

RECEIVED
LEGISLATIVE AUDITOR

00 MAR 29 AM 10:05

COPIES
TO BE SENT OUT

(Zero necessary
copies from this
copy and PLACE
BACK in FILE)

TOWN OF FRANKLINTON
PARISH OF WASHINGTON
FRANKLINTON, LOUISIANA

FINANCIAL REPORT

=====
October 31, 1999

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

Release Date 4/12/00

TOWN OF FRANKLINTON
General Purpose Financial Statements
As of and for the Year Ended October 31, 1999
With Supplemental Information Schedules

TABLE OF CONTENTS

	Statement	Schedule	Page
INDEPENDENT AUDITOR'S REPORT			5
GENERAL PURPOSE FINANCIAL STATEMENTS:			
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS	A		6
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES	B		8
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL - ALL GOVERNMENTAL FUND TYPES	C		9
COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS - ALL PROPRIETARY FUND TYPES ..	D		11
COMBINED STATEMENT OF CASH FLOWS - ALL PROPRIETARY FUND TYPES	E		12
NOTES TO FINANCIAL STATEMENTS			13
SUPPLEMENTAL INFORMATION SCHEDULES:			
GENERAL FUND:			
BALANCE SHEET		1	30
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL ..		2	31
SCHEDULE OF REVENUES COMPARED TO BUDGET (GAAP BASIS) AND ACTUAL		3	32
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET (GAAP BASIS) AND ACTUAL		4	33
SPECIAL REVENUE FUNDS:			
COMBINING BALANCE SHEET		5	37

TOWN OF FRANKLINTON, LOUISIANA

October 31, 1999

**TABLE OF CONTENTS
(CONTINUED)**

	Statement	Schedule	Page
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE		6	38
POLICE AD VALOREM:			
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL		7	39
STREET AD VALOREM:			
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL		8	40
RURAL DEVELOPMENT GRANT:			
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL		9	41
CAPITAL PROJECTS FUNDS:			
COMBINING BALANCE SHEET		10	43
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE		11	44
JONES CREEK PROJECT:			
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL		12	45
1998 LCDBG SEWER GRANT:			
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL		13	46
PROPRIETARY FUNDS:			
COMBINING BALANCE SHEET		14	48
COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN UNRESERVED RETAINED EARNINGS		15	50
COMBINING SCHEDULE OF CASH FLOWS		16	51

TOWN OF FRANKLINTON, LOUISIANA
October 31, 1999

TABLE OF CONTENTS
(CONTINUED)

	Statement	Schedule	Page
GAS UTILITY SYSTEM:			
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN UNRESERVED RETAINED EARNINGS - BUDGET (GAAP BASIS) AND ACTUAL		17	52
WATER UTILITY SYSTEM:			
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN UNRESERVED RETAINED EARNINGS - BUDGET (GAAP BASIS) AND ACTUAL		18	53
SEWER UTILITY SYSTEM:			
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN UNRESERVED RETAINED EARNINGS - BUDGET (GAAP BASIS) AND ACTUAL		19	54
SCHEDULE OF GAS, WATER AND SEWER RATES		20	55
GENERAL FIXED ASSETS ACCOUNT GROUP:			
SCHEDULE OF GENERAL FIXED ASSETS		21	57
SCHEDULE OF INSURANCE		22	58
SCHEDULE OF COMPENSATION PAID BOARD MEMBERS		23	60
SCHEDULE OF FEDERAL AWARDS		24	61
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS		25	62
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS .		26	63
AUDIT REPORTS REQUIRED BY <i>GOVERNMENT AUDITING STANDARDS</i> :			
REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>			64

BRUCE HARRELL & CO.

CERTIFIED PUBLIC ACCOUNTANTS

A Professional Accounting Corporation

Bruce C. Harrell, CPA

Warren A. Wool, CPA

Michael P. Estay, CPA

Dale H. Jones, CPA

Charles P. Hebert, CPA

James D. Rabalais, CPA

109 West Minnesota Park

Park Place Suite 7

Hammond, LA 70403

VOICE: (504) 542-6372

FAX: (504) 345-3156

KENTWOOD OFFICE

P.O. Box 45 - 602 Fifth St.

Kentwood, LA 70444

VOICE: (504) 229-5955

FAX: (504) 229-5951

MEMBERS

American Institute of CPAs

Society of Louisiana CPAs

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor, Earle R. Brown
and Board of Aldermen
Franklinton, Louisiana

We have audited the accompanying general purpose financial statements of the Town of Franklinton, Louisiana, as of October 31, 1999, and for the year then ended, as listed in the table of contents. These general purpose financial statements are the responsibility of the Town of Franklinton, Louisiana, management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the 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. We believe that our audit provides a reasonable basis for our opinion.

In our opinion the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Town of Franklinton, Louisiana, as of October 31, 1999, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 21, 2000 on our consideration of the Town of Franklinton's internal control over financial reporting and our test of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund and account group financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the Town of Franklinton, Louisiana. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.



Bruce Harrell & Company, CPAs

A Professional Accounting Corporation

January 21, 2000

Town of Franklinton

Combined Balance Sheet - All Fund Types and Account Groups
October 31, 1999

	Governmental Fund Type		
	General Fund	Special Revenue Fund	Capital Projects Fund
Assets			
Cash and Cash Equivalents	\$ 382,860	\$ 45,992	\$ -
Investments	-	-	-
Receivables :			
Intergovernmental	71,625	-	81,241
Accounts	414,965	-	-
Due From Other Funds	2,700	-	-
Restricted Assets :			
Cash and Cash Equivalents	-	-	-
Land	-	-	-
Buildings and Furnishings	-	-	-
Improvements Other Than Buildings	-	-	-
Equipment	-	-	-
Utility Plant and Equipment	-	-	-
Accumulated Depreciation	-	-	-
Total Assets	\$ 872,150	\$ 45,992	\$ 81,241
 Liabilities and Fund Equity			
Liabilities:			
Accounts Payable	\$ 56,998	\$ 4,262	\$ 290
Due To Other Funds	-	7,700	-
Retainage Payable	-	-	18,842
Customer Deposits Payable	-	-	-
Compensated Absences Payable	22,756	-	-
Short-term Bonds Payable	-	-	-
Long-term Bonds Payable	-	-	-
Deferred Revenue	406,970	-	-
Total Liabilities	486,724	11,962	19,132
 Fund Equity:			
Investments in General Fixed Assets	-	-	-
Contributed Capital	-	-	-
Accumulated Amortization	-	-	-
Retained Earnings:			
Reserved for Revenue Bond Retirement	-	-	-
Unreserved	-	-	-
Fund Balances:			
Undesignated	385,426	34,030	62,109
Total Fund Equity	385,426	34,030	62,109
Total Liabilities and Fund Equity	\$ 872,150	\$ 45,992	\$ 81,241

The accompanying notes are an integral part of these statements.

Statement A

Proprietary Fund Type	Account Group	Totals (Memorandum Only)
Enterprise Fund	General Fixed Assets	
\$ 975,367	\$ -	\$ 1,404,219
582,416	-	582,416
-	-	152,866
156,521	-	571,486
5,000	-	7,700
272,822	-	272,822
-	247,677	247,677
-	479,516	479,516
-	129,030	129,030
-	958,554	958,554
7,144,934	-	7,144,934
(3,820,697)	-	(3,820,697)
<u>\$ 5,316,363</u>	<u>\$ 1,814,777</u>	<u>\$ 8,130,523</u>
\$ 41,303	\$ -	\$ 102,853
-	-	7,700
-	-	18,842
114,455	-	114,455
7,394	-	30,150
50,044	-	50,044
1,368,732	-	1,368,732
-	-	406,970
<u>1,581,928</u>	<u>-</u>	<u>2,099,746</u>
-	1,814,777	1,814,777
4,192,697	-	4,192,697
(2,407,290)	-	(2,407,290)
93,263	-	93,263
1,855,765	-	1,855,765
-	-	481,565
<u>3,734,435</u>	<u>1,814,777</u>	<u>6,030,777</u>
<u>\$ 5,316,363</u>	<u>\$ 1,814,777</u>	<u>\$ 8,130,523</u>

The accompanying notes are an integral part of these statements.

Town of Franklinton

Statement B

**Combined Statement of Revenues, Expenditures, and Changes in Fund Balances
All Governmental Fund Types
For the Year Ended October 31, 1999**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Totals (Memorandum Only)</u>
Revenues				
Taxes	\$ 943,948	\$ 144,571	\$ -	\$ 1,088,519
Licenses and Permits	222,968	-	-	222,968
Intergovernmental	165,482	-	637,532	803,014
Charges for Services	170,901	-	-	170,901
Fines and Forfeits	30,667	-	-	30,667
Interest	12,439	1,793	-	14,232
Miscellaneous	15,421	-	-	15,421
Total Revenues	<u>1,561,826</u>	<u>146,364</u>	<u>637,532</u>	<u>2,345,722</u>
Expenditures				
General Government	507,713	-	-	507,713
Public Safety:				
Police	433,299	31,393	-	464,692
Fire	67,998	-	-	67,998
Highways, Streets and Drainage	252,068	2,221	887,821	1,142,110
Sanitation	105,579	-	-	105,579
Health and Welfare	116,007	-	-	116,007
Transportation	2,929	-	-	2,929
Capital Outlays	84,583	-	43,403	127,986
Total Expenditures	<u>1,570,176</u>	<u>33,614</u>	<u>931,224</u>	<u>2,535,014</u>
Excess of Revenues Over (Under) Expenditures	<u>(8,350)</u>	<u>112,750</u>	<u>(293,692)</u>	<u>(189,292)</u>
Other Financing Sources (Uses)				
Sale of Fixed Assets	5,100	-	-	5,100
Lease Payments	15,636	-	-	15,636
Transfers (To)/From Other Funds	-	(38,919)	363,919	325,000
Total Other Financing Sources (Uses)	<u>20,736</u>	<u>(38,919)</u>	<u>363,919</u>	<u>345,736</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	12,386	73,831	70,227	156,444
Fund Balance (Deficit), Beginning	<u>373,040</u>	<u>(39,801)</u>	<u>(8,118)</u>	<u>325,121</u>
Fund Balance, Ending	<u>\$ 385,426</u>	<u>\$ 34,030</u>	<u>\$ 62,109</u>	<u>\$ 481,565</u>

The accompanying notes are an integral part of these statements.

Town of Franklinton

**Combined Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget (GAAP Basis) and Actual
Governmental Fund Types
For the Year Ended October 31, 1999**

	General Fund		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Taxes	\$ 881,500	\$ 943,948	\$ 62,448
Licenses and Permits	231,125	222,968	(8,157)
Intergovernmental	164,800	165,482	682
Charges for Services	168,700	170,901	2,201
Fines and Forfeits	30,000	30,667	667
Interest	6,200	12,439	6,239
Miscellaneous	4,000	15,421	11,421
Total Revenues	<u>1,486,325</u>	<u>1,561,826</u>	<u>75,501</u>
Expenditures			
General Government	536,500	507,713	28,787
Public Safety:			
Police	432,000	433,299	(1,299)
Fire	47,400	67,998	(20,598)
Highways, Streets and Drainage	286,500	252,068	34,432
Sanitation	115,000	105,579	9,421
Health and Welfare	120,925	116,007	4,918
Transportation	7,500	2,929	4,571
Capital Outlays	20,740	84,583	(63,843)
Total Expenditures	<u>1,566,565</u>	<u>1,570,176</u>	<u>(3,611)</u>
Excess of Revenues Over (Under) Expenditures	<u>(80,240)</u>	<u>(8,350)</u>	<u>71,890</u>
Other Financing Sources (Uses)			
Sale of Fixed Assets	5,000	5,100	100
Lease Payments	15,600	15,636	36
Transfers (To)/From Other Funds	-	-	-
Total Other Financing Sources (Uses)	<u>20,600</u>	<u>20,736</u>	<u>136</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(59,640)	12,386	72,026
Fund Balance (Deficit), Beginning	373,040	373,040	-
Fund Balance, (Deficit) Ending	<u>\$ 313,400</u>	<u>\$ 385,426</u>	<u>\$ 72,026</u>

The accompanying notes are an integral part of these statements.

Statement C

Special Revenue Funds			Capital Projects Funds		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ 133,000	\$ 144,571	\$ 11,571	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	637,400	637,532	132
-	-	-	-	-	-
-	-	-	-	-	-
1,000	1,793	793	-	-	-
-	-	-	-	-	-
<u>134,000</u>	<u>146,364</u>	<u>12,364</u>	<u>637,400</u>	<u>637,532</u>	<u>132</u>
-	-	-	-	-	-
33,500	31,393	2,107	-	-	-
-	-	-	-	-	-
2,000	2,221	(221)	888,000	887,821	179
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
21,500	-	21,500	43,400	43,403	(3)
<u>57,000</u>	<u>33,614</u>	<u>23,386</u>	<u>931,400</u>	<u>931,224</u>	<u>176</u>
77,000	112,750	35,750	(294,000)	(293,692)	308
-	-	-	-	-	-
-	-	-	-	-	-
(39,000)	(38,919)	81	364,000	363,919	(81)
<u>(39,000)</u>	<u>(38,919)</u>	<u>81</u>	<u>364,000</u>	<u>363,919</u>	<u>(81)</u>
38,000	73,831	35,831	70,000	70,227	227
(39,801)	(39,801)	-	(8,118)	(8,118)	-
<u>\$ (1,801)</u>	<u>\$ 34,030</u>	<u>\$ 35,831</u>	<u>\$ 61,882</u>	<u>\$ 62,109</u>	<u>\$ 227</u>

The accompanying notes are an integral part of these statements.

Town of Franklinton

Statement D

**Combined Statement of Revenues, Expenses, and Changes in Retained Earnings
All Proprietary Fund Types
For the Year Ended October 31, 1999**

	<u>Enterprise Fund</u>
Operating Revenues	
Gas Sales	\$ 549,353
Water Sales	262,390
Sewer Service Charges	266,778
Tie-Ins	4,350
Miscellaneous	4,206
Total Operating Revenues	<u>1,087,077</u>
Operating Expenses	
Personal Services	314,764
Supplies	89,994
Other Services and Charges	118,695
Gas Purchases	268,921
Depreciation	249,636
Total Operating Expenses	<u>1,042,010</u>
Operating Income (Loss)	<u>45,067</u>
Nonoperating Revenues (Expenses)	
Interest Expense	(75,073)
Interest Income	87,112
Unrealized Gain (Loss)	(19,161)
Total Nonoperating Revenues	<u>(7,122)</u>
Operating Transfers In (Out)	
Operating Transfers Out	(325,000)
Total Operating Transfers In (Out)	<u>(325,000)</u>
Net Income (Loss)	(287,055)
Decrease (Increase) in Retained Earnings Reserved for:	
Depreciation and Contingency Fund	6,997
Reserve Fund	22,705
Amortization of Contributions	137,514
Unreserved Retained Earnings, Beginning of Year	<u>1,975,604</u>
Unreserved Retained Earnings, End of year	<u>\$ <u>1,855,765</u></u>

The accompanying notes are an integral part of these statements.

Town of Franklinton

Statement E

**Combined Statement of Cash Flows
All Proprietary Fund Types
For the Year Ended October 31, 1999**

	<u>Enterprise Fund</u>
Cash Flows from Operating Activities	
Operating Income (Loss)	\$ 45,067
Adjustments to Reconcile Net Operating Income to Net Cash Provided (Used) by Operating Activities:	
Depreciation	249,636
Change in Accounts Receivable	(3,101)
Change in Unbilled Receivables	(18,335)
Change in Due From Other Funds	15,000
Change in Inventory	8,278
Change in Accounts Payable	(4,138)
Change in Compensated Absences Payable	(2,025)
Change in Retainage Payable	-
Rounding	2
Change in Customer Deposits Payable	8,449
Net Cash Provided (Used) by Operating Activities	<u>298,833</u>
Cash Flows from Noncapital Financing Activities	
Operating Transfers Out	(325,000)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(325,000)</u>
Cash Flows from Capital and Related Financing Activities	
Principal Payments	(72,449)
Payments for Capital Assets	(7,871)
Interest Payments	(75,073)
Proceeds From Investments	249,533
Proceeds From Loans	-
Net Cash Provided (Used) by Capital & Related Financing Activities	<u>94,140</u>
Cash Flows from Investing Activities	
Unrealized Gain (Loss)	(19,161)
Receipts of Interest	87,112
Net Cash Provided (Used) by Investing Activities	<u>67,951</u>
Net Cash Increase (Decrease)	135,924
Cash and Cash Equivalents, Beginning of Year	<u>1,112,265</u>
Cash and Cash Equivalents, End of Year	<u>\$ 1,248,189</u>

The accompanying notes are an integral part of these statements.

TOWN OF FRANKLINTON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended October 31, 1999

INTRODUCTION

The Town of Franklinton was incorporated March 7, 1861, under the provisions of a Special Legislative Charter. The Town operates under a Mayor-Board of Aldermen form of government.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

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

B. REPORTING ENTITY

As the municipal governing authority, for reporting purposes, the Town of Franklinton is considered a separate financial reporting entity. The financial reporting entity consists of (a) the primary government (municipality), (b) organization for which the primary government is financially accountable, and (c) other organizations for which 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 the Town of Franklinton 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
 - a. The ability of the municipality to impose its will on the organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the municipality.
2. Organizations for which the municipality does not appoint a voting majority but are fiscally dependent on the municipality.
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.

The Town of Franklinton does not have any component units to be included in the accompanying financial statements.

Considered in the determination of component units of the reporting entity were the Washington Parish Council, Sheriff, Clerk of Court, Assessor, and School Board, the District Attorney and the Judges of the 22nd Judicial

TOWN OF FRANKLINTON, LOUISIANA
Notes to the Financial Statements
(Continued)

District. It was determined that these governmental entities are not component units of the Town of Franklinton reporting entity because they have separately elected governing bodies, are legally separate, and are fiscally independent of the Town of Franklinton.

C. FUND ACCOUNTING

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

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

Funds of the municipality are classified into two categories: governmental and proprietary. In turn, each category is divided into separate fund types. The fund classifications and a description of each existing fund type follow:

Governmental Funds

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

1. General Fund - the general operating fund of the municipality and accounts for all financial resources except those required to be accounted for in other funds.
2. Special Revenue Funds - account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.
3. 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.

Proprietary Funds

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

1. Enterprise funds - account for operations (a) where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided the periodic determination of revenues earned, expenses incurred, and/or income is appropriate for capital maintenance, management control, accountability, or other purposes.

TOWN OF FRANKLINTON, LOUISIANA
Notes to the Financial Statements
(Continued)

D. BASIS OF ACCOUNTING

The accounting and 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 are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The modified basis of accounting is used by governmental funds. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Revenues are recognized when they become measurable and available as net current assets. Gross receipts, and sales taxes are considered "measurable" when in the hands of collecting governments and are recognized as revenue at that time. Anticipated refunds of such taxes are recorded as liabilities and reductions of revenue when they are measurable and their validity seems certain. Charges for services are accrued.

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is principal and interest on long-term debt is recognized when due. Interest costs are not capitalized.

Other Financing Sources (Uses)

Proceeds from the sale of fixed assets are accounted for as other financing sources and are recognized when received. Fixed assets acquired through capital leases are recorded as expenditures and other financing uses at the time of acquisition. Transfers between funds that are not expected to be repaid are accounted for as other financing sources (uses).

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

E. BUDGET PRACTICES

The proposed budget for 1999 was made available for public inspection on October 13, 1998. The proposed budget, prepared on the modified accrual basis of accounting, was published in the official journal 15 days prior to the public hearing, which was held at the Town of Franklinton's City Hall on October 27, 1998, for comments from taxpayers. The budget is legally adopted and amended, as necessary, by the board of aldermen.

All expenditure appropriations lapse at year end. Unexpended appropriations and any excess of revenues over expenditures are carried forward to the subsequent year as beginning fund balances.

TOWN OF FRANKLINTON, LOUISIANA
Notes to the Financial Statements
(Continued)

F. ENCUMBRANCES

Encumbrance accounting is not used. However, formal integration of the budget into the accounting records is employed as a management control device.

**G. CASH AND CASH EQUIVALENTS
AND INVESTMENTS**

Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits and those other investments with original maturities of 90 days or less. Under state law, the municipality 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 their principal offices in Louisiana.

Under state law, the municipality may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days. However, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are stated at cost.

H. INVESTMENTS

Investments are limited by Louisiana Revised Statutes (R.S.) 33:2955 and the town's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments of the Town of Franklinton are restricted to securities issued, guaranteed, or otherwise backed by the U.S. Treasury, the U.S. Government or one of its agencies, enterprises, or instrumentalities.

GASB Statement No. 31 requires the following disclosures:

1. The fair value of investments is based on quoted market prices.
2. Investments are reported at amortized cost.
3. There are no investments in external investment pools.
4. There is no involuntary participation in an external investment pool.
5. There is no income from investments associated with one fund that is assigned to another fund.
6. Investments are reported on the balance sheet at fair value.
7. The town recognizes all investment income, including changes in the fair value of investments, as revenue in the operating statement.

**I. SHORT-TERM INTERFUND
RECEIVABLES/PAYABLES**

During the course of operations, numerous transactions occur between individual funds for goods provided or

TOWN OF FRANKLINTON, LOUISIANA
Notes to the Financial Statements
(Continued)

services rendered. The receivables and payables are classified as due from other funds or due to other funds on the balance sheet. Short-term interfund loans are classified as interfund receivables/payables.

J. INVENTORIES

There are no inventories in the governmental funds since expenditures are recognized when the items are purchased.

Inventory in the proprietary funds consists of gas reserves purchased and is recorded as an expense when consumed. Inventories are valued at the lower of cost or market.

K. RESTRICTED ASSETS

Certain proceeds of the enterprise fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants.

L. FIXED ASSETS

Fixed assets of the governmental funds are recorded as expenditures at the time purchased or constructed, and the related assets are capitalized (reported) in the general fixed assets account group. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost or estimated cost if historical cost is not available. Assets considered part of infrastructure are not capitalized.

Fixed assets of the enterprise funds are included on the balance sheets of the funds. Interest costs incurred during construction are capitalized. Depreciation of all exhaustible fixed assets is charged as an expense against operations. Fixed assets reported on the balance sheet are net of accumulated depreciation. Depreciation is computed using the straight line method over the estimated lives of 10 to 30 years.

M. COMPENSATED ABSENCES

Employees of the municipality earn annual leave at varying rates according to years of service. Accrued unused annual leave earned by an employee is carried forward to the succeeding calendar year until a maximum of twenty days accumulation. Accrued unused sick leave earned by an employee is carried forward to the succeeding calendar year without limitation. Employees that are terminated or resign will not be paid for accumulated sick leave.

N. LONG-TERM LIABILITIES

Long-term liabilities are recognized within the enterprise funds.

O. FUND EQUITY

Contributed Capital

Grants, entitlements, or shared revenues received that are restricted for the acquisition or construction of capital assets are recorded as contributed capital. Contributed capital is amortized based on the depreciation recognized on that portion of the assets acquired from such contributions.

TOWN OF FRANKLINTON, LOUISIANA
Notes to the Financial Statements
(Continued)

Reserves

Reserves represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use.

P. INTERFUND TRANSACTIONS

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

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as residual equity transfers. All other interfund transfers of the town are reported as operating transfers.

Q. TOTAL COLUMNS ON COMBINED STATEMENTS

Total columns on the combined statements are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operation, or changes in financial position 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. FUND DEFICITS

As of October 31, 1999, the Town had no fund deficits.

**3. EXPENDITURES/EXPENSES -
ACTUAL AND BUDGET**

As of October 31, 1999, the Town had no individual funds with actual expenditures over five percent (5%) of budgeted expenditures.

4. LEVIED TAXES

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

	Authorized Millage	Levied Millage	Collected Millage
General corporate purpose	7.24 mills	\$ 84,270	\$ 84,644
Police ad valorem	5.18 mills	\$ 60,293	\$ 60,303
Street and drainage ad valorem	7.24 mills	\$ 84,270	\$ 84,268

TOWN OF FRANKLINTON, LOUISIANA
Notes to the Financial Statements
(Continued)

5. CASH AND CASH EQUIVALENTS

At October 31, 1999, the municipality has cash and cash equivalents (book balances) totaling \$1,677,041, as follows:

Demand deposits	\$ 775,783
Money market accounts	-
Time deposits	901,258
Total	\$ 1,677,041

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.

At October 31, 1999, the municipality has \$1,833,507 in deposits (collected bank balances). These deposits are secured from risk by \$485,459 of federal deposit insurance and \$1,335,249 of pledged securities held by the custodial bank in the name of the fiscal agent bank (Category 3). The remaining balance of \$12,799 is not secured and is a violation of state law.

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, 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 municipality that the fiscal agent has failed to pay deposited funds upon demand.

6. INVESTMENTS

Investments are categorized into these three categories of credit risk:

1. *Insured or registered, or securities held by the municipality or its agent in the town's name*
2. *Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the town's name*
3. *Uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent but not in the town's name*

All investments held by the town fall into category I credit risk, defined as "insured or registered, or securities held by the town or its agent in the town's name." In accordance with GASB 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, all investments are carried at fair market value, with the estimated fair market value based on quoted market prices.

At October 31, 1999, the town holds investments totaling \$582,416 as follows:

TOWN OF FRANKLINTON, LOUISIANA
Notes to the Financial Statements
(Continued)

	Carrying Amount	Market Value
Federal National Mortgage Association (FNMA)	\$ 362,114	\$ 362,114
Federal Home Loan Mortgage Corporation (FHLMC)	91,313	91,313
Government National Mortgage Association (GNMA)	114,235	114,235
Centennial Government Trust	14,754	14,754
Total	\$ 582,416	\$ 582,416

All investments are stated on the balance sheet (carrying value) at cost. All investments are in the name of the town and are held at the town's office. Because these investments are in the name of the town and are held by the town or the town's agent, the investments are considered insured and registered, Category (1), in applying the credit risk of GASB Codification Section I50.164.

7. RECEIVABLES

The receivables of \$724,352 at October 31, 1999, are as follows:

Class of Receivable	General Fund	Special Revenue Fund	Capital Projects Fund	Enterprise Fund	Total
Accounts - Customers	\$ 14,854	\$ -	\$ -	\$ 156,521	\$ 171,375
Franchise Tax	-	-	-	-	-
Lease Payments	400,111	-	-	-	400,111
Washington Parish -					
Council	-	-	-	-	-
Sheriff	57,439	-	-	-	57,439
State	14,186	-	81,241	-	95,427
Total	\$ 486,590	\$ -	\$ 81,241	\$ 156,521	\$ 724,352

8. CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

	Balance November 1, 1998	Additions	Deletions	Balance October 31, 1999
Land	\$ 247,676	\$ 1	\$ -	\$ 247,677
Buildings and Improvements	608,547	-	1	608,546
Vehicles	489,464	-	-	489,464
Office Furniture and Fixtures	3,350	-	-	3,350
Equipment	507,963	40,981	83,204	465,740
Total	\$1,857,000	\$ 40,982	\$ 83,205	\$1,814,777

TOWN OF FRANKLINTON, LOUISIANA
Notes to the Financial Statements
(Continued)

9. PROPERTY, PLANT AND EQUIPMENT

Gas Utility:	
Operating System	\$ 340,000
Improvements	577,204
Equipment	78,560
Total Gas Utility	995,764
Water Utility:	
Land	3,300
Operating System	1,991,549
Improvements	395,016
Equipment	34,035
Total Water Utility	2,423,900
Sewer Utility:	
Collection System & Treatment Plant	3,705,668
Equipment	19,602
Construction in Progress	-
Total Sewer Utility	3,725,270
Total Utilities	7,144,934
Less Accumulated Depreciation	(3,820,697)
Net Property, Plant & Equipment	\$ 3,324,237

10. CHANGES IN LONG-TERM DEBT

The following is a summary of long-term debt transactions for the year ended October 31, 1999:

	Revenue
	Bonds
Bonds Payable, November 1, 1998	\$ 1,491,225
Bonds Issued	-
Bonds Retired	(72,449)
Bonds Payable, October 31, 1999	\$ 1,418,776

TOWN OF FRANKLINTON, LOUISIANA
Notes to the Financial Statements
(Continued)

Revenue bonds payable at October 31, 1999, are comprised of the following individual issues:

\$340,000 Gas utility bonds dated June 8, 1968 due in annual installments of \$2,000 to \$25,000 through November 1, 1998; interest at 5.75% payable semi-annually May 1 and November 1.	\$ -
\$370,000 Sewer revenue refunding bonds dated November 1, 1993 Due in annual installments of \$29,000 to \$46,000 through November 1, 2003; interest at 5.5% payable semi-annually May 1, and November 1 each year.	209,000
\$1,250,000 Water revenue bonds dated December 26, 1996, due in monthly installments of principal and interest of \$6,101.50 from January 26, 1997 to December 26, 2036	1,209,776
	\$1,418,776

11. DEDICATION OF PROCEEDS AND FLOW OF FUNDS - 1% SALES AND USE TAX

Proceeds of a 1% sales and use tax levied by the municipality (1999 collections - \$699,879) are dedicated with the revenues derived from said sales and use tax to be used for the purpose of constructing, improving, extending, and maintaining playgrounds and recreational facilities; public roads, streets, bridges and crossings; sewerage, garbage disposal and water works, and other works of permanent public improvements in the municipality.

12. FLOW OF FUNDS, RESTRICTIONS ON USE - UTILITIES REVENUES

GAS UTILITY REVENUE BONDS

The Gas Utility Revenue Bond issue required that all income and revenues be deposited into the Washington Bank and Trust Company (now Hancock Bank), Franklinton, Louisiana. Since the Gas Utility Revenue Bond was completely paid out by the end of the fiscal year, the town is no longer required to honor these conditions.

SEWER REVENUE REFUNDING BONDS

The Sewer Revenue Refunding Bonds, Series 1993 issue required that all income and revenues earned or derived from the operation of the system be deposited as the same may be collected in the Revenue Fund. Out of the funds on deposit in the Revenue Fund, after reasonable and necessary expenses of operating the system have been paid, moneys are to be transferred to the Sinking Fund, the Reserve Fund and/or the Contingency Fund as provided in the Resolution. The fund is represented by \$73,203 in a checking account and \$95,059 in a Certificate of Deposit.

The Sinking Fund is designed to achieve a proper matching of revenues and debt service on the bonds with each bond year. For purposes of this certificate, "Bond Year" shall mean 1 year period ending on each principal payment date of the bonds, which is November 1. The municipality is required by the Resolution to make monthly deposits into the Sinking Fund no later than the 20th day of each month, a sum of between \$4,017 to \$4,125. Amounts deposited in the Sinking Fund will be applied to the payment of principal and interest on the bonds in the bond year of their receipts. All amounts deposited in the Sinking Fund are expected to be depleted at least each bond year, except for a reasonable carryover amount which will not exceed the greater of (I) the earnings on the Debt Service Fund for the immediately preceding bond year, or (II) 1/12 of the principal and interest payments on the bonds for the immediately preceding year. The fund is represented by \$60,892 in a checking account.

TOWN OF FRANKLINTON, LOUISIANA
Notes to the Financial Statements
(Continued)

The Reserve Fund is maintained solely for the purpose of paying the principal of and interest on bonds payable from the Sinking Fund as to which there would otherwise be default. The Reserve Fund was established by depositing \$37,000 into the Reserve Fund on the day of the delivery of the bonds and maintained therein over the life of the bonds. The balance of the fund as of October 31, 1999 is \$42,583.

The Contingency Fund is established to care for depreciation, extensions, additions, improvements, renewals and replacements necessary to operate properly the System, by transferring from the Sewer Revenue Fund on or before the 20th day of each month of each year a sum of Two Hundred Seventy Dollars (\$270.00) per month, provided such sum is available as provided in the Resolution. In addition to caring for depreciation, extensions, additions, improvements, renewals and replacements necessary to properly operate the System, the money in the Contingency Fund may also be used to pay the principal of and the interest on the bonds including any additional pari passu bonds issued hereafter in the manner provided by the Resolution, for the payment of which there is not sufficient money in the Sinking Fund or Reserve Funds. The Fund is represented by \$28,005 in a checking account.

WATER REVENUE BONDS

The Water Revenue Bonds, Series 1996 issue required that all income and revenues earned or derived from the operation of the system be deposited as the same may be collected in the Revenue Fund. Out of the funds on deposit in the Revenue Fund, after reasonable and necessary expenses of operating the system have been paid, moneys are to be transferred to the Sinking Fund, the Reserve Fund and/or the Contingency Fund as provided in the Resolution. The fund is represented by a cash overdraft of \$(12,448) in a checking account and \$55,648 in a Certificate of Deposit.

The Sinking Fund is designed to achieve a proper matching of revenues and debt service on the bonds with each bond year. For purposes of this certificate, "Bond Year" shall mean 1 year period ending on each principal payment date of the bonds, which is December 26. The municipality is required by the Resolution to make monthly deposits into the Sinking Fund no later than the 20th day of each month, a sum of \$6,101.50. Amounts deposited in the Sinking Fund will be applied to the payment of principal and interest on the bonds in the bond year of their receipts. The municipality has elected to make these payments monthly to RUS. The fund is represented by \$494 in a checking account.

The Reserve Fund is maintained solely for the purpose of paying the principal of and interest on bonds payable from the Sinking Fund as to which there would otherwise be default. The Reserve Fund is established by Depositing \$306 monthly into the Reserve Fund commencing with the month following the completion of the project. The balance of the fund as of October 31, 1999 is \$11,066.

The Contingency Fund is established to care for depreciation, extensions, additions, improvements, renewals and replacements necessary to operate properly the System, by transferring from the Water Revenue Fund on or before the 20th day of each month of each year a sum of \$321, provided such sum is available as provided in the Resolution. In addition to caring for depreciation, extensions, additions, improvements, renewals and replacements necessary to properly operate the System, the money in the Contingency Fund may also be used to pay the principal of and the interest on the bonds including any additional pari passu bonds issued hereafter in the manner provided by the Resolution, for the payment of which there is not sufficient money in the Sinking Fund or Reserve Funds. The Fund is represented by \$11,609 in a checking account.

TOWN OF FRANKLINTON, LOUISIANA
Notes to the Financial Statements
(Continued)

13. COMPENSATED ABSENCES

At October 31, 1999, employees of the municipality have accumulated and vested \$30,150 of employee leave benefits, which was computed in accordance with GASB Codification Section C60. Of this amount, \$22,756 is recorded as an obligation of the General Fund, none is recorded within the general long-term obligations account group, and \$7,394 is recorded as an obligation of the Enterprise Funds.

14. PENSION PLAN

Substantially all employees of the Town of Franklinton are members of the following statewide retirement systems: Municipal Employees Retirement System of Louisiana or Municipal Police Employees Retirement System of Louisiana. These systems are cost-sharing, multiple-employer public employee retirement system (PERS), controlled and administered by a separate board of trustees. Pertinent information relative to each plan follows:

A. Municipal Employee Retirement System of Louisiana (System)

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

All permanent employees working at least 35 hours per week who are not covered by another pension plan and are paid wholly or in part from municipal funds and all elected officials are eligible to participate in the System. Under Plan B, employees who retire at or after age 60 with at least 10 years of creditable service or at or after age 55 with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 2 per cent of their final-average salary for each year of creditable service. Furthermore, with at least 10 years of creditable service, but less than 30 years, an employee may take early retirement benefits commencing at age 60, with the basic benefit reduced 3 per cent for each year retirement precedes age 60, unless he has at least 30 years of creditable service. In any case, monthly retirement benefits paid under Plan B cannot exceed 100 per cent of final-average salary. 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 and do not withdraw their employee contributions may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplemental information for the System. That report may be obtained by writing to the Municipal Employees Retirement System of Louisiana, 7937 Office Park Boulevard, Baton Rouge, Louisiana 70809, or calling (504) 925-4810.

Funding Policy. Under Plan B, members are required by state statute to contribute 5.0 percent of their annual covered salary and the Town of Franklinton is required to contribute at an actuarially determined rate. The current rate is 3.75 percent of annual covered payroll through June 30, 1999, and 4.50 percent of annual payroll thereafter. The Town of Franklinton's management has decided to pay 2.0 percent of the employees part, thus increasing the Town of Franklinton's pension percentage to 5.75 percent and 6.50 percent, respectively. 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 Town of Franklinton are established and may be amended by state statute.

TOWN OF FRANKLINTON, LOUISIANA
Notes to the Financial Statements
(Continued)

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 Town of Franklinton's contributions to the System under Plan B for the years ending October 31, 1999, 1998, and 1997, were \$16,516, \$13,701, and \$13,292, respectively, equal to the required contributions for each year.

B. Municipal Police Employees Retirement System of Louisiana (System)

Plan Description. All full-time police department employees engaged in law enforcement are required to participate in the System. Employees who retire at or after age 50 with at least 20 years of creditable service or at age 55 with at least 12 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 1/3 per cent of their final-average salary for each year of creditable service. 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, and do not withdraw their employee contributions, may retire at the ages specified previously and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplemental information for the System. That report may be obtained by writing to the Municipal Police Employees Retirement System of Louisiana, 8401 United Plaza Boulevard, Baton Rouge, Louisiana 70809-2250, or by calling (504) 929-7411.

Funding Policy. Plan members are required by state statute to contribute 7.5 percent of their annual covered salary and the Town of Franklinton is required to contribute at an actuarially determined rate. The current rate is 9.0 percent of annual covered payroll. The contribution requirements of plan members and the Town of Franklinton 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 Town of Franklinton's contributions to the System for the years ending October 31, 1999, 1998, and 1997, were \$7,202, \$8,671, and \$7,764, respectively, equal to the required contributions for each year.

15. OTHER POSTEMPLOYMENT BENEFITS

The Town of Franklinton provides health care insurance for employees who retire with twenty years of service. These benefits are provided until the retiree becomes eligible for Medicare. For the year ended October 31, 1999, the Town of Franklinton had no retirees eligible for this benefit.

16. PENDING LITIGATION AND CONTINGENT LIABILITIES

As of October 31, 1999, the Town of Franklinton has several suits pending or threatened litigation. All of these suits are covered by insurance. It is the opinion of the town that any loss that may be incurred will be immaterial. Litigation costs of \$ 6,440 was incurred in the current year, and has been recorded as a current-year expenditure in the General Fund.

TOWN OF FRANKLINTON, LOUISIANA
Notes to the Financial Statements
(Continued)

**17. TRANSPORTATION GRANT SUBCONTRACTED TO
WASHINGTON PARISH COUNCIL ON AGING, INC.**

The Town was approved for and executed a grant award to be received through the Louisiana Department of Transportation and Development (DOTD) which is funded under the Public Transportation for Non-Urbanized Areas - Section 18 of the Urban Mass Transportation Act of 1964, as amended by Section 313 of the Surface Transportation Assistance Act of 1978, entitled "Formula Grant Program for Areas Other Than Urbanized." The period covered by this grant is from November 1, 1998, through October 31, 1999.

The Town has entered into a Section 18 Subcontract with the Washington Parish Council on Aging, Inc. assigning all rights and liabilities under the grant agreements and contracts in order that the Council on Aging can administer the grants. The Town is the program sponsor and is legally and financially obligated in connection with fulfilling these grant agreements. The funds received and transferred under the grant are reported in "Schedule of Federal Financial Assistance" at the end of this report.

18. SEGMENT INFORMATION - ENTERPRISE FUND

The enterprise fund of the Town of Franklinton accounts for the collection of gas, water, and sewer user fees, and the provision of services to support the gas, water and sewer systems. Segment information of the enterprise fund is presented in the following statement that comprise the set of general purpose financial statements:

Individual enterprise fund statements as columns in the combining balance sheet; combining statements of revenues, expenses, and changes in retained earnings - proprietary fund type; and combining statement of cash flows - proprietary fund type and notes to the general purpose financial statements.

19. CONSTRUCTION COMMITMENT

Jones Creek Improvements

On July 26, 1994, the Town approved accepting a grant from the State of Louisiana, Department of Transportation and Development through the Statewide Flood Control Program for Jones Creek Improvements. The funding of this state project number 576-59-0003 is \$1,123,755. Louisiana's funding share is \$786,628 (70%) and the Town's funding share is \$337,127 (30%). On November 8, 1994 the Town authorized the engineering firm to proceed on the engineering services and topographic surveys for the project in accordance with the engineering contract dated April 10, 1990. The Town has decided to dedicate surplus funds in the Enterprise Funds to fulfill the Town's matching obligation in the project, if surplus funds are not available in the Street Ad-Valorem - Special Revenue Fund.

Community Development Block Grant

In December, 1998, the Town received approval for a \$981,000 Community Development Block Grant. This grant will be use to upgrade the Town's sewer system. The cost of this sewer upgrade will be paid entirely from the funds of the grant. As of October 31, 1999, the town has received \$43,403 from the state for this grant.

TOWN OF FRANKLINTON, LOUISIANA
Notes to the Financial Statements
(Continued)

20. Deferred Revenues

The Town has sold three industrial sites under long-term financing agreements. The \$400,111 receivable for future lease payments is disclosed in Note 7 and is reported in the general fund with a corresponding entry to deferred revenue.

The Town also received an LLEBG Program during the year for \$15,406. Of this amount, \$6,859 was not spent before the end of the year, and therefore is recorded in deferred revenues.

	Remaining Payments as of 10/31/99	Payments Received FYE 10/31/99
Site 1, dated 4/15/90, Original Amount of \$42,500, with interest @ 3.275% and payments of \$400/month for 125 months.	\$ 4,100	\$ 4,800
Site 2, dated 5/1/91, Original Amount of \$110,874, with interest @ 8.25% and payments of \$903/month for 270 months, with a final payment of \$239.	153,756	11,500
Site 3, dated 3/10/98, Original Amount of \$207,000, with interest @ 6.00%, amended to 3%, with interest only payments each month and a principal payment of \$10,000 on the anniversary date, until paid in full.	242,255	15,945
Total Lease Payments	400,111	\$ 32,245
LLEBG Program	6,859	
Total Deferred Revenue	\$ 406,970	

FINANCIAL STATEMENTS OF INDIVIDUAL
FUNDS, ACCOUNT GROUPS AND
SUPPLEMENTAL INFORMATION SCHEDULES

GENERAL FUND

To account for resources traditionally associated with governments which are not required to be accounted for in another fund.

Town of Franklinton

Schedule 1

Balance Sheet
General Fund
October 31, 1999

Assets

Cash and Cash Equivalents	\$	382,860
Receivables:		
Intergovernmental		71,625
Accounts		414,965
Due From Other Funds		2,700
Total Assets	\$	<u>872,150</u>

Liabilities and Fund Balance

Liabilities:

Accounts Payable	\$	56,998
Compensated Absences Payable		22,756
Deferred Revenue		406,970
Total Liabilities		<u>486,724</u>

Fund Balance:

Undesignated		<u>385,426</u>
Total Fund Balance		<u>385,426</u>
Total Liabilities and Fund Balance	\$	<u>872,150</u>

The accompanying notes are an integral part of these statements.

Town of Franklinton

Schedule 2

Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget (GAAP Basis) and Actual
General Fund
For the Year Ended October 31, 1999

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Taxes	\$ 881,500	\$ 943,948	\$ 62,448
Licenses and Permits	231,125	222,968	(8,157)
Intergovernmental	164,800	165,482	682
Charges for Services	168,700	170,901	2,201
Fines and Forfeits	30,000	30,667	667
Interest	6,200	12,439	6,239
Miscellaneous	4,000	15,421	11,421
Total Revenues	<u>1,486,325</u>	<u>1,561,826</u>	<u>75,501</u>
Expenditures			
General Government	536,500	507,713	28,787
Public Safety:			
Police	432,000	433,299	(1,299)
Fire	47,400	67,998	(20,598)
Highways and Streets	286,500	252,068	34,432
Sanitation	115,000	105,579	9,421
Health and Welfare	120,925	116,007	4,918
Transportation	7,500	2,929	4,571
Capital Outlays	20,740	84,583	(63,843)
Total Expenditures	<u>1,566,565</u>	<u>1,570,176</u>	<u>(3,611)</u>
Excess of Revenues Over (Under) Expenditures	<u>(80,240)</u>	<u>(8,350)</u>	<u>71,890</u>
Other Financing Sources (Uses)			
Sale of Fixed Assets	5,000	5,100	100
Lease Payments	15,600	15,636	36
Operating Transfers Out	-	-	-
Total Other Financing Sources (Uses)	<u>20,600</u>	<u>20,736</u>	<u>136</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>(59,640)</u>	<u>12,386</u>	<u>72,026</u>
Fund Balance, Beginning	<u>373,040</u>	<u>373,040</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 313,400</u>	<u>\$ 385,426</u>	<u>\$ 72,026</u>

The accompanying notes are an integral part of these statements.

Town of Franklinton

Schedule 3

Schedule of Revenues Compared to Budget (GAAP Basis) and Actual
General Fund
For the Year Ended October 31, 1999

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Taxes:			
Ad Valorem	\$ 84,500	\$ 86,284	\$ 1,784
Sales Taxes	650,000	699,879	49,879
Cablevision Franchise	12,000	12,353	353
CLECO Franchise	90,000	103,000	13,000
REA Franchise	15,000	10,084	(4,916)
Telephone Franchise	30,000	32,348	2,348
Total Taxes	<u>881,500</u>	<u>943,948</u>	<u>62,448</u>
Licenses and Permits			
Occupational License	220,000	213,210	(6,790)
Building Permits	11,125	9,758	(1,367)
Total License and Permits	<u>231,125</u>	<u>222,968</u>	<u>(8,157)</u>
Intergovernmental:			
Tobacco Tax	20,000	20,145	145
Beer Tax	15,000	14,290	(710)
Parish Council Rebate	-	-	-
State Fire Insurance Rebates	-	-	-
State Mowing	8,000	8,289	289
State Grant	7,500	7,527	27
Federal Grant	114,300	115,231	931
Total Intergovernmental	<u>164,800</u>	<u>165,482</u>	<u>682</u>
Charges for Services:			
Sanitation User Fees	155,000	153,432	(1,568)
Fees - Water and Gas	8,000	8,144	144
Crossing Guard Reimbursement	5,700	9,320	3,620
Animal Registration	-	5	5
Total Charges for Services	<u>168,700</u>	<u>170,901</u>	<u>2,201</u>
Fines and Forfeits:			
Total Fines and Forfeits	<u>30,000</u>	<u>30,667</u>	<u>667</u>
Interest:			
Total Interest	<u>6,200</u>	<u>12,439</u>	<u>6,239</u>
Miscellaneous:			
Rent	2,000	4,176	2,176
Miscellaneous	2,000	11,245	9,245
Total Miscellaneous	<u>4,000</u>	<u>15,421</u>	<u>11,421</u>
Total Revenues	<u>\$ 1,486,325</u>	<u>\$ 1,561,826</u>	<u>\$ 75,501</u>

The accompanying notes are an integral part of these statements.

**Schedule of Expenditures Compared to Budget (GAAP Basis) and Actual
General Fund
For the Year Ended October 31, 1999**

	Budget	Actual	Variance Favorable (Unfavorable)
General Government:			
Administration's Fuel Expense	\$ 5,000	\$ 4,967	\$ 33
Mayor's Fund	2,000	3,047	(1,047)
Officials' Salaries	39,600	39,600	-
Officials' Travel and Per Diem	5,000	5,631	(631)
Retirement	14,500	7,686	6,814
Dues to Municipal Associations	1,500	2,312	(812)
Salaries	105,000	99,732	5,268
Payroll Taxes	11,500	11,795	(295)
Health Insurance	170,000	149,507	20,493
Legal Journal	5,000	5,672	(672)
Janitorial Supplies	1,500	1,522	(22)
Physical Examinations	500	685	(185)
Legal Fees	8,500	6,440	2,060
Audit Fee	4,900	4,925	(25)
Assessor's Fee	2,000	-	2,000
Insurance	120,000	101,374	18,626
Unemployment	1,000	172	828
Office Supplies	10,000	16,270	(6,270)
Postage	5,500	5,085	415
Uniforms	6,000	6,508	(508)
Manager's Fuel	1,000	1,707	(707)
Utilities	10,000	12,506	(2,506)
Building Maintenance	6,500	20,570	(14,070)
Industrial Development	-	-	-
Total General Government	<u>536,500</u>	<u>507,713</u>	<u>28,787</u>
Public Safety:			
Police:			
Salaries	333,800	337,170	(3,370)
Retirement	7,000	7,202	(202)
Utilities	15,000	18,742	(3,742)
Janitorial	2,000	1,977	23
Office Supplies	25,500	18,435	7,065
Payroll Taxes	27,000	28,188	(1,188)
Aids Insurance	1,500	1,000	500
Building Maintenance	2,000	2,216	(216)
Fuel	14,000	10,959	3,041
Unemployment	1,000	1,151	(151)
Drug Fund	1,000	130	870
Reserve	-	3,844	(3,844)
Drug Testing	1,700	1,040	660
Necropsy	500	1,180	(680)
Equipment Repairs	-	65	(65)
Total Police	<u>432,000</u>	<u>433,299</u>	<u>(1,299)</u>

Continued on the following page.

The accompanying notes are an integral part of these statements.

**Schedule of Expenditures Compared to Budget (GAAP Basis) and Actual
General Fund
For the Year Ended October 31, 1999**

	Budget	Actual	Variance Favorable (Unfavorable)
Fire:			
Salaries	\$ 13,000	\$ 13,000	\$ -
Payroll Taxes	1,100	1,270	(170)
Retirement	-	6,398	(6,398)
Health Insurance	7,200	6,838	362
Dues	100	88	12
Utilities	1,600	125	1,475
Telephone	900	2,079	(1,179)
Radio Expense	1,000	344	656
Truck Repairs	3,000	11,145	(8,145)
Equipment	3,000	1,471	1,529
Insurance	11,000	14,612	(3,612)
Supplies	2,000	2,251	(251)
Meetings	1,500	1,962	(462)
Fuel	1,200	1,352	(152)
School and Training	-	90	(90)
Building Maintenance	400	4,439	(4,039)
Uniforms	400	534	(134)
Total Fire	<u>47,400</u>	<u>67,998</u>	<u>(20,598)</u>
Highways, Streets and Drainage:			
Salaries	164,000	151,188	12,812
Payroll Taxes	13,500	11,646	1,854
Retirement	9,000	8,830	170
Equipment Repairs	33,000	17,555	15,445
Supplies	31,500	29,344	2,156
Tools	1,000	9	991
Fuel	10,500	7,480	3,020
Street lights	24,000	26,016	(2,016)
Total Highways, Streets and Drainage	<u>286,500</u>	<u>252,068</u>	<u>34,432</u>
Sanitation:			
Sanitation Fees	115,000	105,579	9,421
Total Sanitation	<u>115,000</u>	<u>105,579</u>	<u>9,421</u>
Health and Welfare:			
Condemnation Expense	4,000	1,040	2,960
Council on Aging	82,000	82,312	(312)
Veterans Contribution	925	847	78
Animal Control	34,000	31,808	2,192
Total Health and Welfare	<u>120,925</u>	<u>116,007</u>	<u>4,918</u>

Continued on the following page.

Town of Franklinton

Schedule 4

Schedule of Expenditures Compared to Budget (GAAP Basis) and Actual
 General Fund
 For the Year Ended October 31, 1999

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Transportation:			
Airport Utilities	\$ 1,500	\$ 1,990	\$ (490)
Airport Maintenance	6,000	939	5,061
Total Transportation	<u>7,500</u>	<u>2,929</u>	<u>4,571</u>
Capital Outlays:			
General Government	11,000	41,997	(30,997)
Highway & Streets	7,500	19,551	(12,051)
Public Safety	2,240	23,035	(20,795)
Total Capital Outlays	<u>20,740</u>	<u>84,583</u>	<u>(63,843)</u>
 Total Expenditures	 <u>\$ 1,566,565</u>	 <u>\$ 1,570,176</u>	 <u>\$ (3,611)</u>

Concluded

The accompanying notes are an integral part of these statements.

SPECIAL REVENUE FUNDS

- Police Ad Valorem -** To account for the receipt and disbursement of a five (5) mill ad valorem tax dedicated for the purpose of maintaining and improving the police department.
- Street Ad Valorem -** To account for the receipt and disbursement of a seven (7) mill ad valorem tax dedicated for the purpose of maintaining and improving streets and drainage.
- Rural Development -** To account for the receipt and disbursement of a grant from the State of Louisiana for the purpose of providing financial assistance to purchase new equipment at an industrial development location.

Town of Franklinton

Schedule 5

**Combining Balance Sheet
Special Revenue Funds
October 31, 1999**

	<u>Police Ad Valorem</u>	<u>Street Ad Valorem</u>	<u>Rural Development</u>	<u>Total</u>
Assets				
Cash	\$ 19,456	\$ 26,473	\$ 63	\$ 45,992
Due From State	-	-	-	-
Total Assets	<u>\$ 19,456</u>	<u>\$ 26,473</u>	<u>\$ 63</u>	<u>\$ 45,992</u>
 Liabilities and Fund Equity				
Liabilities:				
Accounts Payable	\$ 4,262	\$ -	\$ -	\$ 4,262
Retainage Payable	-	-	-	-
Due to Other Funds	7,700	-	-	7,700
Total Liabilities	<u>11,962</u>	<u>-</u>	<u>-</u>	<u>11,962</u>
 Fund Equity:				
Fund Balance	7,494	26,473	63	34,030
Total Fund Equity	<u>7,494</u>	<u>26,473</u>	<u>63</u>	<u>34,030</u>
 Total Liabilities and Fund Equity	<u>\$ 19,456</u>	<u>\$ 26,473</u>	<u>\$ 63</u>	<u>\$ 45,992</u>

The accompanying notes are an integral part of these statements.

Town of Franklinton

Schedule 6

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance
Special Revenue Funds
For the Year Ended October 31, 1999

	Police Ad Valorem	Street Ad Valorem	Rural Development	Total
Revenues				
Ad Valorem Taxes	\$ 60,303	\$ 84,268	\$ -	\$ 144,571
Federal Grant	-	-	-	-
State Grant	-	-	-	-
Interest	702	1,089	2	1,793
Total Revenues	<u>61,005</u>	<u>85,357</u>	<u>2</u>	<u>146,364</u>
Expenditures				
Police	31,393	-	-	31,393
Highways and Streets	-	2,221	-	2,221
Drainage	-	-	-	-
Capital Outlays	-	-	-	-
Total Expenditures	<u>31,393</u>	<u>2,221</u>	<u>-</u>	<u>33,614</u>
Excess of Revenues Over (Under) Expenditures	<u>29,612</u>	<u>83,136</u>	<u>2</u>	<u>112,750</u>
Other Financing Sources (Uses)				
Sales of Fixed Assets	-	-	-	-
Operating Transfers In	-	-	-	-
Operating Transfers Out	-	(38,919)	-	(38,919)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(38,919)</u>	<u>-</u>	<u>(38,919)</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	29,612	44,217	2	73,831
Fund Balance (Deficit), Beginning	<u>(22,118)</u>	<u>(17,744)</u>	<u>61</u>	<u>(39,801)</u>
Fund Balance, Ending	<u>\$ 7,494</u>	<u>\$ 26,473</u>	<u>\$ 63</u>	<u>\$ 34,030</u>

The accompanying notes are an integral part of these statements.

Town of Franklinton

Schedule 7

Schedule of Revenues, Expenditures, and Changes in Fund Balance
 Budget (GAAP Basis) and Actual
 Special Revenue Fund - Police Ad Valorem
 For the Year Ended October 31, 1999

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Ad Valorem Taxes	\$ 55,000	\$ 60,303	\$ 5,303
Federal Grants	-	-	-
Interest	-	702	702
Total Revenues	<u>55,000</u>	<u>61,005</u>	<u>6,005</u>
Expenditures			
Schools & Training	6,000	2,542	3,458
Uniform Allowance	5,000	4,568	432
Uniform Accessories	1,500	979	521
Officer Certification	3,000	2,988	12
Radio Repairs	5,000	1,896	3,104
Equipment Repairs	12,000	18,103	(6,103)
Firing Range	1,000	317	683
Capital Outlays	21,500	-	21,500
Total Expenditures	<u>55,000</u>	<u>31,393</u>	<u>23,607</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>29,612</u>	<u>29,612</u>
Other Financing Sources			
Sale of Fixed Assets	-	-	-
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures	<u>-</u>	<u>29,612</u>	<u>29,612</u>
Fund Balance (Deficit), Beginning	<u>(22,118)</u>	<u>(22,118)</u>	<u>-</u>
Fund Balance (Deficit), Ending	<u>\$ (22,118)</u>	<u>\$ 7,494</u>	<u>\$ 29,612</u>

The accompanying notes are an integral part of these statements.

Town of Franklinton

Schedule 8

Schedule of Revenues, Expenditures, and Changes in Fund Balance
 Budget (GAAP Basis) and Actual
 Special Revenue Fund - Street Ad Valorem
 For the Year Ended October 31, 1999

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Ad Valorem Taxes	\$ 78,000	\$ 84,268	\$ 6,268
State Grant	-	-	-
Interest	1,000	1,089	89
Total Revenues	<u>79,000</u>	<u>85,357</u>	<u>6,357</u>
Expenditures			
Highways and Streets	2,000	2,221	(221)
Drainage Projects	-	-	-
Total Highways and Streets	<u>2,000</u>	<u>2,221</u>	<u>(221)</u>
Excess of Revenues Over (Under) Expenditures	<u>77,000</u>	<u>83,136</u>	<u>6,136</u>
Other Financing Sources (Uses)			
Operating Transfers In	-	-	-
Operating Transfers Out	(39,000)	(38,919)	81
Total Other Financing Sources (Uses)	<u>(39,000)</u>	<u>(38,919)</u>	<u>81</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	38,000	44,217	6,217
Fund Balance (Deficit), Beginning	<u>(17,744)</u>	<u>(17,744)</u>	-
Fund Balance, Ending	<u>\$ 20,256</u>	<u>\$ 26,473</u>	<u>\$ 6,217</u>

The accompanying notes are an integral part of these statements.

Town of Franklinton

Schedule 9

Schedule of Revenues, Expenditures, and Changes in Fund Balance
 Budget (GAAP Basis) and Actual
 Special Revenue Fund - Rural Development Grant
 For the Year Ended October 31, 1999

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
State Grant	\$ -	\$ -	\$ -
Interest	-	2	2
Total Revenues	<u>-</u>	<u>2</u>	<u>2</u>
Expenditures			
Capital Outlays	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues Over (Under) Expenditures	<u>-</u>	<u>2</u>	<u>2</u>
Other Financing Sources (Uses)			
Operating Transfers Out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>-</u>	<u>2</u>	<u>2</u>
Fund Balance, Beginning	<u>61</u>	<u>61</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 61</u>	<u>\$ 63</u>	<u>\$ 2</u>

The accompanying notes are an integral part of these statements.

CAPITAL PROJECTS FUNDS

Jones Creek Improvements - To account for the grant received from the State of Louisiana, Department of Transportation and Development, for the purpose of improving the drainage system of the Town.

LCDBG Sewer Project - To account for the Community Development Block Grant received for the purpose of improving the sewer system of the Town.

Town of Franklinton

Schedule 10

**Combining Balance Sheet
Capital Projects Funds
October 31, 1999**

	<u>Jones Creek Project</u>	<u>1998 LCDBG Sewer Grant</u>	<u>Total</u>
Assets			
Due From Other Funds	\$ -	\$ -	\$ -
Due From State	81,241	-	81,241
Total Assets	<u>\$ 81,241</u>	<u>\$ -</u>	<u>\$ 81,241</u>
 Liabilities and Fund Equity			
Liabilities:			
Accounts Payable	\$ 290	\$ -	\$ 290
Retainage Payable	18,842	-	18,842
Total Liabilities	<u>19,132</u>	<u>-</u>	<u>19,132</u>
 Fund Equity:			
Contribution	-	-	-
Fund Balance	62,109	-	62,109
Total Fund Equity	<u>62,109</u>	<u>-</u>	<u>62,109</u>
Total Liabilities and Fund Equity	<u>\$ 81,241</u>	<u>\$ -</u>	<u>\$ 81,241</u>

The accompanying notes are an integral part of these statements.

Town of Franklinton

Schedule 11

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance
 Capital Projects Funds
 For the Year Ended October 31, 1999

	Jones Creek Project	1998 LCDBG Sewer Grant	Total
Revenues			
Federal Grants	\$ -	\$ 43,403	\$ 43,403
State Grant	594,129	-	594,129
Total Revenues	<u>594,129</u>	<u>43,403</u>	<u>637,532</u>
Expenditures			
Sewer Construction	-	43,403	43,403
Drainage Construction	887,821	-	887,821
Total Expenditures	<u>887,821</u>	<u>43,403</u>	<u>931,224</u>
Excess of Revenues Over (Under) Expenditures	<u>(293,692)</u>	<u>-</u>	<u>(293,692)</u>
Other Financing Sources			
Operating Transfers In	363,919	-	363,919
Total Other Financing Sources	<u>363,919</u>	<u>-</u>	<u>363,919</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	70,227	-	70,227
Fund Balance (Deficit), Beginning	<u>(8,118)</u>	<u>-</u>	<u>(8,118)</u>
Fund Balance, Ending	<u>\$ 62,109</u>	<u>\$ -</u>	<u>\$ 62,109</u>

The accompanying notes are an integral part of these statements.

Town of Franklinton

Schedule 12

Schedule of Revenues, Expenditures, and Changes in Fund Balance
 Budget (GAAP Basis) and Actual
 Capital Project Fund - Jones Creek Project
 For the Year Ended October 31, 1999

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
State Grant	\$ 594,000	\$ 594,129	\$ 129
Total Revenues	<u>594,000</u>	<u>594,129</u>	<u>129</u>
Expenditures			
Construction	888,000	887,821	179
Total Expenditures	<u>888,000</u>	<u>887,821</u>	<u>179</u>
Excess of Revenues Over (Under) Expenditures	<u>(294,000)</u>	<u>(293,692)</u>	<u>308</u>
Other Financing Sources			
Operating Transfers In	364,000	363,919	(81)
Total Other Financing Sources	<u>364,000</u>	<u>363,919</u>	<u>(81)</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	70,000	70,227	227
Fund Balance (Deficit), Beginning	<u>(8,118)</u>	<u>(8,118)</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 61,882</u>	<u>\$ 62,109</u>	<u>\$ 227</u>

The accompanying notes are an integral part of these statements.

Town of Franklinton

Schedule 13

Schedule of Revenues, Expenditures, and Changes in Fund Balance
 Budget (GAAP Basis) and Actual
 Capital Project Fund - FY 1998 LCDBG Sewer Grant
 For the Year Ended October 31, 1999

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Federal Grant	\$ 43,400	\$ 43,403	\$ 3
Total Revenues	<u>43,400</u>	<u>43,403</u>	<u>3</u>
Expenditures			
Construction	43,400	43,403	(3)
Total Expenditures	<u>43,400</u>	<u>43,403</u>	<u>(3)</u>
Excess of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, Ending	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

The accompanying notes are an integral part of these statements.

PROPRIETARY FUNDS

Gas Utility System Fund - To account for the provision of gas services to the residents of the Town. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service, and billing and collection.

Water Utility System Fund - To account for the provision of water services to the residents of the Town. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service, and billing and collection.

Sewer Utility System Fund - To account for the provision of sewer services to the residents of the Town. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration operations, maintenance, financing and related debt service, and billing and collection.

Town of Franklinton

Schedule 14

Combining Balance Sheet
 Proprietary Funds - Utility Funds
 October 31, 1999

	Gas Utility System	Water Utility System	Sewer Utility System	Total
Assets				
Current Assets:				
Cash and Cash Equivalents	\$ 763,905	\$ 43,200	\$ 168,262	\$ 975,367
Investments	104,835	221,318	256,263	582,416
Accounts Receivable	34,349	25,328	25,955	85,632
Unbilled Receivables	42,751	14,051	14,087	70,889
Due From Other Funds	5,000	-	-	5,000
Total Current Assets	<u>950,840</u>	<u>303,897</u>	<u>464,567</u>	<u>1,719,304</u>
Restricted Assets:				
Customer Deposits:				
Cash and Cash Equivalents	62,925	55,248	-	118,173
Bond Reserve Account:				
Cash and Cash Equivalents	-	11,066	42,583	53,649
Bond Contingency Account:				
Cash and Cash Equivalents	-	11,609	28,005	39,614
Bond Sinking Account:				
Cash and Cash Equivalents	-	494	60,892	61,386
Total Restricted Assets	<u>62,925</u>	<u>78,417</u>	<u>131,480</u>	<u>272,822</u>
Plant and Equipment:				
Plant and Equipment, at Cost	995,764	2,423,900	3,725,270	7,144,934
Accumulated Depreciation	(731,483)	(1,226,549)	(1,862,665)	(3,820,697)
Net Plant and Equipment	<u>264,281</u>	<u>1,197,351</u>	<u>1,862,605</u>	<u>3,324,237</u>
Total Assets	<u>\$ 1,278,046</u>	<u>\$ 1,579,665</u>	<u>\$ 2,458,652</u>	<u>\$ 5,316,363</u>

Continued on the following page.

The accompanying notes are an integral part of these statements.

Town of Franklinton

Schedule 14

Combining Balance Sheet
 Proprietary Funds - Utility Funds
 October 31, 1998

	Gas Utility System	Water Utility System	Sewer Utility System	Total
Liabilities and Fund Equity				
Liabilities:				
Current Liabilities (Payable				
From Current Assets):				
Accounts Payable	\$ 15,978	\$ 15,175	\$ 10,150	\$ 41,303
Compensated Absences Payable	2,557	4,073	764	7,394
Total Current Liabilities				
(Payable From				
Current Assets)	18,535	19,248	10,914	48,697
Current Liabilities (Payable				
From Restricted Assets):				
Customer Deposits	61,350	53,105	-	114,455
Revenue Bonds Payable	-	12,044	38,000	50,044
Total Current Liabilities				
(Payable From				
Restricted Assets)	61,350	65,149	38,000	164,499
Long-Term Liabilities:				
Revenue Bonds Payable	-	1,197,732	171,000	1,368,732
Total Long-Term Liabilities	-	1,197,732	171,000	1,368,732
Total Liabilities	79,885	1,282,129	219,914	1,581,928
Fund Equity:				
Contributed Capital	433,105	805,679	2,953,913	4,192,697
Less: Accumulated Amortization	(229,014)	(805,679)	(1,372,597)	(2,407,290)
Net Contributed Capital	204,091	-	1,581,316	1,785,407
Retained Earnings:				
Reserved for Revenue Bond				
Retirement	-	22,675	70,588	93,263
Unreserved	994,070	274,861	586,834	1,855,765
Total Retained Earnings	994,070	297,536	657,422	1,949,028
Total Fund Equity	1,198,161	297,536	2,238,738	3,734,435
Total Liabilities and Fund Equity	\$ 1,278,046	\$ 1,579,665	\$ 2,458,652	\$ 5,316,363

Concluded

The accompanying notes are an integral part of these statements.

Town of Franklinton

Schedule 15

**Combining Schedule of Revenues, Expenses and Changes in Unreserved Retained Earnings
Proprietary Funds - Utility Funds
For the Year Ended October 31, 1999**

	Gas Utility System	Water Utility System	Sewer Utility System	Total
Operating Revenues				
Gas Sales	\$ 549,353	\$ -	\$ -	\$ 549,353
Water Sales	-	262,390	-	262,390
Sewer Service Charges	-	-	266,778	266,778
Tie-Ins	950	1,950	1,450	4,350
Miscellaneous	2,188	1,324	694	4,206
Total Operating Revenues	552,491	265,664	268,922	1,087,077
Operating Expenses				
Personal Services	121,642	116,196	76,926	314,764
Supplies	24,601	39,227	26,166	89,994
Other Services and Charges	23,520	38,095	57,080	118,695
Gas Purchases	268,921	-	-	268,921
Depreciation	25,410	73,149	151,077	249,636
Total Operating Expenses	464,094	266,667	311,249	1,042,010
Operating Income (Loss)	88,397	(1,003)	(42,327)	45,067
Nonoperating Revenues (Expenses)				
Interest Income	34,541	23,133	29,438	87,112
Unrealized Gain (Loss)	(3,449)	(7,281)	(8,431)	(19,161)
Interest Expense	(819)	(61,769)	(12,485)	(75,073)
Total Nonoperating Revenues (Expenses)	30,273	(45,917)	8,522	(7,122)
Operating Transfers In (Out)				
Operating Transfer Out	(49,500)	(104,500)	(171,000)	(325,000)
Total Operating Transfers In (Out)	(49,500)	(104,500)	(171,000)	(325,000)
Net Income (Loss)	69,170	(151,420)	(204,805)	(287,055)
Decrease (Increase) in Retained Earnings Reserved For:				
Depreciation and Contingency Fund	15,000	(4,234)	(3,769)	6,997
Reserve Fund	28,000	(4,037)	(1,258)	22,705
Amortization of Contributions	18,391	967	118,156	137,514
Unreserved Retained Earnings, Beginning	863,509	433,585	678,510	1,975,604
Unreserved Retained Earnings, Ending	\$ 994,070	\$ 274,861	\$ 586,834	\$ 1,855,765

The accompanying notes are an integral part of these statements.

Town of Franklinton

Schedule 16

**Combining Schedule of Cash Flows
Proprietary Funds - Utility Funds
For the Year Ended October 31, 1999**

	<u>Gas Utility System</u>	<u>Water Utility System</u>	<u>Sewer Utility System</u>	<u>Total</u>
Cash Flows from Operating Activities				
Operating Income (Loss)	\$ 88,397	\$ (1,003)	\$ (42,327)	\$ 45,067
Adjustments to Reconcile Net Operating Income to Net Cash Provided (Used) by Operating Activities				
Depreciation	25,410	73,149	151,077	249,636
Change in Accounts Receivable	(958)	(857)	(1,286)	(3,101)
Change in Unbilled Receivables	(17,062)	(815)	(458)	(18,335)
Change in Due From Other Funds	15,000	-	-	15,000
Change in Inventory	8,278	-	-	8,278
Change in Accounts Payable	(10,577)	9,205	(2,766)	(4,138)
Change in Comp. Absences Payable	(2,374)	15	334	(2,025)
Change in Retainage Payable	-	-	-	-
Rounding	1	-	1	2
Change in Customer Deposits Payable	1,691	6,758	-	8,449
Net Cash Provided by Operating Activities	<u>107,806</u>	<u>86,452</u>	<u>104,575</u>	<u>298,833</u>
Cash Flows from Noncapital Financing Activities				
Operating Transfers Out	<u>(49,500)</u>	<u>(104,500)</u>	<u>(171,000)</u>	<u>(325,000)</u>
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(49,500)</u>	<u>(104,500)</u>	<u>(171,000)</u>	<u>(325,000)</u>
Cash Flows from Capital and Related Financing Activities				
Principal Repayments	(25,000)	(11,449)	(36,000)	(72,449)
Payments for Capital Assets	-	(1,516)	(6,355)	(7,871)
Interest Payments	(819)	(61,769)	(12,485)	(75,073)
Proceeds From Investments	44,916	94,822	109,795	249,533
Proceeds From Loan	-	-	-	-
Net Cash Provided by Capital and Related Financing Activities	<u>19,097</u>	<u>20,088</u>	<u>54,955</u>	<u>94,140</u>
Cash Flows from Investing Activities				
Unrealized Gain (Loss)	(3,449)	(7,281)	(8,431)	(19,161)
Receipts of Interest	<u>34,541</u>	<u>23,133</u>	<u>29,438</u>	<u>87,112</u>
Net Cash Provided by Investing Activities	<u>31,092</u>	<u>15,852</u>	<u>21,007</u>	<u>67,951</u>
Net Cash Increase (Decrease)	108,495	17,892	9,537	135,924
Cash and Cash Equivalents, Beginning of Year	<u>718,335</u>	<u>103,725</u>	<u>290,205</u>	<u>1,112,265</u>
Cash and Cash Equivalents, End of Year	<u>\$ 826,830</u>	<u>\$ 121,617</u>	<u>\$ 299,742</u>	<u>\$ 1,248,189</u>

The accompanying notes are an integral part of these statements.

Town of Franklinton

Schedule 17

Schedule of Revenues, Expenses, and Changes in Unreserved Retained Earnings
Budget (GAAP Basis) and Actual
Proprietary Funds - Utility Funds
For the Year Ended October 31, 1999

	Budget	Actual	Variance Favorable (Unfavorable)
Operating Revenues			
Gas Sales	\$ 530,000	\$ 549,353	\$ 19,353
Tie-Ins	2,000	950	(1,050)
Miscellaneous	-	2,188	2,188
Total Operating Revenues	<u>532,000</u>	<u>552,491</u>	<u>20,491</u>
Operating Expenses			
Personal Services:			
Salaries	105	82,184	(82,079)
Payroll Taxes	88,500	6,469	82,031
Retirement	5,000	4,951	49
Health Insurance	26,000	28,038	(2,038)
Supplies:			
Billings	4,000	3,467	533
Meters	4,000	3,894	106
Supplies	15,000	10,893	4,107
Fuel	3,000	2,033	967
Equipment Repairs	4,000	4,314	(314)
Other Services and Charges:			
Uniforms	4,000	2,154	1,846
Auditing	6,000	6,000	-
Permit Fees	500	456	44
Insurance	10,000	10,000	-
School & Certification	700	150	550
Drug Program	3,000	2,496	504
Administrative Fees to General Fund	3,000	2,264	736
Bad Debts	1,000	-	1,000
Gas Purchases	300,000	268,921	31,079
Depreciation	27,000	25,410	1,590
Total Operating Expenses	<u>504,805</u>	<u>464,094</u>	<u>40,711</u>
Operating Income (Loss)	<u>27,195</u>	<u>88,397</u>	<u>61,202</u>
Nonoperating Revenues (Expenses)			
Interest Expense	(2,000)	(819)	1,181
Interest Income	30,000	34,541	4,541
Unrealized Gain (Loss)	-	(3,449)	(3,449)
Total Nonoperating Revenues (Expenses)	<u>28,000</u>	<u>30,273</u>	<u>2,273</u>
Operating Transfers In (Out)			
Operating Transfers Out	(49,500)	(49,500)	-
Total Operating Transfers In (Out)	<u>(49,500)</u>	<u>(49,500)</u>	<u>-</u>
Net Income (Loss)	5,695	69,170	63,475
Decrease (Increase) in Retained Earnings Reserved for			
Debt Service	-	43,000	43,000
Amortization of Contributions	-	18,391	18,391
Unreserved Retained Earnings, Beginning	863,509	863,509	-
Unreserved Retained Earnings, Ending	<u>\$ 869,204</u>	<u>\$ 994,070</u>	<u>\$ 124,866</u>

The accompanying notes are an integral part of these statements.

Town of Franklinton

Schedule 18

Schedule of Revenues, Expenses, and Changes in Unreserved Retained Earnings
Budget (GAAP Basis) and Actual
Proprietary Funds - Utility Funds
For the Year Ended October 31, 1999

	Budget	Actual	Variance Favorable (Unfavorable)
Operating Revenues			
Water Sales	\$ 255,000	\$ 262,390	\$ 7,390
Tie-Ins	1,500	1,950	450
Miscellaneous	700	1,324	624
Total Operating Revenues	<u>257,200</u>	<u>265,664</u>	<u>8,464</u>
Operating Expenses			
Personal Services:			
Salaries	85,000	83,271	1,729
Payroll Taxes	6,000	6,369	(369)
Retirement	4,000	4,656	(656)
Health Insurance	24,000	21,900	2,100
Supplies:			
Meters	2,000	-	2,000
Supplies	20,000	29,608	(9,608)
Fuel	1,200	651	549
Chemicals	4,500	3,088	1,412
Equipment Repairs	1,500	5,880	(4,380)
Other Services and Charges:			
Utilities	26,000	20,934	5,066
Auditing	2,000	1,525	475
Permit Fees	1,500	1,319	181
Insurance	2,500	-	2,500
Uniforms	2,000	2,087	(87)
Administrative Fees to General Fund	6,000	5,880	120
Pump Repair	5,000	2,300	2,700
Bad Debts	1,000	-	1,000
Grant Expense	-	4,050	(4,050)
Depreciation	55,000	73,149	(18,149)
Total Operating Expenses	<u>249,200</u>	<u>266,667</u>	<u>(17,467)</u>
Operating Income (Loss)	<u>8,000</u>	<u>(1,003)</u>	<u>(9,003)</u>
Nonoperating Revenues (Expenses)			
Interest Expense	-	(61,769)	(61,769)
Interest Income	20,000	23,133	3,133
Unrealized Gain (Loss)	-	(7,281)	(7,281)
Total Nonoperating Revenues (Expenses)	<u>20,000</u>	<u>(45,917)</u>	<u>(65,917)</u>
Operating Transfers (Out)			
Operating Transfers Out	-	(104,500)	(104,500)
Total Operating Transfers Out	<u>-</u>	<u>(104,500)</u>	<u>(104,500)</u>
Net Income (Loss)	28,000	(151,420)	(179,420)
Decrease (Increase) in Retained Earnings Reserved for			
Debt Service	-	(8,271)	(8,271)
Amortization of Contributions	-	967	967
Unreserved Retained Earnings, Beginning	433,585	433,585	-
Unreserved Retained Earnings, Ending	<u>\$ 461,585</u>	<u>\$ 274,861</u>	<u>\$ (186,724)</u>

The accompanying notes are an integral part of these statements.

Town of Franklinton

Schedule 19

Schedule of Revenues, Expenses, and Changes in Unreserved Retained Earnings
Budget (GAAP Basis) and Actual
Proprietary Funds - Utility Funds
For the Year Ended October 31, 1999

	Budget	Actual	Variance Favorable (Unfavorable)
Operating Revenues			
Sewer Service Charges	\$ 265,000	\$ 266,778	\$ 1,778
Tie-Ins	1,500	1,450	(50)
Miscellaneous Income	-	694	694
Total Operating Revenues	<u>266,500</u>	<u>268,922</u>	<u>2,422</u>
Operating Expenses			
Personal Services:			
Salaries	63,000	57,669	5,331
Payroll Taxes	5,000	4,386	614
Retirement	3,000	3,145	(145)
Health Insurance	17,000	11,726	5,274
Supplies:			
Supplies	32,000	21,867	10,133
Fuel	1,000	1,020	(20)
Chemicals	5,000	3,279	1,721
Other Services and Charges:			
Utilities	60,000	51,039	8,961
Uniforms	1,500	1,252	248
Audit	3,000	3,000	-
Permit Fees	2,000	70	1,930
Equipment Repairs	5,000	1,719	3,281
Pump Repairs	5,000	-	5,000
Bad Debts	1,000	-	1,000
Depreciation	150,000	151,077	(1,077)
Total Operating Expenses	<u>353,500</u>	<u>311,249</u>	<u>42,251</u>
Operating Income (Loss)	<u>(87,000)</u>	<u>(42,327)</u>	<u>44,673</u>
Nonoperating Revenues (Expenses)			
Interest Income	25,000	29,438	4,438
Unrealized Gain (Loss)	-	(8,431)	(8,431)
Interest Expense	(15,000)	(12,485)	2,515
Total Nonoperating Revenues (Expenses)	<u>10,000</u>	<u>8,522</u>	<u>(1,478)</u>
Operating Transfers (Out)			
Operating Transfers Out	-	(171,000)	(171,000)
Total Operating Transfers Out	<u>-</u>	<u>(171,000)</u>	<u>(171,000)</u>
Net Income (Loss)	<u>(77,000)</u>	<u>(204,805)</u>	<u>(127,805)</u>
Decrease (Increase) in Retained Earnings Reserved for			
Debt Service	-	(5,027)	(5,027)
Amortization of Contributions	-	118,156	118,156
Unreserved Retained Earnings, Beginning	678,510	678,510	-
Unreserved Retained Earnings, Ending	<u>\$ 601,510</u>	<u>\$ 586,834</u>	<u>\$ (14,676)</u>

The accompanying notes are an integral part of these statements.

Town of Franklinton

Schedule 20

**Schedule of Gas, Water and Sewer Rates
Proprietary Funds
For the Year Ended October 31, 1999**

Gas Residential Rates	Gas Commercial Rates
\$5.00 - First 500 Cubic Feet	\$5.50 - First 500 Cubic Feet
\$.605 - Per 100 Cubic Feet for Next 3,500 Cubic Feet	\$.617 - Per 100 Cubic Feet for Next 9,500 Cubic Feet
\$.544 - Per 100 Cubic Feet for Next 16,000 Cubic Feet	\$.546 - Per 100 Cubic Feet for Next 30,000 Cubic Feet
\$.520 - Per 100 Cubic Feet for all over 20,000 Cubic Feet	\$.529 - Per 100 Cubic Feet for all over 40,000 Cubic Feet

Gas Industrial Rates
\$4.25 - First 500 Cubic Feet
\$.605 - Per 100 Cubic Feet for Next 3,500 Cubic Feet
\$.544 - Per 100 Cubic Feet for Next 16,000 Cubic Feet
\$.520 - Per 100 Cubic Feet for all over 20,000 Cubic Feet

Water Rates Inside Town Limits	Water Rates Outside Town Limits
\$8.00 - First 3,000 Gallons	\$15.00 - First 3,000 Gallons
\$.70 - Per 1,000 Gallons for all over 3,000 Gallons	\$.70 - Per 1,000 Gallons for all over 3,000 Gallons

Sewer Residential Rates	Sewer Commercial Rates
\$9.00 - First 5,000 Gallons of Water	\$13.00 - First 5,000 Gallons of Water
\$.60 - Per 1,000 Gallons of Water over 5,000 Gallons	\$.60 - Per 1,000 Gallons of Water over 5,000 Gallons

**Schedule of Number of Customers
Proprietary Funds
For the Year Ended October 31, 1999**

Gas Customers		Water Customers		Sewer Customers	
Residential	910	Residential - In Town	1,490	Residential	1,215
Commercial	211	Residential - Out Town	18	Commercial	308
Industrial	2	Total Water Customers	1,508	Total Sewer Customers	1,523
Total Gas Customers	1,123				

The accompanying notes are an integral part of these statements.

GENERAL FIXED ASSET ACCOUNT GROUP

To account for fixed assets not used in proprietary fund operations.

Town of Franklinton

Schedule 21

Schedule of General Fixed Assets
October 31, 1999

General Fixed Assets, At Cost

Land:

Town Hall	\$ 7,500
Riverside Development	48,570
Williams Lumber Company	7,500
Industrial Park	25,000
Airport	1,500
Bogalusa Industrial Park	95,109
Railroad Property	33,192
Miscellaneous	1,140
First State Bank Property	2,750
Main Street Parking Lot	25,416
Total Land	<u>247,677</u>

Buildings and Furnishings:

Town Hall	248,779
Police and Fire Complex	51,700
Washington Parish Activity Center	109,313
Firing Range	2,973
Town Hall Improvements	9,015
Police Building Addition	44,804
Airport Hanger Building	10,000
Police Impound Yard	2,932
Total Buildings and Furnishings	<u>479,516</u>

Improvements Other than Buildings:

Airport	129,030
Total Improvements Other than Buildings	<u>129,030</u>

Equipment:

Equipment	958,554
Total Equipment	<u>958,554</u>
Total General Fixed Assets	<u>\$ 1,814,777</u>

Investment in General Fixed Assets

General Obligation Bonds	\$ 51,700
State Grants	201,344
Federal Revenue Sharing	377,927
Contributed Capital	31,447
Gas Utility System	266,259
General Fund Revenues	623,297
Police Ad Valorem Revenues	189,297
Street Ad Valorem Revenues	23,030
Rural Development	50,476
Total Investment in General Fixed Assets	<u>\$ 1,814,777</u>

The accompanying notes are an integral part of these statements.

**Town of Franklinton
Franklinton, Louisiana**

Schedule 22

**Schedule of Insurance
For the Year Ended October 31, 1999**

<u>Insurance Company</u>	<u>Coverage</u>	<u>Amount</u>	<u>Period</u>
Reliance Insurance Company Policy Number SI3024884	Commercial Property:		02/19/99 -
	Buildings	\$ 3,134,000	02/19/00
	Personal Property	134,000	
	Commercial Inland Marine:		
	Miscellaneous Property	118,000	
	Commercial General Liability:		
	General Aggregate	2,000,000	
	Products Aggregate	1,000,000	
	Personal/Advertising Injury	1,000,000	
	Per Occurrence	1,000,000	
	Fire/Water/Explosion, Each	100,000	
	Medical Expense, Each Person	5,000	
	Employee Benefit Liability:		
	Aggregate	1,000,000	
	Each Employee	1,000,000	
Business Automobile:			
Liability	1,000,000		
Uninsured Motorists	1,000,000		
Underinsured Motorists	1,000,000		
Comprehensive	Repair Cost		
Collision	Repair Cost		
Virginia Surety Company Policy Number TCB74145	Negligence, Errors, and Omissions: Public Officials	\$ 1,000,000	02/19/99 - 02/19/00
AES Insurance Company Policy Number PL2291876	Negligence, Errors, and Omissions: Law Enforcement Personnel	\$ 1,000,000	02/19/99 - 02/19/00
Hartford Life Insurance Company Policy Number 43VP955002	Group Accident: Franklinton Fire Department: Death/Dismemberment	\$ 100,000	02/19/99 - 02/19/00
AES Insurance Company Policy Number GAK029782701	Airport Liability Policy: Airport Operations Hazard Independent Contractors Hazard Blanket Contractual Hazard Liquor Liability Hazard Medical Malpractice Hazard	\$ 1,000,000 1,000,000 1,000,000 1,000,000 1,000,000	02/19/99 - 02/19/00
Transportation Insurance Company Policy Number WC174902513	Employers Liability: Workers Compensation: Each Accident Disease Disease, Each Employee	\$ 100,000 500,000 100,000	11/15/98 - 11/15/99
Western Surety Company Policy Number - Various	Bond: Law Enforcement Officers, Each	\$ 5,000	Various

**Town of Franklinton
Franklinton, Louisiana**

**Supplemental Information Schedules
For the Year Ended October 31, 1999**

COMPENSATION PAID BOARD MEMBERS

The Schedule of compensation paid to board members is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature.

**EXPENDITURES OF FEDERAL AWARDS
AND AUDIT FINDINGS RESOLUTION**

In accordance with *Governmental Auditing Standards*, schedules of expenditures of federal awards, follow up and corrective action taken on prior year audit findings, and corrective action plan for current year findings are presented.

Town of Franklinton
Franklinton, Louisiana

Schedule 23

Schedule of Compensation Paid Board Members
For the Year Ended October 31, 1999

Earle Brown, Mayor	\$ 9,600
Houston Magee, Alderman	6,000
David Bickham, Alderman	4,000
Rebecca Bickman, Alderwoman	2,000
T. J. Butler, Alderman	6,000
Wayne Flemming, Alderman	6,000
William Durden, Alderman	6,000
	<hr/>
	\$ 39,600
	<hr/>

Town of Franklinton

Schedule 24

Schedule of Federal Awards
For the Year Ended October 31, 1999

Federal Grantor, Pass-Through Grantor, Program Title	Federal CFDA Number	Pass Through Grantor's Number	Federal Expenditures
<u>United States Department of Transportation</u>			
Passed through State Dept. of Transportation and Development:			
Section 18 Rural Public Transportation of the Urban Mass Transportation Capital and Operating Assistance Grants/Subcontracted to the Washington Parish Council on Aging, Inc.	20.509	LA-18-X014	\$ 82,312
Total United States Department of Transportation			<u>82,312</u>
<u>United States Department of Housing and Urban Development</u>			
Passed through State Division of Administration:			
FY 1998 LCDBG Sewer Treatment Facility Improvement	14.219	107-900401	43,403
Total United States Department of Housing and Urban Dev.			<u>43,403</u>
<u>United States Department of Justice</u>			
Bureau of Justice Assistance:			
Local Law Enforcement Block Grant	16.592	726000471	15,406
Passed through Louisiana Law Enforcement Administration:			
Law Enforcement Equipment	16.592	Z97-5-029	3,855
Street Sales Disruption	16.579	B97-5-016	1,617
Total United States Department of Justice			<u>20,878</u>
<u>United States Department of Education</u>			
Passed through Louisiana Department of Education:			
Safe and Drug-Free Schools and Communities- Safe Grants, Governor Safe and Drug-Free Schools and Communities Program	84.186	FPD99.03	18,900
			<u>18,900</u>
Total Expenditures of Federal Awards			<u>\$ 165,493</u>

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the town and is presented on the modified accrual basis of accounting. Therefore some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the general purpose financial statements.

Note 2. Subrecipients

Of the federal expenditures presented in the schedule, the town provided federal awards to Subrecipients as follows:

Cluster/Program Title	Federal CFDA Number	Amount Provided to Subrecipients
Section 18 Rural Public Transportation Grant	20.509	82,312

The accompanying notes are an integral part of these statements.

Town of Franklinton
Franklinton, Louisiana

Schedule 25

Summary Schedule of Prior Year Audit Findings
For the Year Ended October 31, 1999

Section I - Internal Control and Compliance Material to the Financial Statements:

Reference Number: 98-C1

FYE 10/31/99

Description of Finding:

It was noted within Footnote 20 of the *Notes to the Financial Statements*, that the Town of Franklinton has not inventoried computer systems and other electronic equipment that may be affected by the year 2000 issue. It was also noted that management of the Town of Franklinton cannot assure that parties with which the Town of Franklinton does business will be year 2000 ready.

Corrective Action Taken

Yes

Section II-Internal Control and Compliance Material to Federal Awards

No Findings for Section II.

Section III - Management Letter

No findings for Section III.

Town of Franklinton
Franklinton, Louisiana

Schedule 26

Corrective Action Plan for Current Year Audit Findings
For the Year Ended October 31, 1999

Section I - Internal Control and Compliance Material to the Financial Statements

There were no Section I findings.

Section II - Internal Control and Compliance Material to Federal Awards

N/A

Section III - Management Letter

There were no Section III Findings

BRUCE HARRELL & CO.
CERTIFIED PUBLIC ACCOUNTANTS
A Professional Accounting Corporation

Bruce C. Harrell, CPA

Warren A. Wool, CPA

Michael P. Estay, CPA

Dale H. Jones, CPA

Charles P. Hebert, CPA

James D. Rabalais, CPA

P. O. Box 45
602 Fifth Street
Kentwood, LA 70444
VOICE: (504) 229-5955
FAX: (504) 229-5951

HAMMOND OFFICE
109 W. Minnesota Park
Park Place Suite 7
Hammond, LA 70403
VOICE: (504) 542-6372
FAX: (504) 345-3156

MEMBERS
American Institute of CPAs
Society of Louisiana CPAs

**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Honorable Mayor, Earle R. Brown
and Board of Aldermen
Franklinton, Louisiana

We have audited the general purpose financial statements of the Town of Franklinton, Louisiana, as of and for the year ended October 31, 1999, and have issued our report thereon dated January 21, 2000. We conducted our 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 Town of Franklinton, Louisiana's financial statements are free of material misstatement, we 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 statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Town of Franklinton, Louisiana's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our 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 the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information of management, the Legislative Auditor and the Cognizant Federal Agency. However, this report is a matter of public record and its distribution is not limited.



Bruce Harrell and Company, CPAs
A Professional Accounting Corporation
January 21, 2000