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FRANKLIN PARISH POLICE JURY
Winniboro, Louisiana

**Primary Government Financial Statements
With Independent Auditor's Report
As of and for the Year Ended
December 31, 1997
With Supplemental Information Schedules**

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

Release Date APR 22 1998

**VERNON R
COON**
CERTIFIED PUBLIC ACCOUNTANT

FRANKLIN PARISH POLICE JURY
Winnsboro, Louisiana

Primary Government Financial Statements
With Independent Auditor's Report
As of and for the Year Ended
December 31, 1997
With Supplemental Information Schedules

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

FRANKLIN PARISH POLICE JURY Winnsboro, Louisiana

MEMBER AMERICAN
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SOCIETY OF LOUISIANA
CERTIFIED PUBLIC
ACCOUNTANTS

PRACTICE LIMITED TO
GOVERNMENTAL
ACCOUNTING, AUDITING
AND FINANCIAL REPORTING

I have audited the primary government financial statements of the Franklin Parish Police Jury, as of December 31, 1997, and for the year then ended, as listed in the table of contents. These primary government financial statements are the responsibility of the Franklin Parish Police Jury's management. My responsibility is to express an opinion on these primary government financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards and the *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 primary government financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the primary government financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

A primary government is a legal entity or body politic and includes all funds, organizations, institutions, agencies, departments, and offices that are not legally separate. Such legally separate entities are referred to as component units. In my opinion, the primary government financial statements present fairly, in all material respects, the financial position of the primary government of Franklin Parish Police Jury, as of December 31, 1997, and the results of its operations for the year then ended, in conformity with generally accepted accounting principles.

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FRANKLIN PARISH POLICE JURY

Winnsboro, Louisiana
Independent Auditor's Report,
December 31, 1997

However, the primary government financial statements, because they do not include the financial data of component units of the Franklin Parish Police Jury, do not purport to, and do not, present fairly the financial position of the Franklin Parish Police Jury at December 31, 1997, and results of its operations for the year then ended in conformity with generally accepted accounting principles.

My audit was made for the purpose of forming an opinion on the primary government financial statements taken as a whole. The supplemental information schedules listed in the table of contents, including the schedule of expenditures of federal awards as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* is presented for the purpose of additional analysis and are not a required part of the primary government financial statements of the Franklin Parish Police Jury. Such information has been subjected to the auditing procedures applied in the audit of the primary government financial statements and, in my opinion, is fairly presented in all material respects in relation to the primary government financial statements taken as a whole.

In accordance with *Government Auditing Standards*, I have also issued reports dated April 14, 1998, on my consideration of the Franklin Parish Police Jury's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, and grants.



West Monroe, Louisiana
April 14, 1998

**PRIMARY GOVERNMENT FINANCIAL STATEMENTS
(OVERVIEW)**

FRANKLIN PARISH POLICE JURY
 Wabineboro, Louisiana
 ALL FUND TYPES AND ACCOUNT GROUPS

Combined Balance Sheet, December 31, 1997

	GOVERNMENTAL FUND TYPE...		CDBG CAPITAL PROJECTS FUNDS		FIDUCIARY FUND TYPE - DEFERRED COMPENSATION PLAN AGENCY FUND		...ACCOUNT GROUPS...		TOTAL (MEMORANDUM ONLY)
	GENERAL FUND	SPECIAL REVENUE FUNDS	FUNDS	FUNDS	GENERAL FUND	ASSETS	LIABILITIES		
ASSETS AND OTHER DEBITS									
Cash and cash equivalents	\$42,021	\$1,612,125							\$1,654,146
Receivables	153,162	1,672,691	507,401						1,893,254
Due from Criminal Court Fund	11,412								11,412
Due from other agencies	1,860						\$7,621,559		1,860
Land, buildings and equipment									7,621,559
Deposits with Public Employee Benefits Services Corporation					\$26,448				26,448
Amount to be provided for retirement of general long-term obligations							\$124,402		124,402
TOTAL ASSETS AND OTHER DEBITS	<u>\$205,455</u>	<u>\$3,284,816</u>	<u>\$67,401</u>		<u>\$26,448</u>		<u>\$7,621,559</u>	<u>\$124,402</u>	<u>\$11,333,081</u>
LIABILITIES AND FUND EQUITY									
Liabilities:									
Accounts payable	\$20,500	\$213,070	\$67,401						\$310,070
Payroll withholdings payable	34,307								34,307
Due to General Fund		11,412							11,412
Due to other agencies	22,444								22,444
Deferred revenue		6,883							6,883
Compensated absences payable							\$21,110		21,110
Capital leases payable							5,280		5,280
Certificates of indebtedness payable							50,000		50,000
Due to plan participants									20,448
Total Liabilities	<u>\$86,350</u>	<u>\$231,365</u>	<u>\$67,401</u>				<u>\$124,402</u>	<u>\$124,402</u>	<u>\$555,006</u>

FRANKLIN PARISH POLICE JURY
Winnsboro, Louisiana
GOVERNMENTAL FUND TYPE

Combined Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended December 31, 1997

	GENERAL FUND	SPECIAL REVENUE FUNDS	CDBG CAPITAL PROJECTS FUND	TOTAL (MEMORANDUM ONLY)
REVENUES				
Taxes:				
Ad valorem	\$104,150	\$1,258,932		\$1,363,082
Sales		2,244,749		2,244,749
Other taxes, penalties, and interest	4,078			4,078
Licenses and permits	84,914			84,914
Intergovernmental revenues:				
Federal funds - federal grants	48,784	2,033,364	\$610,331	2,692,479
State funds:				
Parish transportation funds		372,296		372,296
State revenue sharing (net)	16,806	169,852		186,658
Severance taxes	35,068			35,068
Other	52,098	3,335		55,433
Local funds	3,923			
Fees, charges, and commissions for services	92,210	15,043		107,253
Fines and forfeitures		149,829		149,829
Use of money and property	4,116	80,530		84,646
Other revenues	16,690	18,046		34,736
Total revenues	<u>462,837</u>	<u>6,345,976</u>	<u>610,331</u>	<u>7,419,144</u>
EXPENDITURES				
Current:				
General government:				
Legislative	62,166			62,166
Judicial	43,556	155,723		199,284
Elections	27,922			27,922
Finance and administrative	164,815			164,815
Other general government	19,821	145,396		165,217
Public safety	101,392	14,194		115,586
Public works		3,346,954		3,346,954
Health and welfare	20,113	60,276		80,389
Culture and recreation	19,733			19,733
Economic development and assistance	23,801	1,991,853		2,015,654
Debt service		123,856		123,856
Capital outlay	7,259	202,633	610,331	820,223
Total expenditures	<u>490,578</u>	<u>6,040,890</u>	<u>610,331</u>	<u>7,141,799</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES				
	<u>(27,741)</u>	<u>305,086</u>	<u>NONE</u>	<u>277,345</u>

(Continued)

FRANKLIN PARISH POLICE JURY
 Winnsboro, Louisiana
 GOVERNMENTAL FUND TYPE
 Combined Statement of Revenues, Expenditures,
 and Changes in Fund Balances, etc.

	GENERAL FUND	SPECIAL REVENUE FUNDS	CDBG CAPITAL PROJECTS FUND	TOTAL (MEMORANDUM ONLY)
OTHER FINANCING SOURCES (USES)				
Sale of fixed assets		\$11,937		\$11,937
Proceeds from insurance		12,835		12,835
Operating transfers in		173,800		173,800
Operating transfers out	(\$3,206)	(170,504)		(173,800)
Total other financing sources (uses)	<u>(3,206)</u>	<u>27,978</u>	<u>NONE</u>	<u>24,772</u>
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	(30,947)	333,064	NONE	302,117
FUND BALANCES AT BEGINNING OF YEAR	<u>153,052</u>	<u>2,720,387</u>	<u>NONE</u>	<u>2,873,439</u>
FUND BALANCES AT END OF YEAR	<u>\$122,105</u>	<u>\$3,053,451</u>	<u>NONE</u>	<u>\$3,175,556</u>

(Concluded)

The accompanying notes are an integral part of this statement.

FRANKLIN PARISH POLICE JURY
Winnsboro, Louisiana
GOVERNMENTAL FUND TYPE - GENERAL
AND SPECIAL REVENUE FUNDS
(Excluding Criminal Court Special Revenue Fund)

Combined Statement of Revenues, Expenditures,
and Changes in Fund Balances - Budget
(Cash) Basis and Actual
For the Year Ended December 31, 1997

GENERAL FUND.....		SPECIAL REVENUE FUNDS....		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES						
Taxes:						
Ad valorem	\$95,000	\$100,150	\$5,150	\$1,082,309	\$1,197,498	\$115,189
Sales and use				2,304,360	2,108,168	(196,192)
Other taxes, penalties, and interest	8,000	5,125	(2,875)			
Licenses and permits	85,470	84,812	(658)			
Intergovernmental revenues:						
Federal grants	10,400	9,642	(758)	2,775,055	2,037,637	(737,418)
State funds:						
State grants	2,744	2,744				
Parish transportation funds				350,000	372,296	22,296
State revenue sharing (net)	16,400	16,313	(87)	165,797	169,950	4,153
Severance taxes	28,500	29,010	210			
Other state funds	51,574	50,155	(1,419)	3,085	3,766	681
Local funds	2,494	2,494				
Fees, charges, and commissions for services	112,464	111,662	(802)	11,170	13,065	1,895
Use of money and property	7,915	4,088	(3,827)	70,760	77,562	6,802
Other revenues	17,654	17,735	81	15,207	14,955	(252)
Total revenues	<u>438,915</u>	<u>433,930</u>	<u>(4,985)</u>	<u>6,777,743</u>	<u>5,994,897</u>	<u>(782,846)</u>
EXPENDITURES						
Current:						
General government:						
Legislative	61,885	61,548	337			
Judicial	42,619	44,348	(1,729)	3,125	4,409	(1,284)
Elections	30,090	29,643	447			
Finance and administrative	169,325	175,639	(6,314)			
Other general government	16,355	16,353	2	168,491	120,884	47,607
Public safety	86,443	88,885	(2,442)	47,176	48,044	(868)
Public works				3,401,013	3,339,933	61,080
Health and welfare	19,530	20,134	(604)	117,966	115,286	2,680
Culture and recreation	21,200	19,300	1,800			
Economic development and assistance	21,540	23,580	(2,040)	2,732,600	1,991,789	740,811
Debt service				50	50	0
Capital Outlay				243,100	246,156	(3,056)
Total expenditures	<u>468,987</u>	<u>479,538</u>	<u>(10,551)</u>	<u>6,713,521</u>	<u>5,866,501</u>	<u>847,020</u>

(Continued)

FRANKLIN PARISH POLICE JURY
 Winnshere, Louisiana
 GOVERNMENTAL FUND TYPE - GENERAL
 AND SPECIAL REVENUE FUNDS
 (Excluding Criminal Court Special Revenue Fund)
 Combined Statement of Revenues, Expenditures,
 and Changes in Fund Balances - Budget
 (Cash) Basis and Actual, 1997

GENERAL FUND.....		SPECIAL REVENUE FUNDS .		
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>(\$30,072)</u>	<u>(\$45,608)</u>	<u>(\$15,536)</u>	<u>\$64,222</u>	<u>\$128,396</u>	<u>\$64,174</u>
OTHER FINANCING SOURCES (Uses)						
Sale of fixed assets				11,250	11,937	687
Proceeds from bank loans				858		(858)
Compensation from loss of assets					12,835	12,835
Operating transfers in				356,847	356,847	
Operating transfers out	<u>(10,000)</u>	<u>(10,000)</u>		<u>(324,143)</u>	<u>(324,143)</u>	
Total other financing sources (uses)	<u>(10,000)</u>	<u>(10,000)</u>	<u>NONE</u>	<u>44,812</u>	<u>57,476</u>	<u>12,664</u>
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	<u>(40,072)</u>	<u>(55,608)</u>	<u>(15,536)</u>	<u>109,034</u>	<u>185,872</u>	<u>76,838</u>
FUND BALANCES AT BEGINNING OF YEAR	<u>40,551</u>	<u>63,321</u>	<u>22,770</u>	<u>1,151,284</u>	<u>1,414,579</u>	<u>263,295</u>
FUND BALANCES AT END OF YEAR	<u>\$479</u>	<u>\$7,713</u>	<u>\$7,234</u>	<u>\$1,260,318</u>	<u>\$1,600,451</u>	<u>\$340,133</u>

(Concluded)

The accompanying notes are an integral part of this statement.

FRANKLIN PARISH POLICE JURY
Winnsboro, Louisiana

Notes to the Financial Statements
As of and for the Year Ended December 31, 1997

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 December, 1999.

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.

A. REPORTING ENTITY

As the governing authority of the parish, for reporting purposes, the Franklin Parish Police Jury is the financial reporting entity for Franklin Parish. The financial reporting entity consists of (a) the primary government (police jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board (GASB) Statement No. 14 (Codification Section 2100-120-140) establishes criteria for determining which component units should be considered part of the Franklin Parish Police Jury for financial reporting purposes. The basic criteria for including a potential component unit within the reporting entity is financial accountability. This criteria includes

FRANKLIN PARISH POLICE JURY
 Winnboro, Louisiana
 Notes to the Financial Statements (Continued)

1. Appointing a voting majority of an organization's governing body, and;
 - a. The ability of the police jury to impose its will on that organization and/or;
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.
2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.
3. Organizations for which the reporting entity 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
Fire District No. 2	June 30	1 & 3
Fire District No. 3	June 30	1 & 3
Fifth Judicial District Criminal Court	December 31	3
Crowville Fire District	June 30	1 & 3
South Franklin Recreation District	December 31	1 & 3

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

FRANKLIN PARISH POLICE JURY
Winnsboro, Louisiana
Notes to the Financial Statements (Continued)

discussed in the following paragraph, are included in the accompanying primary government financial statements.

These primary government (police jury) financial statements include all funds, account groups and organizations for which the police jury maintains the accounting records. Organizations for which the police jury maintains the accounting records include the Fifth Judicial District Criminal Court, Fire District No. 2, and the Franklin Parish Tourist Commission.

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) financial statements are not a substitute for the reporting entity's financial statements. The accompanying primary government financial statements have been prepared in conformity with generally accepted accounting principles as applied to governmental units. These financial statements are not intended to and do not report on the reporting entity but rather are intended to reflect only the financial statements of the primary government (police jury).

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.

B. FUND ACCOUNTING

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

A fund is a separate accounting entity with a self-balancing set of accounts that comprises its assets, liabilities, fund equity, revenues, and expenditures. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities (general fixed assets and general long-term obligations) that are not recorded in the "funds" because they do not directly affect net expendable available financial resources. They are concerned only with the measurement of financial position, not with the measurement of results of operations.

FRANKLIN PARISH POLICE JURY
Winnsboro, Louisiana
Notes to the Financial Statements (Continued)

Funds are classified into three categories; governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types." Governmental funds are used to account for a government's general activities, where the focus of attention is on the providing of services to the public as opposed to proprietary funds where the focus of attention is on recovering the cost of providing services to the public or other agencies through service charges or user fees. Fiduciary funds are used to account for assets held for others. The police jury's current operations require the use of governmental and fiduciary funds. The governmental fund types used by the police jury are described as follows:

Governmental Funds:

General Fund

The General Fund is the general operating fund of the police jury. It accounts for all activities except those required to be accounted for in the special revenue funds.

Special Revenue Funds

Special revenue funds are used to account for the proceeds of specific revenue sources such as ad valorem taxes, sales taxes and federal grants. Those revenues are legally restricted, either by tax proposition or grant agreement, to expenditures for specified purposes such as road and bridge maintenance and construction, drainage maintenance, solid waste collection and disposal, operation of the criminal court, and operation of the parish health unit.

Capital Projects Fund

The capital projects funds account for financial resources received and used for the acquisition, construction, or improvement of capital facilities not reported in the other governmental funds.

Fiduciary Fund - Deferred Compensation Plan Agency Fund

The Deferred Compensation Plan Agency Fund accounts for the collection and distribution, by the plan administrator, of police jury employees' voluntary income tax deferral of portions of their salaries.

FRANKLIN PARISH POLICE JURY
Winnsboro, Louisiana
Notes to the Financial Statements (Continued)

Agency funds are custodial in nature (i.e. assets equal liabilities) and do not involve measurement of operations.

C. GENERAL FIXED ASSETS AND LONG-TERM OBLIGATIONS

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures (capital outlay) in governmental funds and the related assets are reported in the general fixed assets account group. All purchased fixed assets are valued at cost where historical records are available and at estimated cost where no historical records are available. Approximately 91 per cent of general fixed assets are valued at actual cost based while the remaining 9 per cent are based on estimated cost. Donated fixed assets are valued at their estimated fair market value on the date received.

The costs of normal maintenance and repairs that do not add to the value of fixed assets or materially extend their useful lives are not capitalized but are only recognized as a normal current expenditure of the governmental funds. Public domain or infrastructure general fixed assets consisting of roads, bridges and drainage systems are not capitalized, as these assets are immovable and of value only to the police jury. No depreciation is recognized on general fixed assets.

Long-term debt, such as certificates of indebtedness and capital leases, are recognized as a liability of a governmental fund only when due. For other long-term obligations, such as compensated absences, only that portion expected to be financed from expendable available financial resources is reported as a liability of a governmental fund. The remaining portion of such obligations is reported in the general long-term obligations account group.

D. BASIS OF ACCOUNTING

The financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements for these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

FRANKLIN PARISH POLICE JURY
Winnsboro, Louisiana
Notes to the Financial Statements (Continued)

The modified accrual basis of accounting is used for reporting all governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The police jury uses the following practices in recognizing and reporting revenues and expenditures:

Revenues

Ad valorem taxes and the related state revenue sharing are recorded in the year the taxes are due and payable. 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 15 of each year. Ad valorem taxes become delinquent if not paid by December 31. The taxes are normally collected in December of the current year and January and February of the ensuing year.

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

Sales taxes are recognized in the month received by the police jury's collection agent, the Franklin Parish School Board.

Interest income on time deposits is recorded when the time deposits have matured and the income is available.

Substantially all other revenues are recorded when they become available to the police jury.

Based on the above criteria, ad valorem taxes, state revenue sharing, sales taxes, and federal and state grants are treated as susceptible to accrual.

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, except for principal and interest on general long-term obligations, which are

FRANKLIN PARISH POLICE JURY
Winnsboro, Louisiana
Notes to the Financial Statements (Continued)

recognized when due, and compensated absences, which are recognized when paid.

Other Financing Sources (Uses)

Transfers between funds which are not expected to be repaid, proceeds from insurance, and sales of fixed assets are accounted for as other financing sources (uses) and are recognized when the underlying events occur.

E. BUDGET PRACTICES

The police jury adopts annual budgets on the General Fund and all special revenue funds except the Criminal Court Special Revenue Fund, which is exempt from the budget requirements of the Louisiana Local Government Budget Act. The proposed budgets are prepared by the treasurer and the finance committee of the police jury during October of each year. The availability of the proposed budgets for public inspection and the date of the public hearing on the budgets are advertised in the official journal. Prior to its regular December meeting, the police jury holds a public hearing on the proposed budgets 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 notice is published in the official journal.

Budget comparisons are prepared by the treasurer and are presented to the jury on a monthly basis. The treasurer presents necessary budget amendments to the jury during the year when, in her judgment, 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 amendments is included in police jury minutes published in the official journal.

The police jury exercises budgetary control at the functional level. Within functions, the treasurer has the authority to make amendments, as necessary. 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, 1997, cash basis budgets were adopted for the General Fund and all special revenue funds, except the Criminal Court Fund. The

FRANKLIN PARISH POLICE JURY
 Winnsboro, Louisiana
 Notes to the Financial Statements (Continued)

Criminal Court Special Revenue Fund is exempt from the requirements of the Local Government Budget Act.

Budget comparison statements included in the accompanying financial statements include the original adopted budgets and all subsequent amendments. The following schedule reconciles the excess of revenues and other sources over expenditures and other uses as shown on the budget comparison Statement C (budget basis) to the same amounts shown on Statement B (GAAP basis):

	<u>General Fund</u>	<u>Special Revenue Funds</u>
Excess (deficiency) of revenues and other source over expenditures	(\$55,608)	\$185,872
Adjustments:		
Receivables	22,608	158,712
Payables	(15,835)	(2,816)
Payroll deducts payable		
Interfunds	13,288	(7,380)
Deferred revenue		(5,796)
Other	<u>4,600</u>	<u>4,472</u>
Excess (deficiency) of revenues and others source over expenditures	<u>(\$30,947)</u>	<u>\$333,064</u>

The following schedule reconciles actual ending fund balances as shown on Statement C with cash on Statement A:

	<u>General Fund</u>	<u>Special Revenue Funds</u>
Fund balances at end of year - Statement C	\$7,713	\$1,600,451
Adjustments:		
Payroll account	34,308	
Funds not budgeted		<u>11,674</u>
Cash and cash equivalents - Statement A	<u>\$42,021</u>	<u>\$1,612,125</u>

FRANKLIN PARISH POLICE JURY
 Winnsboro, Louisiana
 Notes to the Financial Statements (Continued)

F. CASH AND CASH 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, 1997, the police jury has cash and cash equivalents (book balances) totaling \$1,654,146, as follows:

Demand deposits	\$614,146
Time deposits	<u>1,040,000</u>
Total	<u>\$1,654,146</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits or the resulting bank balances, must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Cash and cash equivalents (bank balances) at December 31, 1997 are secured as follows:

Bank Balances	<u>\$1,672,366</u>
Federal deposit insurance	\$200,000
Pledged securities (uncollateralized)	<u>2,012,645</u>
Total	<u>\$2,212,645</u>

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.

FRANKLIN PARISH POLICE JURY
Winnsboro, Louisiana
Notes to the Financial Statements (Continued)

G. ANNUAL AND SICK LEAVE

After one year of service, employees of the police jury are granted from 5 to 15 days of annual leave each year, depending upon length of service. Employees can accumulate annual leave to be credited toward retirement; however, employees will not be paid for accumulated leave upon resignation or retirement, except for annual leave accumulated prior to August 1, 1991. 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, 1997, employees of the police jury had accumulated and vested \$21,116 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.

H. SALES TAXES

On September 29, 1984, 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 was for a five-year period which expired on October 1, 1989. The tax was renewed on April 1, 1989 for a period of five years beginning October 1, 1989, and ending October 1, 1994. On April 3, 1993 the tax was renewed for a period of five years beginning October 1, 1994 and ending October 1, 1999. On April 3, 1993, 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 is for a period of ten years beginning July 1, 1993, and ending July 1, 2002. The police jury entered into

FRANKLIN PARISH POLICE JURY
 Winnsboro, Louisiana
 Notes to the Financial Statements (Continued)

an agreement with the Franklin Parish School Board whereby the school board provides collection services for a prorata 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.

I. TOTAL COLUMNS ON COMBINED STATEMENTS

Total columns on the combined statements are captioned Memorandum Only (overview) to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

2. LEVIED TAXES

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	3.29	3.29	Indefinite
Inside municipalities	1.64	1.64	Indefinite
Equipment	8.00	8.00	1997
Health Unit	3.07	3.07	2000
Drainage maintenance	11.00	11.00	1997
Road equipment and salary adjustment	4.24	4.24	1998
Courthouse maintenance	4.00	4.00	1997
Fire district II	10.00	10.00	2000

The difference between authorized and levied millages is the result of reassessments of taxable property required by Article 7, Section 18 of the Louisiana Constitution of 1974.

FRANKLIN PARISH POLICE JURY
 Winnsboro, Louisiana
 Notes to the Financial Statements (Continued)

The following are the principal taxpayers for the parish and their 1997 assessed valuation:

	1997 Assessed Valuation	Per cent of Total Assessed Valuation
Entergy Louisiana, Inc.	2,125	3.45 %
Bellsouth Telecommunications	1,789	2.91 %
Wal-mart Stores, Inc.	1,650	2.68 %
ANR Pipeline Company	1,321	2.15 %
Winnsboro State Bank	1,168	1.90 %
Columbia Gulf Transmission Company	1,164	1.89 %
Tennessee Gas Pipeline Company	1,072	1.74 %
Northeast Louisiana Power COOP	938	1.52 %
Franklin State Bank	834	1.35 %
Century Telephone Company	605	0.98 %
Total	<u>12,666</u>	<u>20.57 %</u>

3. RECEIVABLES

The following is a summary of receivables at December 31, 1997:

	General Fund	Special Revenue Funds	CDBG Capital Projects Fund	Total
Taxes:				
Ad valorem	\$95,889	\$1,164,839		\$1,260,728
Sales		387,603		387,603
Grants				
Federal	23,803		\$67,401	91,204
State	26,759	111,814		138,573
Other	6,711	8,435		15,146
Total	<u>\$153,162</u>	<u>\$1,672,691</u>	<u>\$67,401</u>	<u>\$1,893,254</u>

FRANKLIN PARISH POLICE JURY
 Winnsboro, Louisiana
 Notes to the Financial Statements (Continued)

4. CHANGES IN GENERAL FIXED ASSETS

The following presents changes in general fixed assets for the year ended December 31, 1997:

	<u>Balance at January 1,</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at December 31,</u>
1997:				
Land	\$275,148			\$275,148
Buildings	3,572,585			3,572,585
Improvements other than buildings	1,224,226			1,224,226
Equipment	1,856,557	\$209,892	(\$127,180)	1,939,269
Construction in progress	NONE	610,331		610,331
Total	<u>\$6,928,516</u>	<u>\$820,223</u>	<u>(\$127,180)</u>	<u>\$7,621,559</u>

General fixed assets as of January 1, 1997 have been restated to reflect change. The police jury reestablished its inventory listing of fixed assets based on actual physical count, removing those items which had been junked in previous years and not removed from the listing and adding items which had been purchased in previous years and not added to the list.

5. PENSION PLAN

Substantially all employees of the Franklin Parish Police Jury are members of the Parochial Employees Retirement System of Louisiana (System) a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the police jury are members of Plan A.

All permanent employees working at least twenty-eight hours per week who are paid wholly or in part from parish funds and all elected parish officials are eligible to participate in the System. Under Plan A, employees who retire at or after age 60 with at least 10 years of creditable service, at or after age 55 with at least 25 years of creditable service, or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 per cent of their final average salary for each year of creditable service. However, for those employees who were members of the supplemental plan only before January 1, 1980, the benefit is equal to one per cent of final average salary plus \$24 for each year of supplemental-plan-only service earned before January 1, 1980, plus 3 per cent of final-average salary for each salary for each year of service credited after the revision date. Final average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above,

FRANKLIN PARISH POLICE JURY

Winnsboro, Louisiana

Notes to the Financial Statements (Continued)

and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefits accrued to their date of termination. The system also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Parochial Employees' Retirement System of Louisiana, Post Office Box 14619, Baton Rouge, Louisiana 70808-4619, or by calling (504) 928-1361.

Under Plan A, members are required by state statute to contribute 9.50 per cent of their annual covered salary and the Franklin Parish Police Jury is required to contribute at an actuarially determined rate. The current rate is 8.00 per cent of annual covered payroll. Contributions to the system also include one-fourth of one per cent (except Orleans and East Baton Rouge Parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the Franklin Parish Police Jury are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Franklin Parish Police Jury's contributions to the System under Plan A for the years ending December 31, 1997, 1996, and 1995, were \$56,835, \$50,554, and \$48,135, respectively, equal to the required contributions for each year.

6. POST RETIREMENT BENEFITS

The police jury provides surviving spouse benefits to the wife of a retired judge. The cost of providing these benefits is \$616 annually. Additionally, the police jury has made available certain continuing health care and life insurance benefits provided through an insurance company to all employees that reach normal retirement age. Retirees participating in the program are required to pay 100 per cent of the monthly premium.

7. DEFERRED COMPENSATION PLAN

The police jury offers its employees a deferred compensation plan created in accordance with the Internal Revenue Code Section 457. The plan, available to all police jury employees, permits employees to defer a portion of their salaries until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

FRANKLIN PARISH POLICE JURY
 Winnsboro, Louisiana
 Notes to the Financial Statements (Continued)

All amounts of compensation, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the police jury (without being restricted to the provisions of benefits under the plan), subject only to the claims of the police jury's general creditors. Participants' rights under the plan are equal to those of general creditors of the police jury in an amount equal to the fair market value of the deferred account for each participant.

A summary of changes in the Deferred Compensation Plan Agency Fund deposits due others follows:

Balance January 1, 1997	\$20,760
Additions	6,399
Reductions	<u>(711)</u>
Balance, December 31, 1997	<u>\$26,448</u>

8. LEASES

The police jury records items under capital leases as an asset and an obligation in the accompanying financial statements. Capital leases at December 31, 1997, are comprised of the following:

Parish Equipment Special Revenue Fund - Lease-purchase agreement for the purchase of a 1993 Ford dump truck, entered into on June 8, 1993, due in 60 monthly installments of \$1,096 through May 1998, with an interest rate of 5.38 per cent per annum.

Drainage Maintenance and Parish Equipment Special Revenue Funds - Lease-purchase agreement for the purchase of a Caterpillar D5H LGP tractor, entered into on March 27 1996, due in 36 monthly installments of \$3,310 through March, 1999, with an interest rate of 5.5 per cent per annum.

The following is a summary of future minimum lease payments, together with the present value of the net minimum lease payments, as of December 31, 1997:

<u>Year</u>	<u>Payments</u>
1998	\$45,200
1999	<u>9,931</u>
Total minimum lease payments	55,131
Less - amount representing interest	<u>(1,845)</u>
Present value of net minimum lease payments	<u>\$53,286</u>

FRANKLIN PARISH POLICE JURY
 Winnsboro, Louisiana
 Notes to the Financial Statements (Continued)

9. CHANGES IN GENERAL LONG-TERM OBLIGATIONS

The following is a summary of long-term obligation transactions for the year ended December 31, 1997:

	<u>Certificate of Indebtedness</u>	<u>Capital Leases</u>	<u>Compensated Absences</u>	<u>Total</u>
Long-term obligations				
At January 1, 1997	\$100,000	\$146,677	\$20,247	\$266,924
Additions			869	869
Deductions	(50,000)	(60,616)		(110,616)
Adjustments		(32,775)		(32,775)
Long-term obligations				
At December 31, 1997	<u>\$50,000</u>	<u>\$53,286</u>	<u>\$21,116</u>	<u>\$124,402</u>

The adjustment to capital leases is for the amount of lease payments still owed on a piece of equipment returned to the lessor during the year. The lease was canceled during the year due to faulty equipment, the equipment was returned to the lessor, and the police jury was relieved of any further liability.

Certificates of indebtedness at December 31, 1997, is comprised of the following individual issue:

Certificate of Indebtedness dated June 6, 1995 of \$150,000. The remaining principal and interest at 6.65 percent is due in one payment of \$50,000 on January 15, 1998. Debt service retirement payments are made from Health Unit Fund.

Total	<u>\$50,000</u>
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10. CRIMINAL COURT FUND

Louisiana Revised Statute 15:571.11 requires that one-half of any balance remaining in the criminal court fund at year end be transferred to the parish General Fund. The following details the amount due at December 31, 1997:

Balance due at January 1, 1997	\$9,984
Amount due for 1997	1,428
Remitted during 1997	<u>NONE</u>
Balance due at December 31, 1997	<u>\$11,412</u>

FRANKLIN PARISH POLICE JURY
Winnsboro, Louisiana
Notes to the Financial Statements (Continued)

11. LITIGATION AND CLAIMS

At December 31, 1997, 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 of \$25,000. No provision for the potential liability has been made in the accompanying financial statements.

12. FOOD STAMP PROGRAM

The Food Stamp Program is operated by the police jury under an agreement with the Louisiana Department of Health and Human Resources. Under this program, the police jury is responsible for the issuance of food coupons to eligible participants in the parish. The value of food coupons on hand, received, and issued is not recorded in the accompanying statements. Activity for the year ended December 31, 1997, follows:

Balance at January 1, 1997	\$1,087,266
Received	2,017,000
Issued	<u>(2,974,607)</u>
Balance at December 31, 1997	<u><u>\$129,659</u></u>

The food stamp inventory remaining at December 31, 1997 was turned in to the Department of Social Services on January 16, 1998.

SUPPLEMENTAL INFORMATION SCHEDULES

FRANKLIN PARISH POLICE JURY
Winnsboro Louisiana
SUPPLEMENTAL INFORMATION SCHEDULES
As of and For the Year Ended December 31, 1997

SPECIAL REVENUE FUNDS

MAINTENANCE FUNDS

Road and Bridge Maintenance Fund

The Road and Bridge Maintenance Fund accounts for maintenance of parish highways, streets, and bridges. Financing is provided by a one cent sales tax paid on purchases made in Franklin Parish and the state parish transportation fund.

Drainage Maintenance Fund

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

Courthouse Maintenance Fund

The Courthouse Maintenance Fund accounts for maintenance of the courthouse building, equipment, and grounds. Financing is provided by a parishwide ad valorem tax and federal funds provided by the United States Department of Agriculture through the Louisiana Department of Health and Human Resources. These funds represent reimbursement of Food Stamp Program administration expenditures.

Health Unit Maintenance Fund

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.

Equipment Maintenance Fund

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

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 United States Department of Housing and Urban Development.

ROAD EQUIPMENT AND SALARY ADJUSTMENT FUND

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

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.

CRIMINAL COURT FUND

The Criminal Court Fund accounts for all criminal court expenses. Financing is provided by criminal costs and fines.

SALES TAX 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.

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

The Fire District Fund accounts for operations of the fire district. Financing is provided by ad valorem taxes and state revenue sharing funds.

JTPA FUND

The Job Training Partnership Act Fund (JTPA) 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.

FRANKLIN PARISH POLICE JURY
 Winnsboro, Louisiana
 SPECIAL REVENUE FUNDS

Combining Balance Sheet, December 31, 1997

	SECTION 8	ROAD EQUIP. AND SALARY ADJUSTMENT	WITNESS FEE	CRIMINAL COURT	SALES TAX	TOURIST COMMISSION	MUNICIPALMENT DISBURS	TOTAL
ASSETS								
Cash and cash equivalents	\$1,117,820	\$27,488	\$14,077	\$11,674	\$381,644	\$2,885	\$6,179	\$1,612,125
Receivables	1,320,701	173,537	264	5,317	129,201	4,085	39,496	1,672,691
TOTAL ASSETS	<u>\$2,438,521</u>	<u>\$201,025</u>	<u>\$14,341</u>	<u>\$16,991</u>	<u>\$510,845</u>	<u>\$6,970</u>	<u>\$45,675</u>	<u>\$3,284,816</u>
LIABILITIES AND FUND EQUITY								
Liabilities:								
Accounts payable	\$128,160	\$8,227		\$4,150	\$70,594	\$64	\$1,713	\$213,070
Due to other funds				11,412				11,412
Deferred revenue	\$6,883							6,883
Total Liabilities	128,160	8,227		15,562	70,594	64	1,713	231,365
Fund Equity - fund balance - unreserved - undesignated	2,310,451	192,798	\$14,341	1,429	440,251		43,962	3,053,451
TOTAL LIABILITIES AND FUND EQUITY	<u>\$2,438,521</u>	<u>\$201,025</u>	<u>\$14,341</u>	<u>\$16,991</u>	<u>\$510,845</u>	<u>\$6,970</u>	<u>\$45,675</u>	<u>\$3,284,816</u>

FRANKLIN PARISH POLICE JURY
Winnboro, Louisiana
SPECIAL REVENUE FUNDS

Combining Schedule of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended December 31, 1997

	MAINT.	SECTION 8	ROAD EQUIP. AND SALARY ADJUSTMENT	WITNESS FEE	CRIMINAL COURT	SALES TAX	TOURIST CONTRIBUTION	UNEMPLOY- MENT ESCROW	FIRE DISTRICT	JIPA	TOTAL
REVENUES											
Taxes:											
Ad valorem	\$1,048,875		\$170,082			\$747,420	\$2,487		\$39,975		\$1,258,932
Sales and use	1,494,842										2,244,749
Intergovernmental revenues:		\$44,164								\$1,989,200	2,033,364
Federal grants											
State funds:											
Parish transportation funds	372,296										372,296
State revenue sharing (net)	146,003		2,840								148,843
Other state grants	637								2,698		3,335
Fees, charges and commissions for services				56,733		2,801	6,009				15,043
Fines and forfeitures					\$149,829						149,829
Use of money and property	53,029	75	9,746	400	362	15,532	38	\$1,024	324		80,530
Other revenues	13,375				4,656				15		18,046
Total revenues	3,129,057	44,239	203,677	6,633	154,847	765,753	8,534	1,024	43,012	1,989,200	6,345,976
EXPENDITURES											
Current:											
General government:				2,926	148,231			4,571			155,728
Judicial											145,396
Other general government	145,396										14,194
Public safety						829,505			14,194		3,346,954
Public works	2,434,892		82,557								60,276
Health and welfare	16,037	44,239									
Economic development and assistance							2,653			1,989,200	1,991,853
Debt service	122,544								1,312		123,856
Capital outlay	112,722		83,794		575				5,542		202,633
Total expenditures	2,831,591	44,239	166,351	2,926	148,806	829,505	2,653	4,571	21,048	1,989,200	6,140,899

EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>297,466</u>	<u>NONE</u>	<u>37,326</u>	<u>3,707</u>	<u>6,041</u>	<u>(63,752)</u>	<u>5,881</u>	<u>(3,547)</u>	<u>21,964</u>	<u>NONE</u>	<u>305,086</u>
OTHER FINANCING SOURCES (Uses)											
Sale of fixed assets	11,937										11,937
Proceeds from insurance	12,835										12,835
Operating transfers in	153,700							20,100			173,800
Operating transfers out	(149,025)		(20,000)		(1,569)						(170,594)
Total other financing sources (uses)	<u>29,447</u>	<u>NONE</u>	<u>(20,000)</u>	<u>NONE</u>	<u>(1,569)</u>	<u>NONE</u>	<u>NONE</u>	<u>20,100</u>	<u>NONE</u>	<u>NONE</u>	<u>27,978</u>
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	326,913	NONE	17,326	3,707	4,472	(63,752)	5,881	16,553	21,964	NONE	333,064
FUND BALANCES AT BEGINNING OF YEAR	<u>1,983,538</u>	<u>NONE</u>	<u>175,472</u>	<u>10,634</u>	<u>(3,043)</u>	<u>504,003</u>	<u>1,025</u>	<u>26,760</u>	<u>21,998</u>	<u>NONE</u>	<u>2,720,387</u>
FUND BALANCES AT END OF YEAR	<u>52,310,451</u>	<u>NONE</u>	<u>810,208</u>	<u>\$14,341</u>	<u>\$1,420</u>	<u>840,251</u>	<u>\$6,906</u>	<u>43,313</u>	<u>43,002</u>	<u>NONE</u>	<u>53,053,451</u>

FRANKLIN PARISH POLICE JURY
Winnsboro, Louisiana
SPECIAL REVENUE - MAINTENANCE FUNDS

Combining Balance Sheet, December 31, 1997

	<u>ROAD AND BRIDGE</u>	<u>DRAINAGE</u>	<u>COURTHOUSE</u>	<u>HEALTH UNIT</u>	<u>EQUIPMENT</u>	<u>TOTAL</u>
ASSETS						
Cash and cash equivalents	\$587,164	\$136,939	\$171,876	\$135,653	\$86,188	\$1,117,820
Receivables	259,118	450,212	163,714	120,320	327,427	1,320,791
TOTAL ASSETS	<u>\$846,282</u>	<u>\$587,151</u>	<u>\$335,590</u>	<u>\$255,973</u>	<u>\$413,615</u>	<u>\$2,438,611</u>
LIABILITIES AND FUND EQUITY						
Liabilities:						
Accounts payable	\$31,244	\$30,690	\$38,978	\$4,278	\$22,970	\$128,160
Fund Equity - fund balance - unreserved - undesignated	<u>815,038</u>	<u>556,461</u>	<u>296,612</u>	<u>251,695</u>	<u>390,645</u>	<u>2,310,451</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$846,282</u>	<u>\$587,151</u>	<u>\$335,590</u>	<u>\$255,973</u>	<u>\$413,615</u>	<u>\$2,438,611</u>

FRANKLIN PARISH POLICE JURY
Winnsboro, Louisiana
SPECIAL REVENUE - MAINTENANCE FUNDS

Combining Schedule of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended December 31, 1997

	ROAD AND BRIDGE	DRAINAGE	COURTHOUSE	HEALTH UNIT	EQUIPMENT	TOTAL
REVENUES						
Taxes:						
Ad valorem		\$442,431	\$160,733	\$123,724	\$321,987	\$1,048,875
Sales and use	\$1,494,842					1,494,842
Intergovernmental revenues - state funds:						
Parish transportation funds	372,296					372,296
State revenue sharing (net)		61,485	22,359	17,160	44,999	146,003
Other		388	141	108		637
Use of money and property	20,470	5,326	9,216	3,787	5,230	53,029
Other revenues	1,875	1,500				13,375
Total revenues	<u>1,908,453</u>	<u>511,130</u>	<u>192,449</u>	<u>144,779</u>	<u>372,216</u>	<u>3,129,057</u>
EXPENDITURES						
Current:						
General government - other general government			145,396			145,396
Public works	1,599,606	619,717			215,569	2,434,892
Health and welfare				16,037		16,037
Debt service		52,734		56,659	13,151	122,544
Capital outlay	1,070	4,605	949	1,240	104,538	112,722
Total expenditures	<u>1,600,696</u>	<u>677,056</u>	<u>146,345</u>	<u>73,936</u>	<u>333,558</u>	<u>2,831,591</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>307,787</u>	<u>(165,926)</u>	<u>46,104</u>	<u>70,843</u>	<u>38,658</u>	<u>297,466</u>
OTHER FINANCING SOURCES (uses)						
Sale of fixed assets					11,937	11,937
Proceeds from insurance reimbursement		330			12,505	12,835
Operating transfers in		153,700				153,700
Operating transfers out	(144,193)	(4,832)				(149,025)
Total other financing sources (uses)	<u>(144,193)</u>	<u>149,198</u>	<u>NONE</u>	<u>NONE</u>	<u>24,442</u>	<u>29,447</u>
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	163,594	(16,728)	46,104	70,843	63,100	326,913
FUND BALANCE AT BEGINNING OF YEAR	<u>651,444</u>	<u>573,189</u>	<u>250,508</u>	<u>180,852</u>	<u>327,545</u>	<u>1,983,538</u>
FUND BALANCES AT END OF YEAR	<u>\$815,038</u>	<u>\$556,461</u>	<u>\$296,612</u>	<u>\$251,695</u>	<u>\$391,645</u>	<u>\$2,310,451</u>

FRANKLIN PARISH POLICE JURY
Winnsboro, Louisiana
SUPPLEMENTAL INFORMATION SCHEDULES
As of and for the Year Ended December 31, 1997

LOUISIANA COMMUNITY DEVELOPMENT
BLOCK GRANT CAPITAL PROJECTS FUNDS

BASKIN FIRE DISTRICT 107-700103

This fund accounts for the construction and acquisition of fire protection improvements. Construction includes two fire garages and a ground storage tank. Two pumper trucks and four tanker trucks will also be acquired from these funds. Funding is provided by federal grants from the United States Department of Housing and Urban Development which are passed through the Louisiana division of Administration.

PETE HARING ROAD 107-700130

This fund accounts for a Public Facilities, Economic Development road improvement project to upgrade and improve approximately 8,200 LF of Pete Haring road. Funding is provided by federal grants from the United States Department of Housing and Urban Development which are passed through the Louisiana division of Administration.

FRANKLIN PARISH POLICE JURY
Winnsboro, Louisiana
CAPITAL PROJECTS - COMMUNITY
DEVELOPMENT BLOCK GRANT FUNDS

Combining Schedule of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended December 31, 1997

	BASKIN FIRE DISTRICT <u>107-700103</u>	PETE HARING ROAD <u>107-700130</u>	<u>TOTAL</u>
REVENUES			
Intergovernmental - federal funds - federal grants	<u>\$53,092</u>	<u>\$557,239</u>	<u>\$610,331</u>
EXPENDITURES			
Capital outlay	<u>53,092</u>	<u>557,239</u>	<u>610,331</u>
EXCESS OF REVENUES OVER EXPENDITURES	NONE	NONE	NONE
FUND BALANCES AT BEGINNING OF YEAR	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>
FUND BALANCES AT END OF YEAR	<u><u>NONE</u></u>	<u><u>NONE</u></u>	<u><u>NONE</u></u>

FRANKLIN PARISH POLICE JURY
Winnsboro, Louisiana
SUPPLEMENTAL INFORMATION SCHEDULE
For the Year Ended December 31, 1997

COMPENSATION PAID POLICE JURORS

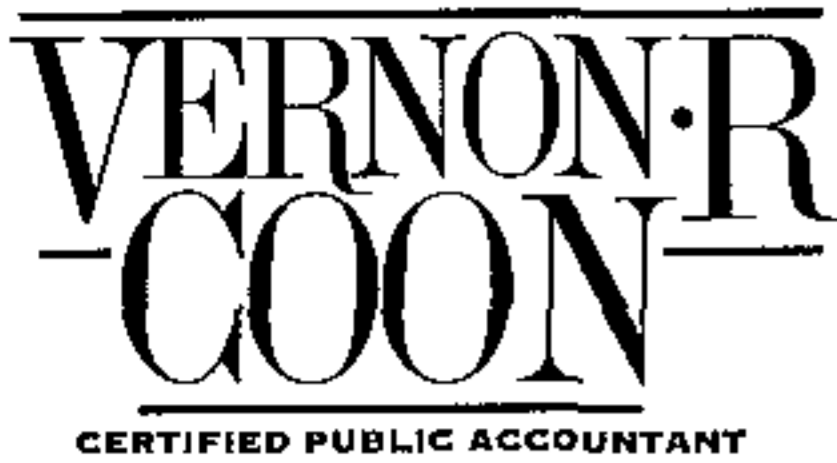
The schedule of compensation paid to police jurors is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Compensation of the police jurors is included in the legislative expenditures of the General Fund. In accordance with Louisiana Revised Statute 33:1233, the police jury has elected the monthly payment method of compensation. Under this method, the president is entitled to receive a maximum of \$963 per month, and the other jurors \$863 per month.

FRANKLIN PARISH POLICE JURY
Winnsboro, LouisianaSchedule of Compensation Paid Police Jurors
For the Year Ended December 31, 1997

Ricky Campbell	\$7,800
W.A. "Bo" Erskin	7,800
Harvey Ray Guimbellot	7,800
Jackie R. Johnson	9,600
Leroy Scott	8,400
Carey C. Stevens, President	9,000
Ray Young	<u>NONE</u>
Total	<u>\$50,400</u>

**Independent Auditor's Report on Compliance with
Laws, Regulations, Contracts, and Grants,
and Internal Control**

The following independent auditor's reports on compliance with laws, regulations, contracts and grants and internal control are presented in compliance with the requirements of *Government Auditing Standards*, issued by the Comptroller General of the United States; the U. S. Office of Management and Budget (OMB) Circular A-133 *Audits of States, Local Governments, and Non-Profit Organizations*; the *Single Audit Act Amendments of 1996*; and the *Louisiana Governmental Audit Guide* issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor.



Independent Auditor's Report on Compliance and Internal Control Over Financial Reporting

FRANKLIN PARISH POLICE JURY
Winnsboro, Louisiana

I have audited the primary government financial statements of the Franklin Parish Police Jury as of and for the year ended December 31, 1997, and have issued my report thereon dated April 14, 1998. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Franklin Parish Police Jury's primary government financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial 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 an instance of noncompliance that is required to be reported under *Government Auditing Standards* which is described in the accompanying schedule of findings and questioned costs as item 97-1.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered Franklin Parish Police Jury's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in

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FRANKLIN PARISH POLICE JURY
Winnsboro, Louisiana
Independent Auditor's Report on Compliance
And Internal Control Over Financial Reporting, etc.
December 31, 1997

the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

This report is intended for the information of the members of the Franklin Parish Police Jury, management of the police jury, federal awarding agencies and pass-through entities. This is not intended to limit the distribution of this report, which is a matter of public record.



West Monroe, Louisiana
April 14, 1998



**Independent Auditor's Report on Compliance
With Requirements Applicable to Each Major Program
and Internal Control Over Compliance**

FRANKLIN PARISH POLICE JURY
Winnsboro, Louisiana

Compliance

I have audited the compliance of the Franklin Parish Police Jury with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal programs for the year ended December 31, 1997. Franklin Parish Police Jury's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal programs are the responsibility of the Franklin Parish Police Jury's management. My responsibility is to express an opinion on the Franklin Parish Police Jury's compliance based on my audit.

I conducted my audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Franklin Parish Police Jury's compliance with those requirements and performing such other procedures as I consider necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination on Franklin Parish Police Jury's compliance with those requirements.

In my opinion, Franklin Parish Police Jury complied, in all material respects, with the requirements referred to above that are applicable to its major federal programs for the year ended December 31, 1997. The results of my auditing procedures disclosed no instances of noncompliance with those requirements that are required to be reported in accordance with OMB Circular A-133.

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FRANKLIN PARISH POLICE JURY

Winnsboro, Louisiana

Independent Auditor's Report on Compliance

With Requirements Applicable to Each Major

Program and Internal Control Over Compliance, etc.

December 31, 1997

Internal Control Over Compliance

The management of the Franklin Parish Police Jury is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing my audit, I considered Franklin Parish Police Jury's internal control over compliance with requirements that could have a direct and material effect on its major federal programs in order to determine my auditing procedures for the purpose of expressing my opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

My consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted *no matters involving the internal control over compliance and its operation that I consider to be material weaknesses.*

This report is intended for the information of the members of the Franklin Parish Police Jury, management of the police jury, federal awarding agencies and pass-through entities. This is not intended to limit the distribution of this report, which is a matter of public record.



West Monroe, Louisiana

April 14, 1998

FRANKLIN PARISH POLICE JURY
Winnsboro, Louisiana

Schedule of Findings and Questioned Costs
For the Year Ended December 31, 1997

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the primary government financial statements of the Franklin Parish Police Jury.
2. A reportable condition relating to the audit of the financial statements is reported in the Independent Auditor's Report on Compliance and Internal Control Over Financial Reporting. The reportable condition was not considered a material weakness.
3. No instances of noncompliance material to the financial statements of the Franklin Parish Police Jury were disclosed during the audit.
4. No reportable conditions relating to the audit of the major federal award programs are reported in the Auditor's Report on Compliance With Requirements Applicable to Each Major Program and Internal Control Over Compliance.
5. The auditor's report on compliance for the major federal award programs for the Franklin Parish Police Jury expresses an unqualified opinion.
6. No audit findings relative to the major federal award programs for the Franklin Parish Police Jury are reported.
7. The programs tested as major programs included:
 - a. United States Department of Housing and Urban Development CDBG Grant - CFDA 14.228
 - b. United States Department of Labor - Job Training Partnership Act - CFDA 17.250
 - c. Food Stamp Cluster:
 1. USDA Food Stamp Program - CFDA 10.551
 2. USDA Food Stamp Administration - CFDA 10.561
8. The threshold for distinguishing Type A and B programs was \$300,000.

(Continued)

FRANKLIN PARISH POLICE JURY
Winnsboro, Louisiana

Schedule of Findings and Questioned Costs (Continued)
For the Year Ended December 31, 1997

9. The Franklin Parish Police Jury was not determined to be a low-risk auditee.

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

**97-1 Need to Comply with Local
Government Budget Act**

Finding: The police jury did not adequately monitor budgets. Louisiana Revised Statute LRS 39:1309-1310 requires the jury to adopt a budget amendment when revenues and other sources to date plus projected revenue and other sources for the remainder of the year fail to meet budgeted revenues and other sources by five percent or more. For the year ended December 31, 1997, the Road and Bridge special revenue fund's actual revenues failed to meet budgeted revenue by \$104,944 or 5.45%, the Sales Tax special revenue fund's actual revenues failed to meet budgeted revenue by \$56,619 or 6.76%.

Recommendation: I recommend that in the future, the police jury adopt a budget amendment when actual revenues fail to meet budgeted revenue by five percent or more.

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

None

(Concluded)

Schedule 8

FRANKLIN PARISH POLICE JURY
Winnsboro Louisiana

Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 1997

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM NAME	CFDA NUMBER	PASS-THROUGH GRANT NUMBER	(DEFERRED) ACCRUED REVENUE AT DECEMBER 31, 1996	REVENUE RECOGNIZED	ISSUES EXPENDITURES	(DEFERRED) ACCRUED REVENUE AT DECEMBER 31, 1997
United States Department of Agriculture						
Passed through Louisiana Department of Social Services:						
Food Stamps	10.551	2212301	(\$1,087,266)	\$2,017,000	\$2,974,607	(\$129,659) #
Administrative costs - Food Stamp program	10.561	N/A	4,392	8,524	8,524	3,274
Total U.S. Department of Agriculture			(1,082,874)	2,025,524	2,983,131	(126,385)
United States Department of Housing and Urban Development						
Direct program - Lower-Income Housing Assistance Program	14.156	N/A	(1,088)	44,164	44,164	(6,883)
Passed through Office of the Governor, Division of Administration - Community Development Block Grant (States Program):						
Baskin Fire District	14.228	107-700103		53,092	53,092	67,401
Pete Haring Road	14.228	107-700130		557,239	557,239	
Total Community Development Block Grant			NONE	610,331	610,331	67,401
Total United States Department of Housing and Urban Development			(1,088)	654,495	654,495	60,518
United States Department of Labor						
Passed through Franklin Community Action Agency - Jobs Training Partnership Act	17.250	N/A	NONE	1,989,200	1,989,200	NONE
United States Department of Justice						
Direct program - Local Law Enforcement Block Grant	16.592	N/A	NONE	19,907	19,907	NONE
Federal Emergency Management Agency						
Passed through Louisiana Office of Emergency Preparedness - Emergency Management Assistance (Civil Defense) Program	83.534	N/A	2,482	20,353	20,353	2,482
Total Federal Financial Assistance			(\$1,081,480)	\$4,709,474	\$5,667,056	(\$93,355)

FOOTNOTES:

- (1) The Schedule of Federal Awards was prepared on the modified accrual basis of accounting.
- (2) # Food stamp inventory at December 31

FRANKLIN PARISH POLICE JURY
Winnsboro, Louisiana

Summary Schedule of Prior Audit Findings
For the Year Ended December 31, 1997

There were no audit findings reported in the audit for the year ended December 31, 1996

OFFICERS

PRESIDENT

CAREY STEVENS

VICE-PRESIDENT

JACKIE JOHNSON

PARISH ADMINISTRATOR

EMMETT BOOK

TREASURER

SHERRI WILTSHIRE

SECRETARY

IRIS "JENNY" CURTIS

SUPERINTENDENT

JOHN TOM MURRAY

MEMBERS

DISTRICT 1

RICKY CAMPBELL

DISTRICT 2

W.A. "BO" ERSKIN

DISTRICT 3

RAY YOUNG

DISTRICT 4

CAREY C. STEVENS

DISTRICT 5

LEROY SCOTT

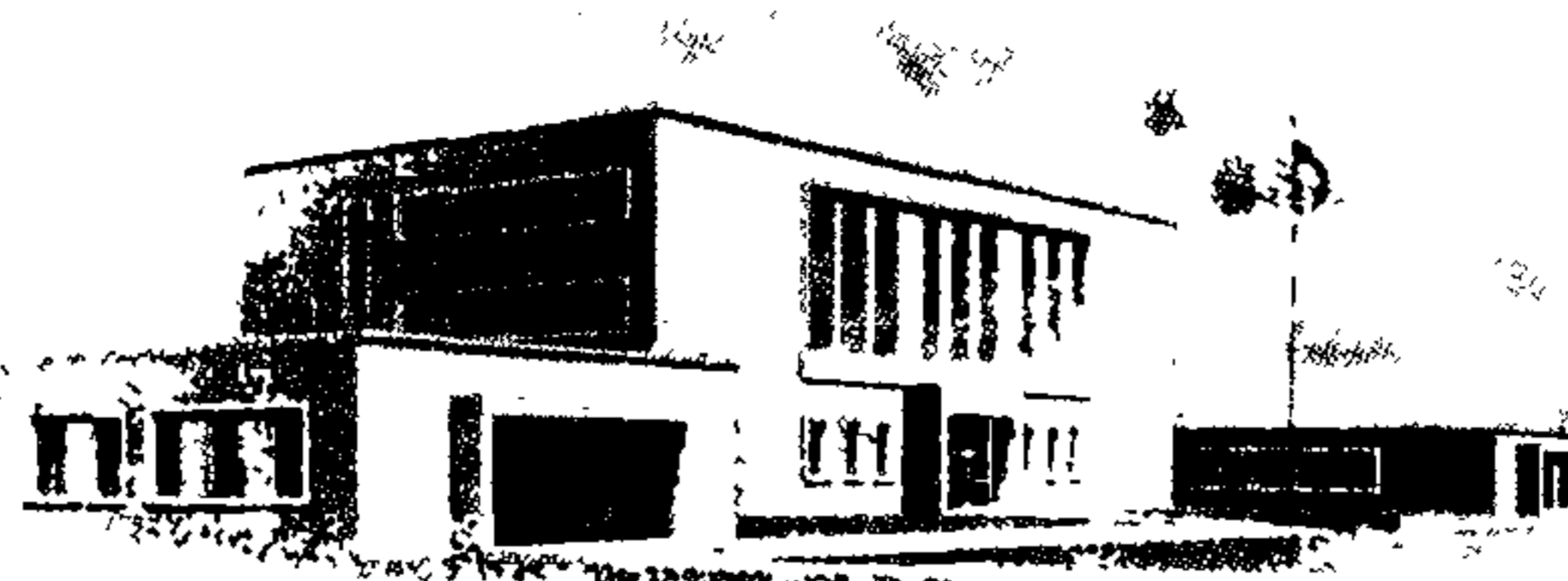
DISTRICT 6

HARVEY RAY GUMBELLOT

DISTRICT 7

JACKIE JOHNSON

6558 MAIN STREET
WINNSBORO, LA 71295
PHONE: (318) 435-8428



FRANKLIN PARISH POLICE JURY

April 8, 1998

Department of Education
P. O. Box 94064
Baton Rouge, LA 70804-9065

Franklin Parish Police Jury respectfully submits the following corrective action plan for the year ended December 31, 1997.

Audit period: January 1, 1997 - December 31, 1997

The findings from the April 14, 1997 schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers in the schedule. Section A of the schedule, Summary of Audit Results, does not include findings and is not addressed.

B. FINDINGS - FINANCIAL STATEMENT AUDIT

REPORTABLE CONDITION

97-1 Need to Comply with Local Government Budget Act

Recommendation: I recommend that in the future, the police jury adopt a budget amendment when actual revenues fail to meet budgeted revenue by five percent or more.

Action to be taken: In the future the Franklin Parish Police Jury will adopt a budget amendment upon the office staff's recommendation. Sherri Wiltshire, Treasurer and myself will closely monitor the various funds to insure compliance.

C. FINDINGS - FEDERAL AWARD PROGRAMS AUDIT

None

Sincerely,
Franklin Parish Police Jury

Emmett Book
Emmett Book
Parish Administrator