Total revenues	<u>183,700</u>	<u>59,770</u>	<u>96,075</u>	<u>190,062</u>	<u>529,607</u>
EXPENDITURES					
Current - public safety	94,112	83,408	60,449	21,538	259,507
Debt service	19,240		31,765		51,005
Capital outlay	5,193	26,597		35,005	66,795
Total expenditures	<u>118,545</u>	<u>110,005</u>	<u>92,214</u>	<u>56,543</u>	<u>377,307</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>65,155</u>	<u>(50,235)</u>	<u>3,861</u>	<u>133,519</u>	<u>152,300</u>
FUND BALANCES AT BEGINNING OF YEAR	<u>298,559</u>	<u>136,294</u>	<u>168,190</u>	<u>NONE</u>	<u>603,043</u>
FUND BALANCES AT END OF YEAR	<u>\$363,714</u>	<u>\$86,059</u>	<u>\$172,051</u>	<u>\$133,519</u>	<u>\$755,343</u>

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

Combining Balance Sheet, December 31, 2017

	<u>IKE/GUSTAV</u>	<u>ACQ ELEVATION</u>	<u>TOTAL</u>
ASSETS			
Cash and cash equivalents	<u>\$687</u>	<u>\$476,282</u>	<u>\$476,969</u>
TOTAL ASSETS	<u><u>\$687</u></u>	<u><u>\$476,282</u></u>	<u><u>\$476,969</u></u>
LIABILITIES AND FUND EQUITY			
Liabilities - Due to other funds		\$6,037	\$6,037
Fund Equity - fund balances -assigned	<u>\$687</u>	<u>470,245</u>	<u>470,932</u>
TOTAL LIABILITIES AND FUND EQUITY	<u><u>\$687</u></u>	<u><u>\$476,282</u></u>	<u><u>\$476,969</u></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, 2016

	CDBG - IKE/GUSTAV	CDBG - ACQ/ELEVATION	TOTAL
REVENUES			
Federal grants	\$30,923		\$30,923
Total revenues	<u>30,923</u>	NONE	<u>30,923</u>
EXPENDITURES			
Public works	12,127		12,127
Capital outlay	18,796		18,796
Total expenditures	<u>30,923</u>	NONE	<u>30,923</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>NONE</u>	<u>NONE</u>	<u>NONE</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>\$687</u>	<u>\$470,245</u>	<u>\$470,932</u>

FRANKLIN PARISH POLICE JURY
Winnsboro , Louisiana
SUPPLEMENTAL INFORMATION SCHEDULES
As of and for the Year Ended December 31, 2017

COMPENSATION PAID POLICE JURORS

The schedule of compensation paid to police jurors is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Compensation of the police jurors is included in the legislative expenditures of the General Fund. In accordance with Louisiana Revised Statute 33:1233, the police jury has elected the monthly payment method of compensation. 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, 2017

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, 2017

RICKY CAMPBELL, POLICE JURY PRESIDENT

PURPOSE	AMOUNT
Salary	\$19,200
Benefits - Medicare	278
Meals	230
Mileage	372
Registration fees	481
Cellphone	530

ALAN DUPY, FIRE DISTRICT NO.2 FIRE CHIEF

PURPOSE	AMOUNT
Salary	\$7,144
Benefits - Medicare	547
Reimbursements	55
Meals	75
Training	455

NATHAN JONES, FIRE DISTRICT NO.3 CHIEF

PURPOSE	AMOUNT
Reimbursements	\$139
Mileage	129
Meals	82
Training	945

JASON ARMSTRONG, FIRE DISTRICT NO.4 CHIEF

PURPOSE	AMOUNT
Meetings	\$525
Housing	542
Attending fires	660

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

MARY JO FINLEY, CPA, INC.
A PROFESSIONAL ACCOUNTING CORPORATION
116 Professional Drive - West Monroe, LA 71291
Phone (318) 329-8880 - Fax (318) 239-8883

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 *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 Franklin Parish Police Jury as of and for the year ended December 31, 2017 and the related notes to the financial statements, which collectively comprise the Franklin Parish Police Jury's basic financial statements, and have issued my report thereon dated February 28, 2018.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered Franklin Parish Police Jury's internal control over financial reporting 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.

FRANKLIN PARISH POLICE JURY

Winnsboro, Louisiana

Independent Auditor's Report on Compliance

And Internal Control Over Financial Reporting, etc.

December 31, 2017

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. 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Franklin Parish Police Jury's financial statements are free of 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 are required to be reported under *Government Auditing Standards* and are included as findings 2017-001 in the accompanying schedule of findings and questioned costs.

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.



West Monroe, Louisiana

February 28, 2018

FRANKLIN PARISH POLICE JURY
Winnsboro, Louisiana

Schedule of Audit Findings
For the Year Ended December 31, 2017

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified 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

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.

FRANKLIN PARISH POLICE JURY
Winnsboro, Louisiana

Summary Schedule of Prior Audit Findings
For the Year Ended December 31, 2017

There were no audit findings reported in the audit for the year ended December 31, 2016.

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

Larry Wheeler
lppj.larry@gmail.com

Secretary Treasurer

Sam Wiggins
samwiggins@franklinparish.org

Assistant Secretary Treasurer

Karah Lockbrunner
karah@fppj.org

March 9, 2018

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

RE: Response to 2017 Audit Finding

The former Superintendent authorized the purchasing agent wrongfully to expend donated funds inappropriately. His misinterpretation of the meal allowance led him to believe that if the vendors were present at the Christmas Party in which donations were made for food, he could expend the remaining monies on gifts that could be drawn for as door prizes. The vendors were in attendance therefore, he assumed this was allowable. This will not happen in the future. Clarification has been obtained and training targeted to this action has been given to each and every employee.

Regretfully,

Ricky Campbell
Parish 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
6558 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, 2017 through December 31, 2017. 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

1. WRITTEN POLICIES AND PROCEDURES

- A. 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:

The secretary/treasurer provided me with a copy of the agency's policy and procedures manual to test against the agreed upon procedures.

- B. Budgeting, including preparing, adopting, monitoring, and amending the budget.

The budgeting policy and procedure is in compliance with the agree upon procedures guidelines.

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

The purchasing policies and procedures appear to be mostly in compliance with the agree upon procedures guidelines. The policy and procedures outlines any purchases requiring compliance with the bid law. The purchase orders are not approved by anyone other than the employee requesting the purchase order.

- D. Disbursements, including processing, reviewing, and approving

The purchasing policies and procedures appear to be in compliance with the agree upon procedures guidelines.

- E. Receipts, including receiving, recording, and preparing deposits

The police jury has a written policy and procedures for receipts, recording and preparing documents. The receptionist opens the mail and gives all checks to the secretary/treasurer. The secretary/treasurer reviews and then gives to the payroll clerk who prepares the deposit and posts the deposits in quickbooks software. The receptionist prepares the bank reconciliations. The payroll clerk and secretary/treasurer review all bank reconciliations.

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

The police jury has policies and procedures pertaining to payroll/personnel. It addresses several areas such as leave time, holiday time, compensatory time. The payroll clerk is responsible for tracking the leave time and other compensatory time. The police jury is in compliance with the AUP guidelines.

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

The Police jury has written policies and procedures concerning contracting. The Police jury is in compliance with the AUP guidelines.

- H. 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.

The Police jury has a written polices and procedures addressing credit cards. There are not enough employees to segregate as much as wanted by the AUP guidelines.

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

The Police jury has policies and procedures in place to cover the above categories. The Police jury is in compliance with the AUP guidelines.

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

The Police jury has ethics policies and procedures in place. All employees are required to take the online ethics course.

- K. Debt Service, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

The Police jury has a written policies and procedures in place for debt service.

BOARD (OR FINANCE COMMITTEE, IF APPLICABLE)

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.

Police Jury has regular monthly meetings and budgets and financials are reviewed every meeting.

- 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).

Budget to actual comparisons are presented at every monthly meeting.

- 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.

Budget information is discussed at every monthly meeting and all contracts or non-budgetary activity is approved by the jury as needed.

BANK RECONCILIATIONS

3. Obtain a listing of client bank accounts from management and management's representation that the listing is complete.

The agency provided me with a certified list of all bank accounts.

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

The agency had a total of 26 bank accounts, so a random sample of 9 bank accounts were selected to test the following:

- A) Bank reconciliations have been prepared;

For the 9 bank accounts selected above, all were reconciled each month for the period tested.

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

For the 9 bank accounts selected above, it was determined that the 9 bank reconciliations are performed by the receptionist and reviewed by the payroll clerk and the secretary/treasurer.

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

For the 9 bank accounts selected above, 8 of the 9 accounts had no outstanding reconciling items over six months. One account has reconciling items over 6 months old.

COLLECTIONS

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

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

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

The agency has 1 collection location. It was selected for testing for the following:

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

The Police jury's office has surety bonds that cover certain employees that are responsible for collecting cash. Not all employees handling cash equivalents are covered by surety bonds. The agency has no cash drawers. The receptionist receives the payments and gives them to the secretary/treasurer, who reviews them and then gives to the payroll clerk who makes the deposits and post cash receipts to the quickbooks accounting software. Deposits are taken to the bank on the day that checks are received. At the end of the month the receptionist reconciles the bank statements and the payroll clerk and the secretary/treasurer reviews them.

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

The checks received are deposited when received. The police jury's office does not receive any cash. The deposit is made by the payroll clerk and posted in the quickbooks accounting software. The deposits are then given to the secretary/treasurer to review and maintain in the accounting records.

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

The agency provided a certified list of the highest (dollar) week of cash collections for each collection location. We verified the highest week was February 5, 2017 thru February 11, 2017, which was tested for the following:

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

The funds were tested for deposits of collections. For the week tested, all of the funds made daily deposits.

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

The funds were tested for deposits of collections. All collections for the week tested had proper documentation. Deposits are made when the checks are received.

7. Obtain existing written documentation (e.g. policy manual, written procedure) and report whether the entity has a process specifically defined (identified as such by the entity) to determine completeness of all collections, including electronic transfers, for each revenue source and agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation) by a person who is not responsible for collections.

The agency has a written policies or procedures to determine completeness of collections or revenue sources.

DISBURSEMENTS-GENERAL (EXCLUDING CREDIT CARD/DEBIT CARD/P-CARD PURCHASES OR PAYMENTS)

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

Agency provided a complete year to date general ledger for all funds and represented that the general ledgers were complete.

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

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

Of the disbursements selected to be tested, 1 of the 50 tested for the police jury's office had no purchase order or requisitions.

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

Of the 50 police jury's office disbursements selected to test, 9 of the 50 were approved by the person that initiated the purchase.

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

Of the disbursements selected to be tested, all were processed with all of the required support.

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

Franklin Parish Police jury uses Quickbooks software which does not allow them to restrict any user from adding vendors.

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

The accounts payable clerk initiates all checks and the secretary/treasurer and the police jury president sign all checks. The receptionist reconciles all of the bank accounts and the payroll clerk and the secretary/treasurer review all bank reconciliations.

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

The unused checks are stored in a secure location, but are not restricted to the employees with signatory authority.

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

The Franklin Parish Police Jury's office uses a signature check stamp. The treasurer keeps the stamp locked in her desk drawer.

CREDIT CARDS/DEBIT CARDS/FUEL CARDS/P-CARDS

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

The Police jury provided a certified list of its active credit cards, fuel cards, etc.

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

From the list in #14, 10 cards were randomly selected to test the following:

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

- A) Report whether there is evidence that the monthly statement or combined statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]]

The Police jury has numerous credit cards. The secretary/treasurer reviews all credit card and fuel card statements, then the secretary/treasurer initiates the checks and gives them to the receptionist to match the statements and support with check copies. The secretary/treasurer and the jury president sign all the checks. The secretary/treasurer is an authorized card holder on several of the cards.

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

The Police jury has numerous credit cards, finance charges and late fees were noted.

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

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

- ▶ An original itemized receipt (i.e., identifies precisely what was purchased)

The credit card statements tested had all original itemized receipts.

- ▶ Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.

The police jury's charges were for business purposes.

- ▶ Other documentation that may be required by written policy (e.g., purchase order, written authorization.)

There is no other documentation required for the credit card purchases.

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

There were no charges on the credit card that meets the requirements for using the bid law.

- C) For each transaction, compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of

value, and report any exceptions (e.g. cash advances or non-business purchases, regardless whether they are reimbursed). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

The Police jury had no transactions that violate Article 7, Section 14 of the Louisiana Constitution.

TRAVEL AND EXPENSE REIMBURSEMENT

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

The agency provided me with a certified list of employees who received travel or related expense reimbursements during the testing period.

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

Agency has written policy and procedures for travel. The 3 employees that were paid the highest amount for travel or related expenses during the test period were tested against the written policies and procedures - no exceptions noted.

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

The 3 employees with the most travel costs during the test period were selected and tested for the following:

The police jury travel costs were tested against the written policies and procedures - no exceptions noted.

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

The agency has written policies or procedures for travel and the 3 employees that received the most reimbursements for travel and related were tested against the policy - no exceptions noted.

B) Report whether each expense is supported by:

- ▶ An original itemized receipt that identifies precisely what was purchased. [Note: An expense that is reimbursed based on an established per diem amount (e.g., meals) does not require a receipt.]

The 3 employees that received the most travel and related reimbursements during the test period were tested against the travel and related policies - no exceptions noted.

- ▶ Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).

The 3 employees that received the most travel and related reimbursements during the test period were tested against the agency policies and procedures - no exceptions noted.

- ▶ Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance)

No other documentation is required by the agency for travel reimbursements.

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

There were no violations of Article 7 Section 14 was noted during testing.

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

All employees that received any travel or related expense reimbursements during the test period were approved by the police jury.

CONTRACTS

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

Agency provided a certified list of all contracts in effect during the test period.

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

The 5 contracts that were paid the most money were selected from the list of contracts from #20 and tested for the following:

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

Agency has a formal/written contract for all selected to be tested.

- B) Compare each contract's detail to the Louisiana Public Bid Law or Procurement Code. Report whether each contract is subject to the Louisiana Public Bid Law or Procurement Code and:

- ▶ If yes, obtain/compare supporting contract documentation to legal requirements and report whether the entity complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder)
- ▶ If no, obtain supporting contract documentation and report whether the entity solicited quotes as a best practice.

For the contracts tested, none of them required compliance with the public bid law. The agency did solicit quotes to get the best deal for the Police jury's office.

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

The contracts selected were not amended.

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

The contract payments that were tested were in compliance with the contract terms and conditions.

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

All contracts are approved by the jury.

PAYROLL AND PERSONNEL

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

Agency provided a certified list of all employees with their authorized salaries. Five employees were selected to test the following:

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

The 5 employees of the Police jury that were chosen to be tested were paid in accordance with the terms and conditions of their employment.

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

All changes to the salaries of the 5 employees chosen were approved by the police jury in committee meetings or jury meetings.

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

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

All 5 of the employees selected that are eligible to earn leave time documented their daily attendance. The agency tracks leave time earned and used, to make sure no excess leave time is taken. The employees are allowed to accumulate leave time and carry forward. They are paid for any leave time upon termination. This leave schedule is tested during the audit.

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

Of the 5 employees that were selected, the police jury approved the employees attendance and leave time.

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

The agency tracks leave time on quickbooks accounting software.

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

The agency provided a certified list of employees terminated during the test period. The two employees with the largest termination payments were tested. They were not paid for any excess time that they had not earned.

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

During testing of the agency it was determined that the Franklin Parish Police jury's office is submitting payroll tax, retirement contributions and required forms by the required deadlines.

ETHICS (EXCLUDING NONPROFITS)

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

Agency provided support for ethics training for the 5 randomly selected employees above.

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

There were ethics violations reported to the Police jury's office during the test period which is included in the finding section of the audit report.

DEBT SERVICE (EXCLUDING NONPROFIT)

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

The Franklin Parish Police jury had no debt issued during the test period that required bond commission approval.

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

The Franklin Parish Police Jury outstanding debt was paid in accordance with debt service schedules.

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

The Franklin Parish Police jury has no debt outstanding that is associated with a tax millage, therefore, this does not apply.

OTHER

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

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

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

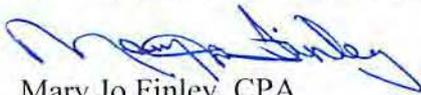
I observed the fraud hotline notice posted on the premises and a link to the notice was posted on the website.

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

There were no other exceptions noted during procedures.

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
March 9, 2018

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Vice President

Buddy Parks
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Chaplain

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Assistant Secretary Treasurer

Karah Lochrunner
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March 9, 2018

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:

1 – C Purchasing

The policies are in place to review the purchases, they were not actually signing proving they had done the review. All purchases will be signed in the future.

1 – H Credit Cards

The Parish Treasurer according to RS 33:1654 shall receive the money of the parish, disburse the same agreeably to law, and take receipts therefor. He shall keep regular accounts of all receipts and expenditures, and of all debts due to or from the parish, and direct prosecutions ordered by the police jury, for all debts due the parish.

All charges are reviewed and paid by the Secretary/Treasurer. The parish President reviews each invoice/statement and signs the respective check for payment.

4-C Bank Reconciliations

Every effort is made each month to research and resolve items that are outstanding over 6months. The Secretary/Treasurer will continue to do so.

6 – A Cash Collections

The Secretary/Treasurer will explore obtaining an employee dishonesty bond.

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

9 – A Disbursements

Should a purchase be made without following the purchasing police, the Secretary/Treasurer contacts all parties involved along with the Parish President for approval prior to processing for payment. Documentation is noted on the respective invoice.

9- B

In the event that the person initiating the purchase be considered the person approving the purchase, the invoices and payments are reviewed by the Secretary/Treasurer, the Receptionist, and the Parish President which were deemed to be acceptable purchases. All purchase orders are reviewed by 3 people. We will make sure all are initialed going forth.

10

Quickbooks does not allow restricting Vendors. All Accounts are deemed appropriate following the purchasing policy prior to being entered into the accounting system. Therefore, the employee requesting the purchase, the Purchasing Agent, the Receptionist, the Secretary/Treasurer and the Parish President are all aware of new vendors being entered into the system.

11

The parish does not have the luxury of having an abundance of office support and the Secretary/Treasurer is ultimately responsible for all transactions. Therefore, our purchasing process (above) and our bank reconciliation process is followed. Each and every purchase has been seen by a minimum of 4 trained employees/public officials.

12

All checks are in a locked cabinet, all numbers are accounted for during the reconciliation process. Should it not be agreeable for the Secretary/Treasurer to have access to the unused checks, a RS should be established and funding provided to hire additional employees along with a change of RS33:1654 which states that the Treasurer is ultimately responsible. The position of the Secretary/Treasurer is a working position, not a figurehead.

13

The Secretary/Treasurer has control of both signature stamps which are kept in a locked drawer. The Secretary/Treasurer has the authority of the Parish President to use his signature stamp. Once again, all payments are reviewed by the Secretary/Treasurer, Parish President and the receptionist.

15 – A Credit Cards

RS 33: 1655 The Treasurer has the authority to pay the credit card statements. As Treasurer, I have control of the cards until needed by approved parish employees.

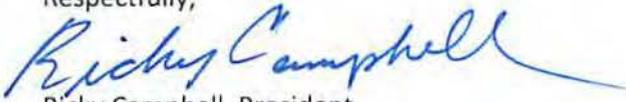
B

Due to processes of the police jury, when the Secretary/Treasurer is out of the office(holidays, vacation, sick), the bills are not paid until his/her return which will result in the occasional finance charge. Processes are being implemented to avoid this in the future.

16 – C 17 – C and 27

The former Superintendent authorized the purchasing agent wrongfully to expend donated funds inappropriately. His misinterpretation of the meal allowance led him to believe that if the vendors were present at the Christmas Party in which donations were made for food, he could expend the remaining monies on gifts that could be drawn for as door prizes. The vendors were in attendance therefore, he assumed this was allowable. This will not happen in the future. Clarification has been obtained and training targeted to this action has been given to each and every employee.

Respectfully,


Ricky Campbell, President

Sam Boyd, Secretary