



CITY OF FRANKLIN, LOUISIANA

ANNUAL FINANCIAL STATEMENTS WITH INDEPENDENT AUDITORS' REPORT

and

INDEPENDENT AUDITORS' REPORT ON INTERNAL ACCOUNTING CONTROL,
COMPLIANCE, AND FEDERAL AWARDS

FOR THE YEAR ENDED APRIL 30, 1999

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Delwood Davis

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**INDEPENDENT AUDITORS' REPORT**

The Honorable Mayor and
Members of the City Council
Franklin, Louisiana

We have audited the accompanying general purpose financial statements of the City of Franklin, Louisiana as of and for the year ended April 30, 1995, as listed in the table of contents. These general purpose financial statements are the responsibility of the City of Franklin, Louisiana's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit. We did not audit the financial statements of the City's component units (Marshal's Fund of the City Court and City Court of the City of Franklin). These financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Marshal's Fund of the City Court and the City Court of the City of Franklin, is based solely on the report of the other auditors.

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. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit and the report of other auditors provides a reasonable basis for our opinion.

As noted in Note 14, annual pension costs and net pension obligations for certain employees are not computed nor reported in accordance with generally accepted accounting principles. The effect of this departure from generally accepted accounting principles on the financial statements of the General Fund and General Long-term Debt Account Group cannot be reasonably determined.

In our opinion, except for the effects of not providing for the proper amount of pension expense and related required disclosures as discussed in the preceding paragraph, based on our audit and the reports of other auditors, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Franklin, Louisiana at April 30, 1995, and the results of its operations and cash flows of its proprietary fund type for the year then ended, in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also based our report dated October 8, 1999 on our consideration of the City of Franklin, Louisiana's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was conducted 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 other accompanying information listed as Supplementary Information in the table of contents is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of the City of Franklin, Louisiana. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-123, Audit of State, Local Governments, and Non-Profit Organizations, and is also not a required part of the general purpose financial statements of the City of Franklin, Louisiana. Such information, except for that portion marked "unaudited" on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, except for the effects of not properly accounting for certain pension costs as discussed in the third paragraph, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

The accompanying supplementary information required by the Governmental Accounting Standards Board (GASB) listed in the table of contents is not a required part of the primary government financial statements but is supplementary information required by GASB. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of this supplementary information. However, we did not audit the information and do not express an opinion on it. In addition, we do not provide assurance that the City of Franklin, Louisiana is or will become year 2000 compliant, that the year 2000 remediation efforts will be successful in whole or in part, or that parties with which the City does business are or will be year 2000 compliant.

The financial information for the preceding year, which is included for comparative purposes, was taken from the financial report for that year in which we expressed a qualified opinion on the general purpose financial statements of the City of Franklin, Louisiana, because pension expense does not include a provision for past service costs and the actuarially computed value of vested benefits for certain employees.



CERTIFIED PUBLIC ACCOUNTANTS

October 8, 1999

**GENERAL PURPOSE FINANCIAL STATEMENTS
(COMBINED STATEMENTS - OVERVIEW)**

CITY OF PEABODY

COMBINED FINANCIAL STATEMENTS, SUPPLEMENTAL AND CHANGES IN ACCOUNTANCES -
 B.) CONTINUING (and final) (available for audit only) AND DISCONTINUED OPERATING UNITS
 For the year ended 12/31/2019

	Accounts Payable		Accounts Payable Due to Other Governmental Units	Accounts Payable Due to Other Private Entities	Accounts Payable Due to Other Governmental Entities	Accounts Payable Due to Other Private Entities	Total Accounts Payable (including Due to Other Governmental Entities)	Accounts Payable (including Due to Other Governmental Entities)	Total Accounts Payable (including Due to Other Governmental Entities)
	General	Special							
Revenues:									
Taxes	\$ 714,811	111,000,000					\$ 726,811		\$ 726,811
License and permit	600,000						600,000		600,000
Intergovernmental	1,211,250	20,000		600,170			1,811,420		1,811,420
Change in reserves		70,000					70,000		70,000
Fees	63,600						63,600		63,600
Grants	21,000						21,000		21,000
Miscellaneous	140,000	75,000		10,500			215,500		215,500
Total revenues	1,650,661	1,086,000		610,670			3,347,331	171,000	3,518,331
Expenditures									
Current									
General government	600,000						600,000	600,000	600,000
Police and emergency	150,000						150,000	150,000	150,000
Public works	1,000,000						1,000,000	1,000,000	1,000,000
Public works department	50,000						50,000	50,000	50,000
Health and welfare	600,000						600,000	600,000	600,000
Library	1,000,000						1,000,000	1,000,000	1,000,000
Health and welfare	20,000						20,000	20,000	20,000
Culture and recreation	473,440						473,440	473,440	473,440
Other departments	90,000						90,000	90,000	90,000
Administration	30,000						30,000	30,000	30,000
Other	20,000	60,000		270			80,270	80,270	80,270
Light utility				270			270	270	270
Public utility	500,000						500,000	500,000	500,000
Sanitation	80,000			60,000			140,000	140,000	140,000
Storage	80,000						80,000	80,000	80,000
Capital and operations	64,000			20,000			84,000	84,000	84,000
Log water and other				10,000			10,000	10,000	10,000
Debt service		143,120					143,120	143,120	143,120
Interest		240,000					240,000	240,000	240,000
Interfund transfers									
Total expenditures	3,127,561	1,069,120		314,000		91,000	4,591,681	171,000	4,762,681

Income (deductions) of income
tax expenditures

Other financing sources

(Cash)
Proceeds from issue obligations
Proceeds from bonds
Covering 1990-1991
Covering 1991-1992
Total other financing
sources (cash)

Source (deductions) of
revenues and
expenditures 1990-1991

Financing sources
(cash)

Fiscal balance, beginning
of year

Fiscal balance, end of year

Detail	Government Fund Types		Fiduciary Fund Type Expendable Trust	Total Member Fund Primary Government	Component Cash	Total Member Cash
	General	Special				
(190,000)	600,000	(600,000)	300	(794,794)	1,000	(793,794)
454,250			454,250			454,250
511,647	200,740	142,287	1,054,674	1,075,668	1,075,668	1,075,668
(200,207)	(114,148)	(300,954)	(111,315)	(3,387,771)	(1,887,711)	(1,500,060)
597,909	(717,408)	441,917	31,632	500,287	0	500,287
(170,400)	68,384	(56,186)	300	(887,507)	1,000	(886,506)
208,718	670,694	1,790,609	14,883	3,084,728	68,862	3,153,590
610,000	(690,048)	(668,740)	(11,000)	(80,400,170)	500,497	(79,899,673)

CITY OF FRANKLIN
GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended April 30, 1998

	Budget	Actual	Variance- Favorable (Unfavorable)
Revenues:			
Taxes	\$1,267,800	\$1,274,821	\$7,021
Licenses and permits	\$15,800	\$16,850	\$1,050
Intergovernmental	1,800,100	1,331,309	(468,791)
Fees	48,000	50,800	2,800
Mineral royalties	17,000	11,718	(5,282)
Miscellaneous	100,000	100,000	
Donations	20,000	20,000	
Interest earned	2,000	2,025	25
Total revenues	<u>3,072,700</u>	<u>3,405,605</u>	<u>332,905</u>
Expenditures:			
Current:			
General government			
Finance and administrative	285,545	308,542	(22,997)
Judicial	177,087	168,517	8,570
Public safety			
Police and fire department	1,408,080	1,508,080	(99,999)
Inspection	53,880	58,380	(4,500)
Tax collector	31,500	26,787	4,713
Public works	683,800	686,574	(2,774)
Recreation	384,700	493,442	(108,742)
Social grant/welfare	15,500	20,337	(4,837)
Economic development	84,707	85,183	(476)
Purchasing	28,787	28,788	(1)
Other	187,000	172,850	14,150
Capital outlay			
Public safety	104,408	588,187	(483,779)
Other	10,000	87,812	(77,812)
Culture and recreation	88,893	54,555	34,338
Total expenditures	<u>3,652,308</u>	<u>4,187,800</u>	<u>(535,492)</u>
Excess (deficiency) of revenues over expenditures	<u>(579,608)</u>	<u>(782,195)</u>	<u>202,587</u>
Other financing sources (uses)			
Proceeds from lease obligations		484,283	484,283
Operating transfers in	298,880	371,647	(72,767)
Operating transfers out	(228,280)	(258,321)	30,041
Total other financing sources (uses)	<u>78,600</u>	<u>558,609</u>	<u>(480,009)</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	<u>(501,008)</u>	<u>(223,586)</u>	<u>277,422</u>
Fund balance, beginning of year	<u>288,785</u>	<u>288,785</u>	
Fund balance, end of year	<u>\$-112,223</u>	<u>\$-35,061</u>	<u>\$77,162</u>

The accompanying log notes are an integral part of these financial statements.

**CITY OF FRANKLIN
SPECIAL REVENUE FUNDS**

**COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
Year Ended April 30, 1999**

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Taxes			
Sales	\$1,007,000	\$1,051,389	\$44,389
Ad valorem	75,630	75,220	(410)
Charges for service	877,308	780,887	(96,421)
Federal grant	80,323	34,888	(45,435)
State grant	508	411	(97)
Miscellaneous	14,958	15,414	456
Interest	8,853	10,423	1,570
Total revenue	<u>1,846,525</u>	<u>1,808,429</u>	<u>(38,096)</u>
Expenditures:			
Sanitation	1,281,280	1,216,782	(64,498)
Urban redevelopment	2,180	2,813	(713)
Other	89,982	89,014	968
Total expenditures	<u>1,373,442</u>	<u>1,487,609</u>	<u>(114,167)</u>
Excess of revenues over expenditures	<u>473,083</u>	<u>320,820</u>	<u>152,263</u>
Other financing sources (uses)			
Operating transfers in	232,738	262,743	30,005
Operating transfers out	(548,367)	(774,149)	(235,782)
Total other financing sources (uses)	<u>(315,629)</u>	<u>(511,406)</u>	<u>(195,717)</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	<u>157,454</u>	<u>(90,586)</u>	<u>(248,040)</u>
Fund balance, beginning of year	<u>524,953</u>	<u>618,694</u>	<u>93,741</u>
Fund balance, end of year	<u>367,329</u>	<u>528,108</u>	<u>(159,221)</u>

The accompanying notes are an integral part of these financial statements.

CITY OF FRANKLIN
DEBT SERVICE FUNDS

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL,
Year Ended April 30, 1999

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Special assessments	\$13,152	\$8,705	(\$4,447)
Interest	30,988	35,759	5,531
Miscellaneous		3,555	3,555
Total revenues	<u>45,420</u>	<u>48,019</u>	<u>4,579</u>
Expenditures:			
Debt Service	595,657	673,714	(78,057)
Miscellaneous		379	(379)
Total expenditures	<u>595,657</u>	<u>674,093</u>	<u>(78,436)</u>
Excess (deficiency) of revenues over expenditures	<u>(\$52,237)</u>	<u>(\$25,733)</u>	<u>(3,499)</u>
Other financing sources (uses)			
Operating transfers in	742,942	742,381	3,329
Operating transfers out	(289,909)	(289,894)	(1,855)
Total other financing sources (uses)	<u>453,033</u>	<u>452,487</u>	<u>(51,17)</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	<u>(\$1,233)</u>	<u>(\$4,156)</u>	<u>(\$2,963)</u>
Fund balance, beginning of year	<u>1,040,927</u>	<u>1,040,928</u>	<u>1</u>
Fund balance, end of year	<u>\$898,724</u>	<u>\$996,742</u>	<u>(\$32,969)</u>

The accompanying notes are an integral part of these financial statements.

CITY OF FRANKLIN
CAPITAL PROJECTS FUNDS

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
Year Ended April 30, 1998

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:			
Intergovernmental:			
St. Mary Parish Council		\$21,299	\$21,299
St. Mary Parish School Board	\$8,372	8,372	
Federal grant	453,894	379,068	(174,826)
State grant	191,298	357,381	166,083
Interest earned	36,000	32,943	(3,057)
Total revenue	<u>699,564</u>	<u>699,073</u>	<u>(491)</u>
Expenditures:			
Capital outlay			
Sanitation			
Construction	463,686	340,846	122,840
Engineering	9,047	7,318	1,729
Culture and recreation	82,094	266,293	(184,199)
Highways and streets	169,262	169,371	(9)
Drainage	36,835	36,835	
Other costs	14,128	3,261	10,867
Total expenditures	<u>775,152</u>	<u>794,624</u>	<u>(19,472)</u>
Excess (deficiency) of revenues over expenditures	<u>(75,588)</u>	<u>(95,551)</u>	<u>19,963</u>
Other financing sources (uses)			
Operating transfers in	162,461	168,694	6,233
Operating transfers out	(168,574)	(117,377)	49,197
Total other financing sources (uses)	<u>(6,113)</u>	<u>51,317</u>	<u>57,430</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	<u>(81,701)</u>	<u>(44,234)</u>	<u>37,467</u>
Fund balance, beginning of year	795,680	795,680	
Fund balance, end of year	<u>\$692,680</u>	<u>\$756,181</u>	<u>\$63,501</u>

The accompanying notes are an integral part of these financial statements.

CITY OF FRANKLIN

FIDUCIARY FUND
MAUSOLEUM ENDOWED CARE

The Government's Only Expendable Trust Fund

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended April 30, 1999

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Interest income	\$255	\$304	\$49
Miscellaneous		65	65
Total revenues	<u>255</u>	<u>369</u>	<u>114</u>
Excess of revenues over expenditures	259	369	110
Fund balance, beginning of year	14,451	14,451	
Fund balance, end of year	<u>\$14,710</u>	<u>\$14,820</u>	<u>\$110</u>

The accompanying notes are an integral part of these financial statements.

CITY OF FRANKLIN

COMPARATIVE STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN RETAINED EARNINGS - UTILITY ENTERPRISE FUND

The Government's Only Proprietary Fund

Year Ended April 30, 1989

With Comparative Totals from Year Ended April 30, 1988

	1989	1988
Operating revenues:		
Charges for services -		
Water sales	\$780,177	\$652,132
Delinquent penalties	3,083	8,141
Street light fees	89,085	83,804
Miscellaneous revenues	15,000	8,876
Total operating revenues	<u>887,345</u>	<u>732,953</u>
Operating expenses:		
Administration and finance	33,388	18,824
Tax collector	15,918	14,590
Inspection	28,339	21,817
Purchasing	18,710	17,893
Water production	285,078	248,238
Water distribution	183,498	208,250
Billings and collections	188,760	170,381
Meter department	32,000	28,078
Depreciation	62,597	78,989
Bad debts	4,333	4,381
Street light fees	108,825	100,690
Total operating expenses	<u>963,566</u>	<u>910,382</u>
Operating income (loss)	<u>(65,921)</u>	<u>(150,987)</u>
Non-operating revenues (expenses)		
Interest income	7,244	7,505
Interest expense and fiscal charges	(3,001)	
Total non-operating revenues	<u>4,243</u>	<u>7,505</u>
Income (loss) before operating transfers	<u>(61,721)</u>	<u>(143,462)</u>
Other financing sources (uses)		
Operating transfers in	2,000	
Operating transfers out	(29,944)	(7,800)
Total other financing sources (uses)	<u>(27,944)</u>	<u>(7,800)</u>
Net income (loss)	<u>(89,785)</u>	<u>(144,462)</u>
Retained earnings, beginning of year	589,000	734,280
Retained earnings, end of year	<u>\$499,215</u>	<u>\$589,818</u>

The accompanying notes are an integral part of these financial statements.

CITY OF FRANKLYN
COMPARATIVE STATEMENT OF CASH FLOWS
UTILITY ENTERPRISE FUND
The Government's Only Proprietary Fund
For the year ended April 30, 1999
Increase (Decrease) in Cash and Cash Equivalents
With Comparative Totals from Year Ended April 30, 1998

	1999	1998
Cash flows from operating activities:		
Cash received from customers	\$645,268	\$751,237
Cash payments to employees for services	(319,902)	(329,219)
Cash payments to suppliers for goods and services	(485,798)	(478,796)
Other cash received	15,808	8,878
Net cash provided (used) operating activities	<u>15,384</u>	<u>(98,900)</u>
Cash flows from investing activities:		
Cash received from interest earned	8,044	7,809
Net cash provided by investing activities	<u>8,044</u>	<u>7,809</u>
Cash flows from noncapital financing activities:		
Advances to other funds	(74,831)	
Repayment of advances to other funds		74,831
Advances from other funds	84,874	103,847
Operating transfers to other funds	(28,984)	(7,083)
Operating transfers from other funds	3,800	
Net cash provided (used) by noncapital financing activities	<u>(15,121)</u>	<u>177,792</u>
Cash flows from capital and related financing activities:		
Cash payments for principal on revenue bond maturities	(25,000)	(15,000)
Cash payments for interest on bonds	(28,275)	(37,082)
Cash payments made on lease obligations	(8,797)	(7,224)
Cash payments for acquisition of capital assets	(68,572)	(8,870)
Net cash used by capital and related financing activities	<u>(130,644)</u>	<u>(68,976)</u>
Net increase (or decrease) in cash and cash equivalents	(117,260)	71,745
Cash and cash equivalents, beginning of year	487,877	380,210
Cash and cash equivalents end of year	<u>\$370,617</u>	<u>\$451,955</u>

Reconciliation of operating loss to net cash provided (used) by operating activities:	2019	2018
Operating loss	<u>(\$81,855)</u>	<u>(\$155,667)</u>
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:		
Depreciation	82,901	78,901
Change in assets and liabilities:		
Decrease(Decrease in accounts receivable	(23,808)	32,178
(decrease) Decrease in interest receivable	(101)	148
Decrease in prepaid expenses		1,294
Increase in accounts payable and accrued expenses	48,858	8,651
Increase (Decrease) in accrued wages payable	2,103	112,818
Increase in customer deposits		13,818
Total adjustments	<u>189,853</u>	<u>311,342</u>
Net cash provided (used) by operating activities	<u>\$107,998</u>	<u>(\$157,685)</u>
Cash and cash equivalents at the end of the year are reported on the combined balance sheet as follows:		
Current assets		
Cash and cash equivalents	\$116,385	\$264,475
Restricted assets		
Reverse Bond-Sinking Account	12,280	12,289
Reverse Bond-Reserve Account	82,280	52,280
Construction trust account	<u>128,825</u>	<u>198,085</u>
	<u>\$339,770</u>	<u>\$617,129</u>

The accompanying notes are an integral part of these financial statements.

CITY OF FRANKLIN

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended April 30, 1998

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Franklin was incorporated April 15, 1876 under provisions of a special charter. The City operates under a Mayor - Council form of government.

The accounting and reporting policies of the City of Franklin conform to generally accepted accounting principles as applicable to governments.

The following is a summary of certain significant accounting policies:

A. Reporting Units

This report includes all funds, account groups, and component entities for which the City has financial accountability. Financial accountability is determined by the City by applying the following criteria established by the GASB:

- a. Financial benefit or burden
- b. Appointment of a voting majority
- c. Imposition of will
- d. Fiscally dependent

Based on the foregoing criteria, the City Court and City Marshal, are considered to be component entities.

B. Individual Component Unit Disclosures

Discretely Presented Component Units - The component unit columns in the combined financial statement include the financial data of the City's component units. They are reported in a separate column to emphasize that they are legally separate from the City.

1. The City Court of the City of Franklin establishes a court for the City of Franklin and the territorial jurisdiction throughout Ward Three of St. Mary Parish, Louisiana. The purpose of the City Court is to collect all fines, forfeitures, penalties, and costs assessed. The judge and marshal are elected to six year terms. The fiscal year of the City Court of the City of Franklin ends on June 30, which is different from that of the primary government. The amounts shown in this report reflect information as of June 30, 1998, the most recent information available at this time. The City provides the facilities in which the Court operates and has approval authority over certain expenditures made by the Court.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2. The Marshall's Fund of the City Court of the City of Franklin accounts for the activities of the Marshall in carrying out the duties of the Court. The expenses of carrying out these duties are defrayed by court costs collected through the City Court. The fiscal year of the Marshall's Fund of the City Court of the City of Franklin ends on June 30, which is different from that of the primary government. The amounts shown in this report reflect information as of June 30, 1998, the most recent information available at this time. The City provides the facilities in which the Marshall operates and has approval authority over certain expenditures made by the Marshall.

Complete financial statements of the individual component units can be obtained from their respective offices located at 179 Willow Street, Franklin, Louisiana, 70538. Condensed financial statements are presented below for both of the discretely presented component units.

City Court of the City of Franklin
Marshall's Fund of the City Court
Franklin, Louisiana

Condensed Financial Statements
- Discretely Presented Component Units
Balance Sheet

	City Court of the City of Franklin	Marshall's Fund of the City Court	Total
Assets:			
Cash	\$74,484	\$4,316	\$78,800
Receivables—other	6,289		6,289
Due from other funds	6,289		6,289
Due from other govern- ments	295		295
Fixed assets	16,367	16,501	66,768
	<u>\$123,725</u>	<u>\$20,817</u>	<u>\$144,542</u>
Liabilities:			
Accounts payable	\$31,347		\$31,347
Due to other funds	6,289		6,289
Due to other governments	6,289	\$____	6,289
	<u>\$43,925</u>	<u>\$____</u>	<u>\$43,925</u>
Fund equity:			
Investment in general			
Fixed assets	16,367	16,501	66,768
Fund balance	80,172	4,309	90,882
	<u>\$82,459</u>	<u>\$20,810</u>	<u>\$103,269</u>
Total	<u>\$123,725</u>	<u>\$20,817</u>	<u>\$144,542</u>

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**Statements of Revenues, Expenses, and Changes in Equity**

	City Court of the City of Franklin	Mayor's Fund of the City Court	Total
Revenues:			
Charges for services	\$19,651	\$14,208	\$33,859
Intergovernmental	68,014	42,188	110,202
Total revenues	107,665	56,396	164,061
Expenditures:			
Current			
General and admin.		68,418	68,418
Judicial	102,015		102,015
Total expenditures	102,015	68,418	170,433
Excess (deficiency) of revenues over expenses	5,650	(12,021)	(6,371)
Fund balance—beginning	42,522	6,330	48,852
Fund balance—ending	\$48,172	\$4,309	\$52,481

C. Fund Accounting

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

A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, 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 are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types".

GOVERNMENTAL FUNDS**General Fund**

The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in other funds.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Special Revenue Funds

Special revenue funds are used to account for the proceeds of specific revenue sources (other than expendable trusts, or major capital projects) that are legally restricted to expenditures for specific purposes.

Debt Service Funds

Debt service funds are used to account for the accumulation of resources for, and the payment of general long-term debt principal, interest and related costs.

Capital Projects Funds

Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds or trust funds).

PROPRIETARY FUND

Enterprise Fund

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of the net income is necessary or useful to sound financial administration.

TRUST AND AGENCY FUNDS

Fiduciary Funds

Fiduciary Funds are used to account for assets held on behalf of outside parties or on behalf of other funds within the City. The terms "nonexpendable" and "expendable" refer to whether or not the City is under an obligation to maintain the trust principal. Assets held by the City under the terms of its trust agreement, are expendable. Agency funds generally are used to account for assets that the City holds on behalf of others as their agent.

D. Basis of Accounting

1. Primary Government

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund-type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets.

The modified accrual basis of accounting is used by all governmental fund types, expendable trust funds and agency funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

The following is a summary of the City's revenue recognition policies for its major revenue sources:

Revenues:

Ad valorem taxes and the related State revenue sharing (which is based on population and households in the City) are recorded in the year the taxes are assessed.

Federal, State and Parish aid and grants are recorded when the City is entitled to the funds.

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

Sales and use tax revenues are recorded in the month collected by the sales tax collection department of St. Mary parish.

Substantially all other revenues are recorded when received.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, except principal and interest on general long-term debt which is not recognized until due.

Transfers between funds which are not expected to be repaid and proceeds from the sale of bonds are accounted for as other financing sources (uses).

The Proprietary Fund is reported in the accompanying financial statements on the accrual basis of accounting. Revenues are recognized when they are earned and expenses are recognized when they are incurred.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The City reports deferred revenue on its combined balance sheet. Deferred revenues arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period or when resources are received by the City before it has a legal claim. In subsequent periods, when both revenue recognition criteria are met, or when the City has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized.

2. Basis of Accounting - Discretely Presented Component Units

The City Council and City Marshall use the current financial resources measurement focus and modified accrual accounting.

E. Budgets and budgetary accounting

The City follows these procedures in establishing the budgetary data reflected in these financial statements:

1. The Mayor and City Clerk prepare a proposed budget and submit the same to the City Council no later than 60 days prior to the beginning of each fiscal year.
2. A summary of the proposed budget is published and the public is notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of an ordinance prior to the commencement of the fiscal year for which the budget is being adopted.
5. Budgetary amendments involving the transfer of funds from one fund, department, program or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the City Council.
6. All budgetary appropriations lapse at the end of each fiscal year.
7. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP). All governmental funds have adopted budgets.
8. Budgetary comparisons include all budget amendments for the year.
9. No budgetary data is presented for Discretely Presented Component Units.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Cash and Cash Equivalents

For financial statement purposes, cash and cash equivalents include demand deposits, money market accounts, and certificates of deposit and other investments with original maturities of less than three months.

Cash and cash equivalents are stated at cost, which approximates market.

G. Due From/To Other Funds

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet.

H. Investments

Investments include certificates of deposit with original maturities of greater than three months.

Investments are stated at cost.

I. Receivables

Receivables are stated at net realizable value after provision for estimated uncollectible accounts, which are immaterial to the primary government. Provisions for uncollectible accounts in the City Court total approximately \$12,000.

J. Prepaid Expenses

Payments made to suppliers for services that will benefit periods beyond April 30, 1999 are recorded as prepaid expenses in the Enterprise Fund.

K. Restricted Assets

Certain assets of the Enterprise Fund are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants.

L. Fixed Assets

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in governmental funds, and the related assets are reported in the general fixed assets account group. Substantially all purchased fixed assets are valued at cost. Where historical records do not exist purchased fixed assets are valued at estimated cost at date of acquisition. Donated fixed assets are valued at their estimated fair market value on the date received.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

The City has elected not to capitalize public domain ("infrastructure") fixed assets consisting of certain improvements other than buildings, including roads, bridges, sidewalks, and drainage improvements.

Assets in the general fixed assets account group are not depreciated.

Depreciation of all depreciable fixed assets used by the proprietary fund is charged as an expense against its operations. Depreciation has been provided over the estimated useful lives of the fixed assets using the straight-line method. The estimated useful lives are as follows:

Water utility -	
Water plant	20 years
Lines and meters	6 - 20 years
Other equipment	3 - 10 years
Automotive equipment	3 years
Furniture and fixtures	5 - 20 years

M. Capitalization of Interest Expense

It is the policy of the City to capitalize material amounts of interest resulting from borrowings in the course of the construction of fixed assets. For the year ended April 30, 1999, approximately \$35,000 of interest was capitalized in the Utility Fund.

N. Encumbrances

Funds are encumbered when purchase orders are issued. The City intends to honor any commitments entered into at year end even though all appropriations, except for capital projects under contract, lapse at year end.

The City does not reserve its fund balances for encumbrances outstanding. Encumbrances outstanding at April 30, 1999 are immaterial.

O. Compensated Absences

Compensated absences are absences for which employees will be paid, such as vacation and sick leave.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

No accrual is made for compensated absences because they are not significant.

F. Long-term Obligations

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

G. Fund Equity

Reserves represent those portions of fund equity not appropriate for expenditure or legally segregated for a specific future use. Designated fund balances represent tentative plans for future use of financial resources.

H. 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 transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

I. Total Columns on Combined Statements - Overview

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

J. Comparative Data

Comparative total data for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the government's financial position and operations. However, comparative data have not been presented in all statements because their inclusion would make certain statements unduly complex and difficult to understand or of no use to intended users due to inactivity in the fund for the prior year.

NOTE 2 - FUND DEFICITS

The following individual funds of the City had deficit fund balances/retained earnings at April 30, 1999:

Fund	Deficit Amount
Capital Projects Funds:	
LCDBG Sewer Rehab Fund	\$1,027
Debt Service Fund:	
Sales Tax Bond Sinking Fund 1987	(19,516)

Management eliminated these deficits with transfers from other funds after year end.

NOTE 3 - EXPENDITURES - EXCESS OF ACTUAL OVER BUDGETED

The following individual funds had significant actual expenditures in excess of appropriated expenditures for the year ended April 30, 1999:

Fund	Budget	Actual	Variance
General Fund	\$3,552,300	\$4,087,802	\$535,502
Debt Service Fund:			
DEQ Loan Sinking Fund 1989	92,265	99,265	(7,000)
Capital Projects Funds:			
Sales Tax Bond Construction fund	10,262	14,894	(4,632)
Widening of Highway 182	139,592	173,127	(33,535)
Toledo Theater Grant	21,504	157,799	(136,295)

NOTE 4 - AD VALOREM TAXES

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied by the City in September or October and are actually billed to the taxpayers in November. Billed taxes become delinquent on January 1 of the following year. Revenues from ad valorem taxes are budgeted in the year billed.

The City bills and collects its own property taxes using the assessed values determined by the tax assessor of St. Mary Parish.

For the year ended April 30, 1999, taxes of 19.36 mills were levied on property with assessed valuations totaling approximately \$25,400,000 and were dedicated as follows:

General corporate purposes	16.13 mills
Sewerage system maintenance	3.23 mills

NOTE 5 - CASH AND CASH EQUIVALENTS

The City may deposit funds with a fiscal agent bank and certain other financial institutions. The City may also invest in time deposits or certificates of deposit.

Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities (owned by the bank). The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the bank. These pledged securities are held in the name of the pledging bank in a collateral bank that is mutually acceptable to the parties involved.

Under the provision of the Governmental Accounting Standards Board (GASB) codification, accounts secured by pledged securities which are not in the name of the governmental unit are considered uncollateralized.

The following is a summary of the cash and cash equivalents and the related federal deposit insurance and pledged securities at year end:

	Primary Government	Discretely Presented Component Units
Cash and cash equivalents-stated value	\$1,105,156	\$38,808
Cash and cash equivalents-bank balance	1,257,578	877,164
Portion insured by federal deposit insurance	828,479	877,164
Balance uninsured and uncollateralized under GASB codification	427,108	NONE
Remaining portion of deposits secured under Louisiana Law	427,108	NONE
Amount uninsured under Louisiana law	NONE	NONE

NOTE 6 - INVESTMENTS

Under state law, the City may invest in certain federally guaranteed securities. The City has investments in certificates of deposit with original maturities of greater than three months.

The City's investments are categorized as either (1) insured or registered or for which the securities are held by the City or its agent in the City's name, (2) uninsured and unregistered for which the securities are held by the broker's or dealer's trust department or agent in the City's name or (3) uninsured and unregistered for which the securities are held by the broker or dealer, or by its trust department or agent but not in the City's name.

NOTE 6 - INVESTMENTS (continued)

	Categories			Carrying Amount	Market Value
	1	2	3		
Certificates of deposit	\$1,130,614	--	--	\$1,130,614	\$1,130,614
Total investments	<u>\$1,130,614</u>	<u>---</u>	<u>---</u>	<u>\$1,130,614</u>	<u>\$1,130,614</u>

NOTE 7 - DUE FROM/TO OTHER FUNDS

The following is a listing of due from/to other funds by individual fund as of April 30, 1999:

	Due from Other Funds	Due to Other Funds
General Fund	940,735	\$287,044
Special Revenue Funds -		
Liquid & Solid Waste	581,152	96,782
Summer Flooding Program	163	
Revolving Loan Fund		500
Public Safety Fund		6,075
Debt Service Funds -		
Consolidated Sewerage District No. 1 - 1989	787	6,000
Sales Tax Bond Sinking - 1987	24,738	48,246
Consolidated Sewer Sinking Fund - 1990	285	
Sales Tax Bond Reserve - 1996	1,627	
Capital Projects Funds -		
Consolidated Sewerage Project - 1993		283
LCDBG Sewer Rehab		506
Widening of Highway 182		3,008
Enterprise Fund -		
Utility Fund	149,538	311,193
Fiduciary Fund -		
Expendable Trust:		
Miscellaneous Endowed Care	73	
Agency:		
Payroll Fund	941	93,578
Accounts Payable Clearing	96,758	106,268
	<u>\$886,983</u>	<u>\$886,983</u>

NOTE 8 - DUE FROM/TO OTHER GOVERNMENTAL UNITS

Amounts due from/to other governmental units by fund at April 30, 1999 consisted of the following:

	Due from St. Mary Parish Council	Due from State of Louisiana
General Fund		\$31,021
Liquid and Solid Waste Fund	\$51,423	
ISTEA Franklin Landscaping Pedestrian Bike Path		6,412
Widening of Highway 182		130,497
Teche Theater Grant		186,863

NOTE 9 - FIXED ASSETS

Primary Government

A summary of changes in general fixed assets for the year ended April 30, 1999 follows:

	Balance 20158			Reclassi- fications	Balance 433399
		Additions	Deletions		
Land	\$549,004				\$549,004
Buildings	1,345,136				1,345,136
Improvements other than buildings	9,341,660	\$433,409		\$471,546	10,436,615
Movable equipment	1,129,603	662,898	\$4,895		1,987,607
Construction in progress	159,817	275,594		(471,596)	163,815
Total	\$13,525,210	\$1,368,802	\$4,895		\$14,889,217

A summary of proprietary fund type property, plant and equipment at April 30, 1999 follows:

	1999
Land	\$70,000
Building improvements and equipment	1,430,488
Automotive equipment	130,231
Furniture and fixtures	132,105
Total	1,762,824
Less: Accumulated depreciation	1,773,718
	<u>\$990,106</u>

Depreciation and amortization expense for 1999 is approximately \$80,000.

NOTE 9 - FIXED ASSETS (continued)**Discarded/Prescribed/Composed Units**

A summary of changes in general fixed assets for the year ended June 30, 1998 follows:

	Balance July 1, 1997	Additions	Deletions	Balance June 30, 1998
Equipment	\$67,764	\$2,879	\$2,875	\$66,768

NOTE 10 - LEASE OBLIGATIONS

The City's General fund has acquired four pieces of equipment with a basis of approximately \$404,000 under two capital leases. The Liquid and Solid Waste fund has acquired one piece of equipment with a basis of approximately \$25,000 under capital lease. No other governmental funds have any significant leases. The City does not various equipment from time to time on a short-term basis.

The following is a schedule by years of future minimum lease payments under a capital lease together with the present value of the net minimum lease payments as of April 30, 1999.

Year Ended April 30:

2000	\$82,308
2001	77,170
2002	72,231
2003	72,230
2004	69,438
Thereafter	221,908
Total minimum lease payments	\$595,085
Less: Amount representing interest	(120,129)
Present value of net minimum lease payments	\$474,956

NOTE 11 - LONG-TERM DEBT

The following is a summary of the City's long-term debt transactions for the year ended April 30, 1999.

	General Long-term Debt Account/Gross	Utility Revenue Bonds	Total
Balance at May 1, 1998	\$4,300,095	\$568,000	\$4,868,095
Additions	494,283		494,283
Deductions	(219,400)	(20,000)	(239,400)
Balance at April 30, 1999	\$4,574,978	\$548,000	\$5,122,978

NOTE 11 - LONG TERM DEBT (continued)

Bonds and Notes payable at April 30, 1999 are comprised of the following individual issues:

General Obligation Bonds:

\$1,675,000 Sales Tax Bonds - Series ST-1996 dated November 1, 1996; due in annual installments of \$30,000 to \$135,000 through November 1, 2016 interest at 8.0 percent; secured by a pledge of the City's portion of the 7% of the parish wide sales and use tax, payable from the Sales Tax Bond Sinking Fund 1996

11,573,000

\$1,025,000 Public Improvements Sales Tax Refunding Bonds, Series 1996, dated April 11, 1996; due in annual installments of \$28,000 to \$220,000 through December 1, 2004, interest at 3.8 to 4.8 per cent, secured by a pledge of the City's portion of the three-fourths of one percent (3/4%) parish wide sales and use tax, payable from the Sales Tax Bond Sinking Fund

1,203,000

Public Improvement Sales Tax Note, Series 1990 (DEQ Loan) for a loan amount of \$750,000. A subsequent series of \$100,000 was issued in 1994. The amount funded as of April 30, 1999, is \$850,000, due in annual installments of \$23,000 to \$85,000 through December 2005; interest at 5.5% payable from Liquid & Solid Waste Fund

558,000

\$40,000 Certificates of Indebtedness, Series 1995, dated September 1, 1995; due in annual installments of \$3,000 to \$5,000 through September 1, 2005; interest at 6% payable from a pledge and dedication of the excess of annual revenues of the issuer above statutory, necessary and usual charges in each of the fiscal years during which the Certificates are outstanding

33,000

Revenue Bonds:

1999 Water and Sewer Revenue Bonds, series A, dated June 23, 1999; due in annual installments of \$16,000 to \$23,000 through March 1, 2013, interest at 3.550%, secured by a pledge of Utility and Liquid and Solid Waste revenues after reasonable and necessary operating expenses

351,000

NOTE 11 - LONG-TERM DEBT (continued)

Special Assessment

\$58,124 Sewerage Certificates, Series 1995, dated July 1, 1995; due in annual installments of \$5,012 through July 1, 2005; interest at 6.573% payable from Consolidated Sewerage Project 1993 Fund

\$ 33,083

Other: \$25,000 of estimated claims payable

(See Note 18)

45,000

Capital Lease Obligation (See Note 10)

438,865

Total General Long-term Debt

\$4,724,978

Utility Revenue Bonds

1995 Water and Sewer Revenue Bonds, series B, dated August 1, 1995; due in annual installments of \$10,000 to \$55,000 through March 1, 2015; interest at 4.65% to 8.7%; secured by a pledge of Utility and Liquid and Solid Waste revenues after reasonable and necessary operating expenses

\$580,000

Total Utility Bonds

5,800,000

The City is subject to certain affirmative and negative covenants pursuant to its bond and debt agreements. These covenants include but are not limited to:

1. Establishment and funding of certain debt service funds
2. Preparation and adoption of budgets
3. Preparation and independent audit of financial statements
4. Restriction as to additional debt issuance
5. Restriction as to types of investments
6. Establishment and adherence to certain operational and collection practices in the operation of the City's utility and sewer systems.

At year end, the City was in technical breach of two of its debt service funding requirements. One debt service fund was underfunded by approximately \$6,000. The other fund was underfunded by approximately \$1,000. Deposits for these funds were erroneously transferred to the wrong funds. Subsequent to year end, transfers have been made to correct these errors.

NOTE 11 - LONG TERM DEBT (cont'd)

The following is a schedule of future debt requirements including interest of approximately \$1,508,000 on General Obligation debt and 395,000 on Utility Revenue Bonds for debt outstanding at April 30, 1999:

	<u>General Long- Term Debt</u>	<u>Proprietary Debt</u>	<u>Total</u>
April 30:			
2000	\$694,781	\$16,255	\$711,036
2001	387,232	29,853	417,085
2002	348,863	29,222	378,085
2003	390,364	33,791	424,155
2004	384,757	33,251	418,008
Thereafter	2,187,982	478,629	2,666,611
Total	<u>\$3,752,951</u>	<u>\$614,581</u>	<u>\$4,367,532</u>

The above schedule does not include an estimated claim payable amount of \$45,000 included in the general long-term debt account group.

At April 30, 1999, a total of \$3,120,090 of outstanding general obligation bonds are considered delinquent.

**NOTE 12 - FLOW OF FUNDS, RESTRICTIONS ON USE - UTILITIES REVENUES
AND LIQUID AND SOLID WASTE REVENUES**

Under the terms of the bond indentures on outstanding 1995 Water and Sewer Revenue Bonds series A and B all income and revenues (hereinafter referred to as revenues) of every nature, earned or derived from the operation of the Utility System (Proprietary) and Sewer System (Governmental - Liquid and Solid Waste) after reasonable and necessary operating expenses are pledged and dedicated to the retirement of said bonds, and are to be set aside into the following special funds:

Revenues earned from the operation of the Utility System and the Sewer System shall be deposited daily into a Utility Fund and Liquid and Solid Waste Fund, respectively. This fund will pay all reasonable and necessary expenses of administering, operating and maintaining the Utilities System.

Each month, there will be set aside into a Fund called the "1995 Water and Sewer Revenue Bond Sinking Fund" an amount ranging from \$2,852 to \$4,656 per month on or before the 20th of each month in the Utility and Liquid and Solid Waste Funds in proportion to their respective interest and principal payments. Such transfers shall be made by the 20th of each month and shall be fully sufficient to assure the prompt payment of principal and interest installments as they become due, and may be used only for such payments.

**NOTE 12- FLOW OF FUNDS; RESTRICTIONS ON USE - UTILITIES REVENUES
AND LIQUID AND SOLID WASTE REVENUES (continued)**

There shall also be set aside into a "Revenue Bond Reserve Fund" \$38,683 of the Series B Bonds (Utility Fund) and an amount equal to 25% of the sinking fund payment for the 1995-A Bonds (Liquid and Solid Waste Fund) until the Reserve Fund equals \$85,482. Such amounts may be used only for the payment of maturing bonds and interest coupons for which sufficient funds are not on deposit in the Revenue Bond Sinking Fund and as to which there would otherwise be default.

Funds in an amount equivalent to five percent (5%) of the net revenue of the System of the preceding month will also be set aside into a "Capital Additions and Contingencies Fund" in the Utility Fund. Money in this fund may be used to pay the principal of and interest on the bonds falling due at any time there is not sufficient money for payment in the other bond funds. If the balance in this fund should ever be reduced below \$60,000, payments shall resume until \$60,000 is on deposit.

**NOTE 13 - DEDICATION OF PROCEEDS AND FLOW OF FUNDS -
SALES AND USE TAXES**

The City of Franklin collects sales taxes under three sales tax levies as follows:

1. Proceeds of a 1% sales and use tax levied by the City in 1986 (1989 collections are \$899,702) are accounted for in the General Fund and are dedicated to the following purposes:

Construction, acquisition, maintenance, and repair of streets; capital improvements; public works and buildings including fixtures and equipment; payment of all obligations which have been or may be incurred; paying or supplementing salaries of all municipal employees; operation of recreational facilities; and acquisition, maintenance and operating expenses of equipment.

2. Proceeds of a 3/4% sales and use tax levied by the City in 1973 (1989 collections are \$223,382) are accounted for in the Liquid and Solid Waste Fund - a special revenue fund - and are authorized for the following usage:

Construction, acquisition, extension, improvement, operation and maintenance of solid waste collection and disposal facilities, servers and sewerage disposal works and other facilities for pollution control and abatement; and to pay debt service requirements on bonds issued for sewerage or solid waste collection purposes.

3. Proceeds of a 3/10% sales and use tax levied by the City in 1983 (1989 collections are \$223,982) are accounted for in the Public Safety Fund - a special revenue fund - and are authorized for the following usage:

**NOTE 13 - DEDICATION OF PROCEEDS AND FLOW OF FUNDS -
SALES AND USE TAXES (continued)**

Operating and maintaining the municipal police department, the municipal fire department and the volunteer fire department, including paying or supplementing the salaries of municipal employees and personnel of these respective departments; and for the purpose of purchasing, constructing, acquiring, improving, and maintaining any public works or capital improvements, utilized or occupied by said departments.

NOTE 14 - PENSION PLAN AND OTHER RETIREMENT BENEFITS

The City of Franklin contributes to two multiple employer cost sharing public employee retirement plans: Municipal Employees' Retirement System of Louisiana (Part A) and Municipal Police Employees' Retirement System. Each plan provides retirement and disability benefits, annual cost of living adjustments and death benefits to plan members and beneficiaries. Each plan is administered by its' Board of Trustees.

The Municipal Employees' Retirement System of Louisiana (Part A) was established by the Louisiana legislature by Act 569 of 1968 and revised by Act 788 of 1978. The Municipal Police Employees' Retirement System was established by the Louisiana legislature by Act 189 of 1975. Each plan issues a publicly available financial report that includes financial statements and required supplementary information. Those reports may be obtained by writing or calling the Plan.

Municipal Employees' Retirement
System of Louisiana (Part A)
7577 Office Park Blvd.
Baton Rouge, LA 70809-7806
(225) 925-8833

Municipal Police Employees'
Retirement System
8431 United Plaza Blvd., Room 270
Baton Rouge, LA 70805-7017
(225) 433-4348

The City's contributions and related information for each system is as follows:

	Municipal Employees' Retirement System Of Louisiana (Part A)	Municipal Police Employees' Retirement System
Contribution rates:		
City	9.25%	9.00%
Plan members	9.25%	9.50%
City's approximate contributions to the plan for the year ended:		
April 30, 1999	\$305,000	\$17,000
April 30, 1998	94,000	21,000
April 30, 1997	87,000	17,000

The City's actual contributions were equal to the required contributions for each year.

NOTE 14 - PENSION PLAN AND OTHER RETIREMENT BENEFITS (cont'd)

Employers of the City are also covered under the Federal Insurance Contributions Act (Social Security). The City makes the required contributions to the fund and is not responsible for the benefits.

In 1976 the Franklin policemen joined the Municipal Police Employees' Retirement System. The City is still responsible for paying retirement benefits from City funds to eligible retired members, in accordance with the policies, terms, and rates of the Franklin police retirement system which was in effect prior to joining the state system. The City is funding the pension costs when benefits are paid to these retired employees. An actuarial evaluation has not been performed to determine the City's annual required contributions (ARC) nor the non-pension obligations (NPO). Generally accepted accounting principles require recording and disclosure of the ARC and NPO. Payments by the City to persons entitled to benefits related to this prior retirement plan for year ended April 30, 1999 totaled approximately \$25,000.

The City funds no other material post retirement benefits for its former employees.

NOTE 15 - COMMITMENTS

The City has entered into three agreements with the St. Mary Parish Council as follows:

Under one agreement, the City has agreed to provide fire protection to areas outside of the city limits. The City receives a monthly fee for this service of approximately \$2,700.

Under a second agreement, the City has agreed to provide maintenance on the St. Joseph-Quincy, Chattawatch sewerage collection system. The City receives a monthly fee for this service of approximately \$2,400.

The third agreement states that the City will operate and maintain the newly constructed sewerage facility. Under this agreement, the Council reimburses the City for 20% of these costs on a monthly basis.

The City has entered into an agreement with the Louisiana Department of Transportation and Development (DOTD) and the U.S. Army Corp of Engineers (Corp) for a flood control improvement project at Bayou Yokuty Pump Station. The total estimated cost of Phase I of the project is estimated to be approximately \$5.5 million. The construction costs of approximately \$5 million are to be paid jointly by the DOTD and the Corp. The administrative and engineering costs of approximately \$500,000 are to be paid by the City. The City also entered into an intergovernmental agreement with the Parish of St. Mary (Parish) and Consolidated Gravity Drainage District No. 1 (District) stating that each entity will jointly provide the funds required to complete the project which are not covered by the DOTD and Corp. Approximately \$497,000 in engineering and construction costs were incurred for this project through April 30, 1999. DOTD and the City are presently considering a second phase of the project with an estimated cost of \$2.5 million. The City expects to again partner with the Parish and District to provide local funding if it is required.

NOTE 16 - RISK MANAGEMENT AND CONTINGENCIES

The City is exposed to various risks of loss related to torts, theft or damage to assets, errors and omissions, injuries to employees and natural disasters. In addition, the City provides certain medical and health insurance benefits to its employees and their dependents.

The City has purchased commercial insurance to protect against loss from most of these perils. However, it is the policy of the City to retain the risks of losses related to: action of its police officers, general public liability (including vehicles and buildings), and a portion of employee medical and health benefits.

During the year ended April 30, 1998, the City adopted the provisions of GASB Statement No. 10, which establishes accounting and reporting standards for risk and insurance related activities of governmental entities. In accordance with the provisions of this statement, the City is reporting its risk retention activities in its General Fund, except for claims to be paid with the future revenues, which are reported within the General Long-term Debt Account Group.

Suitesman in the prior three years have not exceeded insurance coverages.

The City uses a combination of past history and specific claim analysis to estimate its liability for unpaid claims. The City does not discount the amount of claims to present value, nor has the City purchased any annuity contracts to settle estimated liabilities.

Changes in the City's estimated claims liabilities for the years ended April 30, 1998 and 1999 were:

Liability balance, May 3, 1997	\$101,000
Claims and changes in estimate	268,000
Claims paid	(295,000)
Liability balance, April 30, 1998	75,000
Claims and changes in estimate	368,000
Claims paid	(245,000)
Liability balance, April 30, 1999	\$ 98,000

Estimated claims liability at April 30, 1999 includes \$52,000 related to the medical and health plan for which \$53,000 in cash is available to pay claims, which is reported in the General Fund. The remaining \$46,000 in estimated liability is to be paid with future revenues and is reported in the General Long-term Debt Account Group.

The total expenditures reported by the City for claims related to retained risk for the year ended April 30, 1999 is \$264,000.

NOTE 16 - RISK MANAGEMENT AND CONTINGENCIES (cont'd)

There is a claim against the City which management and their legal counsel believe will result in probable liability to the City. The ultimate amount of this liability cannot presently be determined. It is estimated that the minimum amount of this liability will be \$45,000 and accordingly a provision for this amount is included in these financial statements. It is possible that up to an additional \$45,000 in liability could be incurred, however, no provision for this possible additional liability is made in these financial statements.

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

SUPPLEMENTARY INFORMATION

**FINANCIAL STATEMENTS
OF INDIVIDUAL FUNDS
AND ACCOUNT GROUPS**

GENERAL FUND

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

CITY OF FRANKLIN
GENERAL FUND

COMPARATIVE BALANCE SHEET

April 30,

ASSETS	2009	2008
Cash and cash equivalents	\$188,505	\$105,948
Investments		\$13,948
Receivable:		
Taxes	107,710	138,191
Other	188,874	165,368
Due from other governmental units	31,621	4,888
Due from other funds	48,855	54,837
Refundable deposit	23,579	23,579
Total assets	\$527,752	\$497,874
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable	\$127,842	\$108,848
Accrued liabilities	37,710	28,457
Estimated claims payable	52,000	48,800
Due to other funds	287,644	128,780
Total liabilities	\$505,206	\$215,185
Fund balance :		
Unreserved, undesignated	23,551	208,791
Total fund balance (deficit)	23,551	208,791
Total liabilities and fund balance	\$527,752	\$497,874

**CITY OF FRANKLIN
GENERAL FUND**

**STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended April 30, 1998
With comparative Actual Amounts for Year Ended April 30, 1997**

	1998		Variance Favorable (Unfavorable)	1997 Actual
	Budget	Actual		
Revenues:				
Taxes				
Sales	\$880,800	\$880,192	\$612	\$1,018,044
Ad valorem	377,800	375,829	(1,971)	383,040
Licenses and permits				
Occupational licenses	252,300	258,288	5,988	258,008
Chain store licenses	4,300	3,820	(480)	3,881
Liquor licenses	7,500	8,370	870	7,580
Franchise	328,000	323,762	(4,238)	318,328
Games of chance license	500	480	(20)	212
Building and electrical permits	14,000	14,485	485	15,178
Intergovernmental -				
Interest on delinquent tax	1,000	3,218	2,218	3,402
Tobacco tax	45,500	45,725	225	45,738
Beer tax	14,400	17,720	3,320	18,911
Video poker	282,300	288,682	6,382	288,288
Standing revenue taxes	228,000	228,691	691	213,600
Perish control	388,300	388,282	(18)	391,458
State grant	28,000	35,459	7,459	43,105
Federal grant	128,000	115,182	(12,818)	95,328
Law enforcement fee	254,000	255,888	1,888	19,588
Fees				
Mineral royalties	48,000	62,820	14,820	68,180
Miscellaneous	100,000	128,662	28,662	118,372
Donations	22,000	22,621	621	27,608
Interest earned	2,500	2,525	25	2,685
Total revenues	<u>3,217,308</u>	<u>3,498,681</u>	<u>281,373</u>	<u>3,302,578</u>
Expenditures:				
Current				
General government				
Finance and administrative	288,848	308,042	(19,194)	303,641
Auditor	177,680	186,617	(8,937)	148,048
Public safety -				
Police and fire department	1,438,058	1,328,880	109,178	1,282,182
Inspection	52,000	58,285	(6,285)	48,823
Tax collector	31,500	38,187	6,687	38,138
Public works	680,000	688,024	(8,024)	718,802
Recreation	388,128	412,442	(24,314)	382,628
Small animal garden	18,800	20,327	(1,527)	22,242
Economic development	88,707	85,183	3,524	91,558
Purchasing	35,187	35,304	(1,117)	35,865
Other	187,300	172,662	14,638	149,368
Capital outlay				
Public safety	104,400	368,157	(263,757)	
Drainage	10,800	87,812	(77,012)	
Culture and recreation	60,000	54,985	5,015	
Total expenditures	<u>\$1,982,300</u>	<u>\$4,787,302</u>	<u>(2,805,002)</u>	<u>\$1,229,368</u>

	1998		Variance Favorable (Disfavorable)	1998 Actual
	Budget	Actual		
Excess (deficiency) of revenues over expenditures	<u>(\$175,000)</u>	<u>(\$217,839)</u>	<u>(\$142,839)</u>	<u>(\$219,029)</u>
Other financing sources (uses):				
Proceeds from lease obligations		494,293	494,293	
Operating transfers in:				
Utility fund				1,808
Liquid and Solid Waste	75,000	75,000		1,808
Public Utility Fund	212,800	212,071	729	248,808
1998 Sales Tax (Bond Sinking fund)	9,800		(9,800)	4,800
LODRG Sewer (Rehabilitation)		4,979	4,979	
Operating transfers out:				
Utility Fund		(2,000)	(2,000)	
Business Financing Program		(30,504)	(30,504)	
Meyville Air Fund				(389)
Certificate of indebtedness:				
Series 1995	(5,000)	(5,000)	14	(5,190)
Sales Tax (Bond Sinking Fund) 1995	(150,000)	(150,188)	(188)	(151,688)
1998 Sales Tax Fire Equipment Sinking fund	(94,700)	(94,733)	(33)	
Total other financing sources (uses)	<u>79,500</u>	<u>550,658</u>	<u>474,108</u>	<u>87,841</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	<u>(95,500)</u>	<u>(166,418)</u>	<u>(71,919)</u>	<u>71,914</u>
Fund balance, beginning	<u>208,781</u>	<u>208,781</u>		<u>158,781</u>
Fund balance, ending	<u>\$113,281</u>	<u>\$142,363</u>	<u>(\$71,919)</u>	<u>\$219,791</u>

SPECIAL REVENUE FUNDS

Liquid and Solid Waste Fund - To account for the receipt and use of proceeds of the City's share of the three-fourths of one percent sales and use tax. These taxes are dedicated for the construction, acquisition, extension, improvements, operation and maintenance of solid waste collection and disposal sewers and sewerage disposal works, and other facilities for pollution control and abatement and to pay debt service requirements on bonds issued for such purposes.

Summer Feeding Program - To account for the receipt and use of funds reimbursed under the National School Lunch Act.

Public Safety Fund - To account for the receipt and use of proceeds of the City's share of three-tenths of one percent (3/10%) sales and use tax. These taxes are dedicated for the purpose of operating and maintaining the municipal police department, the municipal fire department and the volunteer fire department, and for the purpose of purchasing, contracting, acquiring, improving and maintaining any public roads or capital improvements utilized or operated by said departments.

Revolving Loan Fund - To account for a revolving loan fund set up to loan funds to area small businesses or prospective small businesses. The fund was initially financed through a federal grant. Funds received from loan repayments are used for additional loans.

W. McKeon O'Neill Shell Fund - To account for the receipt and disbursement of a private grant from Shell Oil Company for the purpose of rehabilitating homes in the City of Franklin.

Narcotic Aid - To account for the receipt and disbursement of funds collected by the District Attorney's office for drug enforcement.

CITY OF FRANKLIN
SPECIAL RESERVE FUNDS

COMBINED BALANCE SHEET

April 30, 1989

With Comparative Totals for April 30, 1988

	Liquid and Solid Waste Fund	Summer Feeding Program Fund	Public Safety Fund	Revolving Loan Fund	W. Memorial Orphan Shelf Fund		Historic Art Fund	Total	
					1988	1989		1988	1989
Cash and cash equivalents	\$27,000	\$6,666	\$75,000	\$15,000	\$8,576	\$6,666	\$49,868	\$103,965	\$107,454
Investments			21,000				31,180	31,180	30,200
Loans receivable				89,511			87,679	187,195	142,879
Taxes receivable	\$3,866		16,466				12,426	12,426	12,810
Due from other governmental units	\$3,479							33,423	28,825
Due from other funds	\$81,352	\$183					581,245	581,245	581,245
Total assets	\$129,792	\$183	\$25,466	\$125,845	\$15,000	\$6,666	\$290,288	\$680,112	\$778,202

LIABILITIES AND FUND BALANCES

	1988	1989	1988	1989	1988	1989	1988	1989	Total
Liabilities									
Accounts payable and accrued expenses	\$197,807								\$197,807
Due to other funds	99,792		26,076	4900					131,267
Total liabilities	294,448		6,072	500					301,024
Fund Balances									
Unassigned - undesignated	431,334	\$183	19,420	125,345	570,288	80,000	689,088	819,894	
Total fund balances	431,334	183	19,420	125,345	570,288	80,000	689,088	819,894	
Total liabilities and fund balances	\$725,782	\$183	\$25,466	\$125,845	\$730,288	\$60,000	\$690,112	\$778,202	

CITY OF HOUSTON
SPECIAL REVENUE FUNDS

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

For the Year Ended April 30, 1999

With Comparative Totals for the Year Ended April 30, 1998

	Liquid and Sunk Bonds	Sumner Funding Trusts	Public Safety Fund	Revolving Loan Fund	W. Malcolm O'Neil Debt Fund	Miscellaneous Aid Fund	Total	
							1998	1999
Revenues:								
Taxes - sales	\$523,582		\$227,983				\$751,565	\$751,565
Taxes - ad valorem	18,228						18,228	182,313
Charges for services	758,687						758,687	782,313
Provision grant		\$24,888					24,888	21,278
Gifts grant	3,484			\$180		\$411	591	1,269
Miscellaneous interest on investments	447			5,877	\$4,899	11,528	18,414	27,768
Total revenues	1,893,228	24,888	227,983	5,957	4,899	12,231	1,969,085	2,129,708
Expenditures:								
Salaries	1,218,192				2,813		1,221,005	1,184,278
Urban redevelopment				26			26	2,813
Other	1,218,192					15,118	15,118	88,014
Total expenditures	2,436,376					15,118	1,437,859	1,281,899
Excess (deficiency) of revenues over expenditures	\$656,852	\$24,888	\$227,983	\$5,957	\$2,886	\$2,885	\$948,995	\$847,810
Other financing sources (uses)								
Operating transfers in	219,828						219,828	22,379
Operating transfers out	(542,678)						(542,678)	(179,523)
Total other financing sources (uses)	(322,850)	22,823	(222,027)	-	-	-	(521,454)	(696,923)
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	\$333,999	\$47,711	\$4,956	\$5,957	\$2,886	\$2,885	\$427,541	\$150,887
Fund balances, beginning of year	387,048	8,527	23,927	119,288	74,872	9,458	613,684	489,828
Residual equity transfer								(18,869)
Fund balances, end of year	\$415,134	8,527	\$23,927	\$119,288	\$74,872	\$9,458	\$671,206	\$670,959

CITY OF FRANKLIN
SPECIAL REVENUE FUNDS
LIQUID AND SOLID WASTE FUND

STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended April 30, 1999
With Comparative Actual Amounts for the year Ended April 30, 1998

	1999		Variance - (Favorable)	1998 Actual
	Budget	Actual		
Revenues:				
Taxes				
Sales	\$750,000	\$823,040	\$73,040	\$813,120
Ad valorem	10,000	75,320	65,320	73,617
Street user fees	295,000	361,290	66,290	378,600
Garbage and other	160,000	413,607	253,607	400,877
Other	3,000	3,894	894	279
Interest on investments	500	447	(53)	608
Total revenues	<u>1,558,740</u>	<u>1,680,208</u>	<u>121,468</u>	<u>1,769,291</u>
Expenditures:				
Salaries				
General and administrative	100,000	147,668	47,668	119,180
Solid Waste Department	320,000	344,580	24,580	360,850
Street collection	120,000	124,150	4,150	127,821
Sewer plant	604,000	680,807	76,807	690,488
Tax collector	20,000	15,897	(4,103)	16,571
Inspection	28,000	29,268	1,268	32,800
Motor equipment	34,700	38,471	3,771	35,839
Purchasing	17,100	18,800	1,700	17,826
Total expenditures	<u>1,281,300</u>	<u>1,348,763</u>	<u>67,463</u>	<u>1,354,376</u>
Excess (deficiency) of				
 revenues over expenditures	<u>277,440</u>	<u>331,445</u>	<u>54,005</u>	<u>414,915</u>
Other financing sources (uses):				
Operating transfers in:				
1997 Sales Tax Bond Sinking Fund	710,000	158,893	(551,107)	7,000
1997 Sales Tax Bond Reserve Fund	80,000	80,000	-	10,000
CEC Sinking Fund 1988	1,000	-	(1,000)	1,000
CEC Reserve Fund 1989	3,000	-	(3,000)	3,000
Water & Sewer Reserve Fund 1988	1,000	-	(1,000)	4,000
1998 Public Improvement Tax Sinking Fund	48,000	48,000	-	-
1998 Public Improvement Tax Reserve Fund	500	-	(500)	-
Operating transfers out:				
1997 Sales Tax Bond Sinking Fund	(21,000)	(70,150)	(49,150)	(27,100)
1998 Sales Tax Bond Sinking Fund	(74,000)	(88,000)	(14,000)	(88,000)
General fund	(70,000)	(70,000)	-	(1,000)
1998 Sales Tax Construction Fund	-	(78,000)	(78,000)	-
Water & Sewer Sinking Fund	(28,000)	(27,773)	227	(27,418)
1998 Public Improvement Tax Sinking Fund	(232,150)	(274,000)	(41,850)	(116,078)
Total other financing	<u>(273,000)</u>	<u>(302,120)</u>	<u>(29,120)</u>	<u>(438,500)</u>
Excess (deficiency) of revenues				
 over expenditures and other				
 financing sources (uses)	<u>50,440</u>	<u>29,325</u>	<u>(21,115)</u>	<u>76,415</u>
Fund balance, beginning of year	<u>367,000</u>	<u>367,000</u>	<u>0</u>	<u>211,208</u>
Revised equity transfer	<u>0</u>	<u>0</u>	<u>0</u>	<u>(170,888)</u>
Fund balance, end of year	<u>367,000</u>	<u>367,000</u>	<u>0</u>	<u>340,320</u>

CITY OF FRANKLIN
SPECIAL REVENUE FUND
SUMMER FEEDING PROGRAM

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL
Year Ended April 30, 1999
With Comparative Actual Amounts for Year Ended April 30, 1998

	1999		Variance Favorable (Unfavorable)	1998 Actual
	Budget	Actual		
Revenues:				
Federal grant	\$49,323	\$34,968	(\$14,355)	\$71,876
Total revenues	<u>49,323</u>	<u>34,968</u>	<u>(\$14,355)</u>	<u>71,876</u>
Expenditures:				
Salaries	48,189	48,187	2	25,827
Supplies				4,371
Food purchases	24,384	24,078	306	28,992
Miscellaneous	600	600		300
Total expenditures	<u>73,182</u>	<u>72,872</u>	<u>310</u>	<u>69,490</u>
Excess (deficiency) of revenues over expenditures	<u>(12,760)</u>	<u>(37,907)</u>	<u>(\$25,207)</u>	<u>5,389</u>
Other financing sources:				
Operating transfers in General fund	7,453	32,823	25,370	
Total other financing sources	<u>7,453</u>	<u>32,823</u>	<u>25,370</u>	
Excess (deficiency) of revenues over expenditures and other financing sources	<u>(5,307)</u>	<u>(5,184)</u>	<u>123</u>	<u>5,389</u>
Fund balance, beginning	5,327	5,327		(82)
Fund balance, ending	<u>--</u>	<u>\$163</u>	<u>\$163</u>	<u>\$5,327</u>

CITY OF FRANKLIN
SPECIAL REVENUE FUNDS
PUBLIC SAFETY FUND

STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended April 30, 1989

With Comparative Actual Amounts for Year Ended April 30, 1988

	1989		Variance - Favorable (Unfavorable)	1988 Actual
	Budget	Actual		
Revenues:				
Sales taxes	\$212,808	\$227,885	\$15,077	\$210,848
Total revenues	<u>212,808</u>	<u>227,885</u>	<u>15,077</u>	<u>210,848</u>
Expenditures				
Miscellaneous		20	(20)	
Total expenditures	<u>--</u>	<u>20</u>	<u>(20)</u>	<u>--</u>
Excess of revenues over expenditures	<u>212,808</u>	<u>227,865</u>	<u>15,053</u>	<u>210,848</u>
Other financing (uses) :				
Operating transfers out General fund	(212,808)	(222,079)	(9,271)	(240,880)
Total other (uses)	<u>(212,808)</u>	<u>(222,079)</u>	<u>(9,271)</u>	<u>(240,880)</u>
Excess of revenues over expenditures and other financing (uses)	<u>--</u>	<u>(4,187)</u>	<u>(4,187)</u>	<u>2,045</u>
Fund balance, beginning of year		23,827	23,827	21,482
Fund balance, end of year	<u>--</u>	<u>\$19,420</u>	<u>\$19,420</u>	<u>\$23,527</u>

CITY OF FRANKLIN
SPECIAL REVENUE FUNDS
REVOLVING LOAN FUND

STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
Year Ended April 30, 1999

With Comparative Actual Amounts for the Year Ended April 30, 1998

	1999		Variance Favorable (Unfavorable)	1998 Actual
	Budget	Actual		
Revenues:				
Application fees	\$150	\$100	(\$50)	\$50
Interest income	4,800	5,077	1,077	4,832
Total revenues	<u>4,950</u>	<u>5,077</u>	<u>1,027</u>	<u>4,882</u>
Expenditures:				
Processing fees				183
Miscellaneous				565
Total expenditures	<u>--</u>	<u>--</u>	<u>--</u>	<u>748</u>
Excess of revenues over expenditures	<u>4,950</u>	<u>5,077</u>	<u>1,027</u>	<u>4,134</u>
Fund balance, beginning of year	<u>110,568</u>	<u>110,568</u>		<u>110,244</u>
Fund balance, end of year	<u>\$124,518</u>	<u>\$125,345</u>	<u>\$1,027</u>	<u>\$119,388</u>

CITY OF FRANKLIN
SPECIAL REVENUE FUNDS
W. MCKERALL O'NEILL SHELL FUND

STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

Year Ended April 30, 1989

With Comparative Actual Amounts for the Year Ended April 30, 1988

	1989		Variance Favorable (Unfavorable)	1988 Actual
	Budget	Actual		
Revenue:				
Interest on investments	\$4,850	\$4,089	(861)	\$4,081
Miscellaneous				38
Total revenue	<u>4,850</u>	<u>4,089</u>	<u>(861)</u>	<u>4,119</u>
Expenditures:				
Urban redevelopment				
Processing fees	300	300		
Miscellaneous	127	92	36	60
Housing	1,676	2,421	(745)	7,258
Total expenditures	<u>2,103</u>	<u>2,813</u>	<u>(710)</u>	<u>7,318</u>
Excess of revenues over expenditures	2,447	1,276	(1,171)	(3,239)
Fund balance, beginning of year	3,683	74,973	71,290	78,201
Fund balance, end of year	<u>\$6,230</u>	<u>\$76,256</u>	<u>\$72,089</u>	<u>\$74,972</u>

CITY OF FRANKLIN
SPECIAL REVENUE FUNDS
NARCOTIC AID FUND

STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL,
Year Ended April 30, 1999

With Comparative Actual Amounts for the Year Ended April 30, 1998

	1999		Variance Favorable (Unfavorable)	1998 Actual
	Budget	Actual		
Revenues:				
Police fees	25,000	25,984	984	\$1,750
Drug seizures	7,500	7,273	(228)	25,100
Dare grant	500	411	(89)	1,208
Miscellaneous	500	654	154	1
Total revenues	<u>33,500</u>	<u>33,321</u>	<u>(179)</u>	<u>28,100</u>
Expenditures:				
Investigations	4,000	1,614	2,386	7,540
Equipment	6,000	3,500	2,500	8,735
Miscellaneous	5,800	9,804	(4,004)	5,435
Total expenditures	<u>15,800</u>	<u>15,118</u>	<u>682</u>	<u>22,710</u>
Excess (deficiency) of revenues over expenditures	<u>(2,600)</u>	<u>(2,807)</u>	<u>207</u>	<u>5,390</u>
Other financing sources:				
Operating transfer in - General fund	--	--	--	370
Total other financing sources	<u>--</u>	<u>--</u>	<u>--</u>	<u>370</u>
Excess of revenues over expenditures and other financing sources	<u>(2,600)</u>	<u>(2,807)</u>	<u>207</u>	<u>5,760</u>
Fund balance, beginning of year	9,455	9,455		3,780
Fund balance, end of year	<u>\$6,855</u>	<u>\$6,648</u>	<u>\$207</u>	<u>\$6,855</u>

DEBT SERVICE FUNDS

- Consolidated Sewerage District No. 1 - 1980 - To account for funds received from special assessments used to pay a portion of the acquisition and construction of sewerage improvements and extensions to the sewerage system to serve properties located in certain areas within the City.
- Consolidated Sewerage District No. 1 Sinking Fund - To account for funds received from special assessments used to pay a portion of the cost of the acquisition and construction of sewerage improvements and extensions to the sewerage system to serve properties located in Consolidated Sewerage District.
- Sales Tax Bond Sinking Fund 1987 - Was used to accumulate monies for payment of the 1987 \$1,970,000 Public Improvement Sales Tax bonds, which were refinanced by the \$1,425,000 1996 Public Improvement Sales Tax Bonds.
- Sales Tax Bond Reserve Fund 1987 - The Sales Tax Bond Reserve Fund was a reserve required by the \$1,970,000 1987 bond issue indenture, which was refinanced by the \$1,425,000 1996 public improvement Sales Tax Bonds. The investments in this fund can not be transferred until it matures. Upon maturity, the proceeds will be transferred to the 1996 Public Improvement Sales Tax Bond Reserve Fund.
- 1996 Public Improvement Sales Tax Bonds Sinking Fund - To accumulate revenues for payment of the 1996 \$1,425,000 Sales Tax Refunding Bonds, which are serial bonds due in annual installments plus interest through maturity in 2064. Debt service is financed with proceeds of the City's 3079 sales and use tax.
- 1996 Public Improvement Sales Tax Bonds Reserve Fund - The Public Improvement Sales Tax Bond Reserve Fund is a reserve required by the \$1,425,000 1996 bond issue indenture.
- Certificates of Indebtedness Series 1995 - To accumulate monies for payment of the 1995 Certificate of Indebtedness Series 1995 in the amount of \$80,124.
- DEQ Loan Sinking Fund 1989 - To accumulate money for payment of the DEQ loan in the amount of \$850,000 due in annual installments plus interest through maturity in 2005. Debt service is financed with Liquid and Solid Waste revenues.
- DEQ Loan Reserve Fund 1989 - a reserve required by the \$850,000 due in annual installments plus interest through maturity in 2005. Debt service is financed with Liquid and Solid Waste revenues.
- 1995 Water and Sewer Revenue Bond Sinking Fund - To accumulate monies for the payment of the 1995 \$400,000 (Series A) and \$600,000 (Series B) Water and Sewer Revenue bonds, which are serial bonds due in annual installments, plus interest through maturity due in annual installments, plus interest through maturity in 2015. Debt service is financed with revenues from Utility and Liquid and Solid Waste Funds.

DEBT SERVICE FUNDS (cont'd)

1995 Water and Sewer Revenue Bond Reserve - The 1995 Water and Sewer Revenue bond reserve fund is required by the 1995 \$400,000 (Series A) bonds.

Sales Tax Bond Sinking Fund 1996 - To accumulate revenues for payment of the 1996 \$1,675,000 Sales Tax Bonds, which are serial bonds due in annual installments plus interest through maturity in 2005. Debt service is financed with proceeds of the City's 3% sales and use tax.

Sales Tax Bond Reserve Fund 1996 - The Sales Tax Bond Reserve Fund is a reserve required by the \$1,675,000 1996 bond issue indenture.

1998 Sales Tax Fire Equipment Sinking Fund - To accumulate monies for payment of capital lease for fire equipment.

CITY OF MEMPHIS
DEBT BALANCE SHEET

COMBINED BALANCE SHEET
April 30, 1989

With Comparative Years to April 30, 1988

	ASSETS		1988 FUND		1989 FUND		1988 FUND		Certification of Independent Auditors 1989
	Committed Debt No. 1 2089	Committed Debt No. 1 2089/2090	State Tax Bond LIB						
Cash and cash equivalents	\$54,000	\$11,000			\$276,870				\$1,478
Receivables				\$200,000					
Accounts receivable -									
Current	1,944	5,000							
Delinquent	314	1,400							
Outstanding		18,107							
Other	247	285	\$54,738						
Total	\$2,711	\$15,692	\$54,738	\$211,687	\$276,870	\$-	\$-	\$-	\$1,478
Liabilities									
Accounts payable	\$8,000	\$78,107	\$48,208			\$478			
Due to other funds									
Deferred interest									
Total	\$8,000	\$78,107	\$48,208	\$-	\$-	\$478	\$-	\$-	\$-
Fund equity									
Fund balance	\$7,171	\$8,393	\$7,949	\$200,687	\$276,870	\$276,870	\$-	\$-	\$1,478
Reserve for debt maturity (irrevocable-irredeemable)	\$7,171	\$8,393	\$7,949	\$11,607	\$-	\$-	\$-	\$-	\$1,478
Total fund balance	\$14,342	\$16,786	\$15,898	\$212,294	\$276,870	\$276,870	\$-	\$-	\$2,956
Total liabilities and fund balance	\$21,342	\$94,900	\$66,157	\$223,887	\$276,870	\$276,870	\$-	\$-	\$3,434

CITY OF HOUSTON
 WATER SERVICE FUNDS

COMPARING THE BALANCE SHEETS, DEFICIT/SURPLUS AND CHANGES IN FUND BALANCES

	Year ended April 30, 1999					
	With Comparative Totals for the Year Ended April 30, 1998					
	Completed Sewerage District No. 1 1997	Completed Sewerage District No. 1 Budget Fund 1998	State Tax Bond 1997	State Tax Bond Reserve Fund 1998	1998 Public Improvement Bonds Tax Bond Selling Fund 1998	1998 Public Improvement Bonds Tax Bond Selling Fund 1998
Revenues:						
Special assessments	\$1,000	\$1,714			\$3,000	\$7
Miscellaneous	112	2,875	\$613	\$8,158	2,048	8,074
Inland air overcharges	2,100	8,825	823	8,180	8,176	3,082
Total revenues						
		2,007				1,089
		113	10		15,080	3,082
		8,072			288,152	8,072
Total expenditures		7,062	10			
	2,181	847	823	8,180	324,842	5,882
Excess (deficiency) of revenues over expenditures						
			18,188		288,881	5,081
			(718,602)	88,744	140,803	140,121
			(88,888)	(88,744)	311,281	140,121
Other financing sources (uses):						
Proceeds from revolving funds						
Operating transfers in						
Operating transfers out						
Total other financing sources (uses)						
	2,105	847	(88,878)	(88,804)	67,244	(8,224)
	18,088	17,828	81,865	268,411	150,458	38,220
Fund balances, beginning						
	\$2,111	\$18,793	\$12,575	\$200,007	\$279,738	
Fund balances, ending						
						\$2,818

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Revenue												
Special assessments												
Disciplinary												
Interest on investments												
Total revenue	1,388	1,575	1,572	1,584	1,216	1,170	1,087	1,028	1,028	1,028	1,028	1,028
Expenditure												
Cost of service												
Interest and fees charges												
Miscellaneous												
Bond payments												
Total expenditure	1,388	1,575	1,572	1,584	1,216	1,170	1,087	1,028	1,028	1,028	1,028	1,028
Excess (deficiency) of revenues over expenditures												
Other financial resources (cash)												
Proceeds from selling bonds												
Operating transfers in												
Total other financing resources (cash)												
Excess (deficiency) of revenues over expenditures and other financing resources (cash)												
Fund balance, beginning												
Fund balance, ending												

CITY OF FRANKLIN
 DEBT SERVICE FUND
 CONSOLIDATED DEBT RAGE DISTRICT NO. 1 - 1999

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
 BUDGET AND ACTUAL

Year Ended April 30, 1999

With Comparative Actual Amounts for Year Ended April 30, 1998

	1999		Variance Favorable (Unfavorable)	1998 Actual
	Budget	Actual		
Revenues:				
Special assessments	\$7,023	\$1,991	(\$5,032)	\$1,487
Interest on investments	648	112	(536)	1,484
Total revenues	<u>9,571</u>	<u>2,103</u>	<u>(\$7,468)</u>	<u>2,971</u>
Excess of revenues over expenditures	9,571	2,103	(\$7,468)	2,971
Fund balance, beginning	<u>19,066</u>	<u>19,066</u>		<u>19,107</u>
Fund balance, ending	<u>\$27,539</u>	<u>\$21,171</u>	<u>(\$6,468)</u>	<u>\$19,068</u>

CITY OF FRANKLIN
DEBT SERVICE FUND
CONSOLIDATED SEWERAGE DISTRICT NO. 1
SINKING FUND - 1993

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL

Year Ended April 30, 1993

With Comparative Actual Amounts for Year Ended April 30, 1992

	1993		Variance Favorable (Unfavorable)	1992 Actual
	Budget	Actual		
Revenues:				
Special assessments	\$5,229	\$5,714	\$1,485	\$7,642
Interest on investments	120	1,915	1,795	2,015
Total revenues	<u>5,349</u>	<u>8,629</u>	<u>3,280</u>	<u>9,657</u>
Expenditures:				
Debt service:				
Bond payments	5,012	5,012		5,012
Interest & bank charges	2,876	2,870	206	2,870
Total expenditures	<u>7,888</u>	<u>7,882</u>	<u>206</u>	<u>7,882</u>
Excess (deficiency) of revenues over expenditures	(2,539)	947	3,486	1,775
Fund balance, beginning	17,606	17,806		15,837
Fund balance, ending	<u>\$15,067</u>	<u>\$18,753</u>	<u>\$3,686</u>	<u>\$17,664</u>

CITY OF FRANKLIN
DEBT SERVICE FUND
SALES TAX BOND SINKING FUND 1987

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL

Year Ended April 30, 1988

With Comparative Actual Amounts for Year Ended April 30, 1988

	1988		Variance Favorable (Unfavorable)	1988 Actual
	Budget	Actual		
Revenues:				
Interest on investments	900	833	(67)	83,651
Total revenues	900	833	(67)	83,651
Expenditures:				
Miscellaneous		90	(90)	
Debt service				
Interest and bank charges				15,940
Bond payments				130,000
Total expenditures	-	90	(90)	145,940
Excess (deficiency) of revenues over expenditures	900	833	(67)	(135,459)
Other financing sources (uses):				
Proceeds from refunding bonds				80,871
Operating transfers in:				
Liquid and Solid Waste Fund	37,538	15,155	(12,383)	217,330
Sales Tax Bond Reserve Fund 1987				18,725
Operating transfers out:				
Liquid & Solid Waste Fund	(190,000)	(510,853)	(833)	(1,800)
Sales Tax Bond Reserve Fund 1987				(28,380)
1988 Public Improvement Sales Tax Bond Sinking Fund				(128,125)
Total other financing sources (uses)	(82,462)	(95,658)	(13,234)	528,284
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	(81,562)	(88,072)	(13,510)	(7,185)
Fund balance, beginning	81,564	81,565	1	68,780
Fund balance, ending	-	(813,510)	(813,510)	\$81,595

CITY OF FRANKLIN
DEBT SERVICE FUND
SALES TAX BOND RESERVE FUND 1987

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended April 30, 1988
With Comparative Actual Amounts for Year Ended April 30, 1986

	1988		Variance Favorable (Unfavorable)	1986 Actual
	Budget	Actual		
Revenues:				
Interest on investments	\$7,500	\$8,190	\$1,690	\$13,747
Total revenues	<u>7,500</u>	<u>8,190</u>	<u>1,690</u>	<u>13,747</u>
Excess of revenues over expenditures	<u>7,500</u>	<u>8,190</u>	<u>1,690</u>	<u>13,747</u>
Other financing sources (uses):				
Operating transfers in				
Sales Tax Bond Sinking Fund 1987				28,350
Operating transfers out				
Liquid and Solid Waste Fund	(82,667)	(82,667)		(12,800)
Sales Tax Bond Sinking Fund 1987				(18,725)
1986 Public Improvement Sales Tax Bond Sinking Fund		(3,227)	(3,227)	
Total other financing sources (uses)	<u>(82,667)</u>	<u>(85,794)</u>	<u>(3,227)</u>	<u>6,615</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	<u>(85,667)</u>	<u>(85,604)</u>	<u>(1,537)</u>	<u>30,392</u>
Fund balance, beginning	<u>288,411</u>	<u>288,411</u>		<u>288,048</u>
Fund balance, ending	<u>\$202,744</u>	<u>\$202,807</u>	<u>(\$1,537)</u>	<u>\$288,411</u>

CITY OF FRANKLIN
DEBT SERVICE FUND
1995 PUBLIC IMPROVEMENT SALES TAX BOND SINKING FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL

Year Ended April 30, 1996

With Comparative Actual Amounts for Year Ended April 30, 1995

	1996		Variance Favorable (Unfavorable)	1995 Actual
	Budget	Actual		
Revenues:				
Miscellaneous		\$3,202	\$3,202	\$241
Interest on investments	\$5,000	2,568	(2,432)	\$22
Total revenues	5,000	5,770	770	1,965
Expenditures:				
Debt service				
Bond payments	170,000	170,000		30,000
Interest & bank charges	60,113	60,112	1	61,107
Miscellaneous				65
Total expenditures	230,113	230,112	1	91,172
Excess (deficiency) of revenues over expenditures	(225,113)	(224,342)	771	(89,199)
Other financing sources (uses):				
Operating transfers in				
Liquid and Solid Waste Fund	351,308	314,862	(36,446)	119,573
Sales Tax Bond Sinking Fund 1987				129,136
Sales Tax Bond Reserve Fund 1987		3,227	3,227	
1995 Public Improvement Sales Tax Bond Reserve Fund		40,312	40,312	
Operating transfers out				
Liquid and Solid Waste Fund	(48,000)	(48,500)	(500)	
Total other financing sources	303,308	311,501	8,193	238,699
Excess (deficiency) of revenues over expenditures and other financing sources	68,195	87,249	7,055	149,500
Fund balance, beginning	150,489	150,489		48,930
Fund balance, ending	\$218,684	\$237,738	\$7,055	\$197,460

CITY OF FRANKLIN
DEBT SERVICE FUND
1998 PUBLIC IMPROVEMENT SALES TAX BOND RESERVE FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL

Year Ended April 30, 1999

With Comparative Actual Amounts for Year Ended April 30, 1998

	1999		Variance Favorable (Unfavorable)	1998 Actual
	Budget	Actual		
Revenues:				
Miscellaneous		\$77	\$77	\$119
Interest on investments	\$850	5,015	4,165	841
Total revenues	<u>850</u>	<u>5,092</u>	<u>4,242</u>	<u>960</u>
Excess of revenues over expenditures	<u>850</u>	<u>5,092</u>	<u>--</u>	<u>960</u>
Other financing sources (uses):				
Operating transfers out				
1998 Public Improvement Sales Tax Bond Sinking Fund		(40,312)	(40,312)	
Liquid and Solid Waste Fund	(1,000)		1,000	
Total other financing sources (uses)	<u>(1,000)</u>	<u>(40,312)</u>	<u>(39,312)</u>	<u>--</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	<u>(150)</u>	<u>(35,220)</u>	<u>(35,070)</u>	
Fund balance, beginning	<u>35,220</u>	<u>35,220</u>		<u>34,203</u>
Fund balance, ending	<u>\$35,070</u>	<u>--</u>	<u>(\$35,070)</u>	<u>\$35,220</u>

CITY OF FRANKLIN
DEBT SERVICE FUND
CERTIFICATES OF INDEBTEDNESS SERIES 1995

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL

Year Ended April 30, 1999

With Comparative Actual Amounts for Year Ended April 30, 1998

	1999		Variance Favorable (Unfavorable)	1998 Actual
	Budget	Actual		
Revenues:				
Interest on investments	\$68	\$53	(\$17)	\$62
Total revenues	<u>68</u>	<u>53</u>	<u>(17)</u>	<u>62</u>
Expenditures:				
Debt service				
Bond payments	3,000	3,000		3,000
Interest & bank charges	1,020	1,950	(930)	2,130
Miscellaneous		62	(62)	52
Total expenditures	<u>4,020</u>	<u>5,012</u>	<u>(992)</u>	<u>5,182</u>
Excess (deficiency) of revenues over expenditures	<u>(3,952)</u>	<u>(4,959)</u>	<u>(1,019)</u>	<u>(5,120)</u>
Other financing sources:				
Operating transfers in General Fund	5,587	5,587		5,100
Total other financing sources	<u>5,587</u>	<u>5,587</u>	<u>--</u>	<u>5,100</u>
Excess (deficiency) of revenues over expenditures and other financing sources	<u>1,635</u>	<u>628</u>	<u>(1,019)</u>	<u>(20)</u>
Fund balance, beginning	2,648	2,849		3,068
Fund balance, ending	<u>\$4,283</u>	<u>\$3,476</u>	<u>(\$1,019)</u>	<u>\$2,848</u>

CITY OF FRANKLIN
DEBT SERVICE FUND
D.E. Q. LOAN SINKING FUND 1989

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL
Year Ended April 30, 1990
With Comparative Actual Amounts for Year Ended April 30, 1989

	1990		Variance Favorable (Unfavorable)	1989 Actual
	Budget	Actual		
Revenues:				
Interest on investments	\$2,100	\$1,580	(520)	\$1,433
Total revenues	<u>2,100</u>	<u>1,580</u>	<u>(520)</u>	<u>1,433</u>
Expenditures:				
Debt service				
Bond payments	58,000	65,000	(7,000)	61,000
Interest and bank charges	34,265	34,265		37,630
Total expenditures	<u>92,265</u>	<u>99,265</u>	<u>(7,000)</u>	<u>98,630</u>
Excess (deficiency) of revenues over expenditures	(90,165)	(97,685)	(7,519)	(97,197)
Other financing sources (uses):				
Operating transfers in				
Liquid and Solid Waste Fund	99,000	99,000		99,000
D.E.Q. Loan Reserve Fund 1989	3,733	5,758	2,025	
Operating transfers out				
Liquid and Solid Waste Fund	(1,500)		1,500	(1,500)
Total other financing sources (uses)	<u>101,233</u>	<u>104,758</u>	<u>3,525</u>	<u>97,500</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	11,068	7,073	(3,995)	813
Fund balance, beginning	64,719	64,719		63,800
Fund balance, ending	<u>\$75,787</u>	<u>\$71,792</u>	<u>(\$3,995)</u>	<u>\$64,719</u>

CITY OF FRANKLIN
DEBT SERVICE FUND
D.E.Q. LOAN RESERVE FUND 1999

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL
Year Ended April 30, 1999
With Comparative Actual Amounts for Year Ended April 30, 1998

	1999		Variance	1998
	Budget	Actual	Favorable (Unfavorable)	Actual
Revenues:				
Interest on investments	\$2,300	\$2,571	\$1,271	\$2,503
Miscellaneous		305	305	343
Total revenues	<u>2,300</u>	<u>2,876</u>	<u>1,576</u>	<u>2,846</u>
Expenditures:				
Miscellaneous		59	(59)	
Total expenditures	<u>--</u>	<u>59</u>	<u>59</u>	<u>--</u>
Excess (deficiency) of revenues over expenditures	<u>2,300</u>	<u>2,817</u>	<u>1,517</u>	<u>2,846</u>
Other financing sources (uses):				
Operating transfers out:				
Liquid and Solid Waste Fund	(3,300)		3,300	(3,290)
DEQ Loan Sinking Fund 1999	(3,733)	(5,758)	(2,025)	
1998 Sales Tax Bond Sinking Fund		(400)	(400)	
Total other financing sources (uses)	<u>(6,033)</u>	<u>(6,158)</u>	<u>(125)</u>	<u>(3,290)</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	<u>(3,733)</u>	<u>(2,341)</u>	<u>1,392</u>	<u>(354)</u>
Fund balance, beginning	102,544	102,544	--	102,876
Fund balance, ending	<u>\$98,811</u>	<u>\$100,203</u>	<u>\$1,392</u>	<u>\$102,544</u>

CITY OF FRANKLIN
DEBT SERVICE FUND
'86 WATER & SEWER REVENUE BOND SINKING FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL
Year Ended April 30, 1999
With Comparative Actual Amounts for Year Ended April 30, 1998

	1999		Variance Favorable (Unfavorable)	1998 Actual
	Budget	Actual		
Revenues:				
Interest on investments	\$493	\$406	87	\$393
Miscellaneous		166	166	33
Total revenues	493	572	172	426
Expenditures:				
Debt service				
Bond payments	17,000	17,000		16,000
Interest and bank charges	10,656	10,856		11,328
Miscellaneous				30
Total expenditures	27,656	27,856	--	27,348
Excess (deficiency) of revenues over expenditures	(27,163)	(27,284)	172	(26,922)
Other financing sources				
Operating transfers in				
Liquid and Solid Waste Fund	27,592	27,772	180	27,416
'86 Water & Sewer Revenue Bond Reserve Fund		6,078	6,078	
Total other financing sources	27,592	34,850	7,058	27,416
Excess (deficiency) of revenues over expenditures and other financing sources	130	7,366	7,230	494
Fund balance, beginning	8,241	8,241		8,747
Fund balance, ending	\$9,371	\$16,607	\$7,230	\$9,241

CITY OF FRANKLIN
DEBT SERVICE FUND
'95 WATER & SEWER REVENUE BOND RESERVE FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL

Year Ended April 30, 1999

With Comparative Actual Amounts for Year Ended April 30, 1998

	1999		Variance Favorable (Unfavorable)	1998 Actual
	Budget	Actual		
Revenues:				
Interest on investments	\$500	\$550	(\$292)	\$947
Miscellaneous		120	120	120
Total revenues	<u>500</u>	<u>670</u>	<u>(196)</u>	<u>1,067</u>
Expenditures:				
Miscellaneous		67	(67)	
Total expenditures	<u>--</u>	<u>67</u>	<u>(67)</u>	<u>--</u>
Excess (deficiency) of revenues over expenditures	<u>500</u>	<u>603</u>	<u>(223)</u>	<u>1,067</u>
Other financing sources (uses):				
Operating transfers out				(4,900)
Liquid and Solid Waste Fund				
'95 Water & Sewer Revenue				
Bond Sinking Fund	(5,854)	(5,976)	(224)	
Total other financing sources (uses)	<u>(5,854)</u>	<u>(5,976)</u>	<u>(224)</u>	<u>(4,900)</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	<u>(5,804)</u>	<u>(5,251)</u>	<u>(447)</u>	<u>(3,450)</u>
Fund balance, beginning	<u>34,751</u>	<u>34,751</u>		<u>38,291</u>
Fund balance, ending	<u>\$28,947</u>	<u>\$28,500</u>	<u>(\$447)</u>	<u>\$34,751</u>

CITY OF FRANKLIN
DEBT SERVICE FUND
SALES TAX BOND SINKING FUND 1998

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended April 30, 1999
With Comparative Actual Amounts for Year Ended April 30, 1998

	1999		Variance Favorable (Unfavorable)	1998 Actual
	Budget	Actual		
Revenues:				
Interest on investments	\$1,500	\$1,219	(\$281)	\$2,199
Total revenues	<u>1,500</u>	<u>1,219</u>	<u>(281)</u>	<u>2,199</u>
Expenditures:				
Debt service				
Interest and bank charges	58,000	59,489	(147)	182,512
Bond payments	58,000	50,800		16,900
Miscellaneous		13	(13)	
Total expenditures	<u>148,000</u>	<u>149,499</u>	<u>(147)</u>	<u>199,512</u>
Excess (deficiency) of revenues over expenditures	<u>(146,500)</u>	<u>(147,279)</u>	<u>(779)</u>	<u>(156,314)</u>
Other financing sources (uses):				
Operating transfers in:				
General Fund	158,180	150,157	(7,970)	181,897
1998 Sales Tax/Bond Revenue Fund 1998	8,800	7,800	(1,000)	9,452
1998 Sales Tax/Bond Construction		380		380
DBG Loan Revenue Fund 1998		480		480
Operating transfers out:				
General Fund	(9,800)		9,800	(9,800)
1998 Sales Tax/Bond Construction Fund	(15,854)	(15,654)		
Total other financing sources (uses)	<u>134,526</u>	<u>143,183</u>	<u>8,657</u>	<u>182,129</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	<u>(12,974)</u>	<u>(4,116)</u>	<u>7,858</u>	<u>8,823</u>
Fund balance, beginning	35,858	35,858		29,721
Fund balance, ending	<u>\$22,884</u>	<u>\$31,742</u>	<u>\$7,858</u>	<u>\$38,544</u>

CITY OF FRANKLIN
DEBT SERVICE FUND
SALES TAX BOND RESERVE FUND 1998

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE—
BUDGET AND ACTUAL
Year Ended April 30, 1998

With Comparative Actual Amounts for Year Ended April 30, 1998

	1998		Variance Favorable (Unfavorable)	1998 Actual
	Budget	Actual		
Revenues:				
Interest on investments	\$0,000	\$8,715	\$715	\$10,203
Total revenues	<u>0,000</u>	<u>8,715</u>	<u>715</u>	<u>10,203</u>
Excess of revenues over expenditures	<u>0,000</u>	<u>8,715</u>	<u>715</u>	<u>10,203</u>
Other financing sources (uses):				
Operating transfers out				
Sales Tax Bond Sinking Fund 1998	(9,800)	(7,800)	1,875	(9,450)
1998 Sales Tax Bond Construction Fund		(700)	(700)	
Total other financing sources (uses)	<u>(9,800)</u>	<u>(8,715)</u>	<u>1,800</u>	<u>(9,450)</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	<u>(1,800)</u>		<u>1,800</u>	<u>611</u>
Fund balance, beginning	155,310	155,310		154,496
Fund balance, ending	<u>\$153,510</u>	<u>\$156,310</u>	<u>\$1,800</u>	<u>\$155,210</u>

CITY OF FRANKLIN
DEBT SERVICE FUND
1996 SALES TAX FIRE EQUIPMENT - SINKING FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL
Year Ended April 30, 1998

	1998		Variance Favorable (Unfavorable)
	Budget	Actual	
Revenues:			
Interest on investments	820	827	\$24 ⁰
Total revenues	<u>820</u>	<u>827</u>	<u>24⁰</u>
Expenditures:			
Debt service			
Loans payments	55,477	55,735	21,742
Interest and bank charges		21,742	(21,742)
Miscellaneous		58	(58)
Total expenditures	<u>55,477</u>	<u>55,535</u>	<u>(58)</u>
Excess (deficiency) of revenues over expenditures	<u>(55,457)</u>	<u>(55,268)</u>	<u>189</u>
Other financing sources			
Operating transfers in General fund	64,700	64,723	23
Total other financing sources	<u>64,700</u>	<u>64,723</u>	<u>23</u>
Excess (deficiency) of revenues over expenditures and other financing sources	<u>9,243</u>	<u>9,456</u>	<u>212</u>
Fund balance, beginning			
Fund balance, ending	<u>\$9,243</u>	<u>\$9,456</u>	<u>\$212</u>

CAPITAL PROJECTS FUNDS

Consolidated Sewerage Project 1981 - To account for the receipt and use of funds to install sewer lines along the streets of Triel, Tordik, Harris and Willow.

Yokely Project - To account for the receipt and expenditure of funds used to relieve drainage problems during floods.

Salus Tin Bond Construction Fund 1996 - To account for the receipt and expenditure of funds used to construct and improve public streets, drainage facilities, public parks, recreational facilities, paving public parking lots and acquiring equipment.

LCDBG Sewer Rehabilitation Fund - To account for the receipt and expenditure of federal grants awarded for the purpose of sewer rehabilitation.

ISTEA-Franklin Pedestrian/Bicycle Path - To account for the receipt and expenditures of funds related to landscaping the pedestrian/bicycle path.

Widening of Highway 182 - To account for the receipt and expenditures of funds related to widening of Highway 182.

Truhe Theater Grant - To account for the receipt and expenditures of funds related to the renovation of the Truhe Theater.

CITY OF STAMFORD
CAPITAL PROJECTS FUND

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

Year ended April 30, 1999

With Comparative Items for the Year Ended April 30, 1998

REVENUES:	Special Project (000)	State Comptroller (000)	Item 11A Bond Conversion (000)	SCHOOL Bond Issue (000)	SCHOOL Bond Issue (000)	ITEM 11A Finance Fee (000)	ITEM 11A Finance Fee (000)	Municipality of Stamford (000)	Taxes (000)	TOTAL	
										1998	1999
Improvements - Federal grant											
State grant											
St. Mary Francis Council											
St. Mary Francis Bond Bond	62,291	626,198	95,372					1,048,863	1,119,285	261,273	261,273
Interest earned			3,145						8,272	31,202	31,202
Investments				628					61,682	95,144	95,144
Total revenues	2,778	35,198	11,567	628				1,048,863	1,127,457	348,329	348,329
EXPENDITURES:											
Capital City Extension											
Construction - Strategic		16,555									
Engineering											
Culture and recreation			14,244								
Highways and streets			569								
Other costs		36,875	14,099								
Total expenditures		53,430	28,912	14,244							
Excess (deficiency) of revenues over expenditures	2,778	18,668	11,371	1,652				20,388	32,475	81,851	81,851
Operating balances in Operating balances in											
Operating balances in											
Operating balances in											
Total other revenues (less)											
Balance (deficiency) of											
Operating balances											
Operating balances (less)											
Operating balances (less)											
Total revenues, beginning											
Revised, newly formed											
Total balances, ending	165,225	229,228	247,932	1,652	1,652	1,652	1,652	1,652	1,652	1,652	1,652

CITY OF FRANKLIN
 CAPITAL PROJECTS FUNDS
 CONSOLIDATED SEWERAGE PROJECT 1989

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - BUDGET AND ACTUAL

Year Ended April 30, 1989

With Comparative Totals for the Year Ended April 30, 1988

	1988		Variance Favorable (Unfavorable)	1989 Actual
	Budget	Actual		
Revenues:				
Interest earned	\$2,000	\$2,291	\$291	\$2,574
Miscellaneous		436	436	
Total revenues	<u>2,000</u>	<u>2,726</u>	<u>726</u>	<u>2,574</u>
Excess of revenues over expenditures	2,000	2,726	726	2,574
Fund balance, beginning	56,829	56,829		54,084
Fund balance, ending	<u>\$58,829</u>	<u>\$59,555</u>	<u>\$726</u>	<u>\$58,658</u>

CITY OF FRANKLIN
CAPITAL PROJECTS FUNDS
YORKLY PROJECT

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
Year Ended April 30, 1999
With Comparative Totals for the Year Ended April 30, 1998

	1999		Variance Favorable (Unfavorable)	1998 Actual
	Budget	Actual		
Revenues:				
Interest	\$25,000	\$26,196	\$1,196	\$23,448
State grant				264,639
Total revenues	<u>25,000</u>	<u>26,196</u>	<u>1,196</u>	<u>238,086</u>
Expenditures:				
Capital outlay				
Drainage				
Construction				282,340
Engineering	36,835	36,835		84,570
Total expenditures	<u>36,835</u>	<u>36,835</u>	<u>—</u>	<u>376,910</u>
Excess (deficiency) of revenues over expenditures	(11,835)	(10,639)	1,196	(148,824)
Fund balance, beginning	606,446	606,446	—	755,289
Fund balance, ending	<u>\$594,611</u>	<u>\$595,806</u>	<u>\$1,196</u>	<u>\$606,446</u>

CITY OF FRANKLIN
CAPITAL PROJECTS FUNDS
SALES TAX BOND CONSTRUCTION FUND 1998

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
Year Ended April 30, 1998

With Comparative Totals for the Year Ended April 30, 1998

	1998		Variance Favorable (Unfavorable)	1998 Actual
	Budget	Actual		
Revenues:				
Interest earned	\$3,080	\$3,185	\$105	\$38,726
Intergovernmental				68,002
St. Mary Parish Council				78,891
St. Mary Parish School Board	8,372	8,372		
Total revenues	<u>11,522</u>	<u>11,587</u>	<u>165</u>	<u>177,729</u>
Expenditures:				
Capital outlay				
highways and streets				
Construction	8,190	9,888	(898)	1,071,883
Engineering	1,472	4,048	(3,176)	73,782
Attorney fees		850	(850)	
Miscellaneous				5,715
Total expenditures	<u>10,252</u>	<u>14,884</u>	<u>(4,632)</u>	<u>1,151,480</u>
Excess (deficiency) of revenues over expenditures	<u>1,270</u>	<u>(3,297)</u>	<u>(4,467)</u>	<u>(983,751)</u>
Other financing sources (uses):				
Operating transfers in				
Liquid & Solid Waste Fund	18,080	18,080		
Sales Tax Bond Issuing Fund 1998	15,894	15,894		
Sales Tax Reserve Fund 1998	785	785		
Operating transfers out				
from Franklin Landscaping & Protection				
Bicycle Path	(2,712)		2,712	
LCMCA driver Rehab Reconstruction	(128,812)	(112,501)	16,311	
Sales Tax Bond Issuing Fund 1998		(300)	(300)	
Total other financing sources (uses)	<u>(102,285)</u>	<u>(88,382)</u>	<u>13,903</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	<u>(101,015)</u>	<u>(98,689)</u>	<u>2,326</u>	<u>(983,758)</u>
Fund balance, beginning	<u>137,281</u>	<u>137,281</u>		<u>137,288</u>
Fund balance, ending	<u>\$36,266</u>	<u>\$47,392</u>	<u>\$11,126</u>	<u>\$137,551</u>

CITY OF FRANKLIN
 CAPITAL PROJECTS FUNDS
 LODDG SEWER REHABILITATION/CONSTRUCTION

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - BUDGET AND ACTUAL
 Year Ended April 30, 1999
 With Comparative Totals for the Year Ended April 30, 1998

	1999		Variance Favorable (Unfavorable)	1998 Actual
	Budget	Actual		
Revenues:				
Federal	\$399,295	\$241,055	(\$158,240)	\$351,374
Miscellaneous		428	428	
Total revenues	<u>399,295</u>	<u>241,483</u>	<u>(157,792)</u>	<u>351,374</u>
Expenditures:				
Capital outlay				
Construction	453,854	340,645	113,209	283,421
Engineering	9,947	7,318	2,629	46,982
Administration	12,557		12,557	
Miscellaneous	877	1,358	(481)	1,083
Total expenditures	<u>487,235</u>	<u>349,321</u>	<u>137,916</u>	<u>331,486</u>
Excess (deficiency) of revenues over expenditures	<u>(87,940)</u>	<u>(108,270)</u>	<u>(20,330)</u>	<u>(82)</u>
Other financing sources (uses):				
Operating transfers in				
Sales Tax Bond Construction Fund 1998	126,512	112,601	(13,911)	
Operating transfers out				
General Fund	(5,444)	(4,575)	869	
Sales Tax Bond Construction Fund 1998	(32,400)		32,400	
Total other financing sources	<u>88,668</u>	<u>108,026</u>	<u>19,758</u>	<u>--</u>
Excess (deficiency) of revenues over expenditures and other financing sources	<u>82</u>	<u>(345)</u>	<u>(427)</u>	<u>(82)</u>
Fund balance (deficit), beginning	<u>(82)</u>	<u>(82)</u>		<u>(82)</u>
Fund balance (deficit), ending	<u>--</u>	<u>(8427)</u>	<u>(8427)</u>	<u>(882)</u>

CITY OF FRANKLIN
 CAPITAL PROJECTS FUNDS
 ISTEA-FRANKLIN LANDSCAPING & PEDESTRIAN/BICYCLE PATH

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - BUDGET AND ACTUAL
 Year Ended April 30, 1989
 With Comparative Totals for the Year Ended April 30, 1988

	1989		Variance Favorable (Unfavorable)	1988 Actual
	Budget	Actual		
Revenues:				
Federal grant	\$54,300	\$38,082	(\$16,217)	\$632
Total revenues	<u>54,300</u>	<u>38,082</u>	<u>(16,217)</u>	<u>632</u>
Expenditures:				
Construction	58,500	47,500	1,000	700
Miscellaneous	700	13	687	
Total expenditures	<u>59,200</u>	<u>47,513</u>	<u>1,687</u>	<u>700</u>
Excess (deficiency) of revenues over expenditures	<u>3,700</u>	<u>(9,514)</u>	<u>(13,214)</u>	<u>(768)</u>
Other financing sources:				
Operating transfers in Utility fund		29,984	29,984	
Total other financing sources		<u>29,984</u>	<u>29,984</u>	
Excess (deficiency) of revenues over expenditures and other financing sources	<u>3,700</u>	<u>20,470</u>	<u>16,761</u>	
Fund balance, beginning	<u>(150)</u>	<u>(150)</u>		
Fund balance, ending	<u>\$3,550</u>	<u>\$20,320</u>	<u>\$16,761</u>	<u>(\$150)</u>

CITY OF FRANKLIN
 CAPITAL PROJECTS FUNDS
 WIDENING OF HIGHWAY 162

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - BUDGET AND ACTUAL
 Year Ended April 30, 1999

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
State grant	\$158,900	\$158,525	\$35,375
Total revenues	<u>158,900</u>	<u>158,525</u>	<u>35,375</u>
Expenditures			
Capital outlay			
Highways & streets			
Construction	128,800	127,868	(7,932)
Engineering	28,000	27,085	(8,915)
Miscellaneous	900	170	-418
Total expenditures	<u>158,900</u>	<u>175,127</u>	<u>(15,538)</u>
Excess of revenues over expenditures		23,398	23,398
Fund balance, beginning	--	--	--
Fund balance, ending	<u>--</u>	<u>\$23,398</u>	<u>\$23,398</u>

CITY OF FRANKLIN
CAPITAL PROJECTS FUNDS
TECHS THEATER GRANT

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
Year Ended April 30, 1989

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
State grant	\$21,584	\$198,888	\$177,304
Parish grant		21,208	21,208
Total revenues	<u>21,584</u>	<u>180,188</u>	<u>148,604</u>
Expenditures			
Culture and recreation			
Construction	21,584	157,798	(126,284)
Total expenditures	<u>21,584</u>	<u>157,798</u>	<u>(126,284)</u>
Excess of revenues over expenditures		22,375	22,375
Fund balance, beginning	--	--	--
Fund balance, ending	<u>--</u>	<u>\$22,375</u>	<u>\$22,375</u>

ENTERPRISE FUND

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

CITY OF FRANKLIN
ENTERPRISE FUND
UTILITY FUND

COMPARATIVE BALANCE SHEET
April 30,

	1999	1998
ASSETS		
Current assets		
Cash and cash equivalents	\$115,385	\$204,473
Receivables		
Accounts	218,718	286,112
Interest	174	73
Due from other funds	149,338	74,437
Total current assets	483,615	565,095
Restricted assets, cash and investments		
Water & Sewer Bond Sinking Revenue Bond Reserve Account	12,250	12,250
Capital Additions and Contingency	52,280	52,280
Total restricted assets, cash and investments	64,530	64,530
Property, plant, and equipment		
Land	10,080	10,080
Building, improvements and equipment	3,430,488	3,326,585
Automotive equipment	130,231	124,370
Furniture and fixtures	132,126	115,652
	3,782,924	3,576,687
Less: Accumulated depreciation	2,773,738	2,891,141
Net property, plant and equipment	1,009,186	685,546
Total assets	\$1,602,868	\$1,602,408

LIABILITIES AND FUND EQUITY	2009	2008
Liabilities:		
Current liabilities (payable from current assets):		
Accounts payable and accrued expenses	\$114,128	\$85,254
Accrued wages payable	8,893	4,782
Customer deposits	127,558	127,558
Due to other funds	311,193	248,518
Current portion of obligation under capital lease		9,257
Total current liabilities (payable from current assets)	<u>562,772</u>	<u>475,369</u>
Current liabilities (payable from restricted assets):		
Current portion of revenue bonds	20,000	20,000
Total current liabilities (payable from restricted assets)	<u>20,000</u>	<u>20,000</u>
Long-term liabilities:		
Revenue bonds (net of current portion)	520,000	540,000
Total long-term liabilities	<u>520,000</u>	<u>540,000</u>
Total liabilities	<u>1,099,772</u>	<u>1,035,469</u>
Fund equity:		
Retained earnings		
Reserved for revenue bond retirement	34,088	59,062
Unreserved	468,156	537,834
Total fund equity	<u>502,244</u>	<u>596,896</u>
Total liabilities and fund equity	<u>\$1,602,016</u>	<u>\$1,632,365</u>

FIDUCIARY FUNDS

Expendable Trusts:

Museum Endowed Care - The Museum Endowed Care Fund was established to account for the receipt and expenditure of the portion of crypt sales dedicated to the upkeep and maintenance of the museum.

Agency:

Three agency accounts handle the payroll, accounts payable, and retired employees' insurance program transactions for the various funds and departments of the City.

CITY OF FRANKLIN
 EDUCARY FUNDS

COMBING BALANCE SHEET

April 30, 1999

With Comparative Totals for April 30, 1998

	Expendable Trust		Agency		Retired Employees' Insurance	Totals 1998
	Monitors Borrowed Cash	Payroll Fund	Accounts Payable Clearing			
ASSETS						
Cash and cash equivalents	\$14,177	\$26,077	\$90,958	\$3,120	\$64,174	\$197,982
Due from other funds	73	941	95,708		97,722	20,266
Total assets	\$14,250	\$26,999	\$186,666	\$3,120	\$162,496	\$218,250
LIABILITIES AND FUND EQUITY						
Liabilities						
Accounts payable				\$3,120	\$3,120	\$3,120
Due to other funds		\$10,370	\$116,968		127,338	128,917
Payroll deductions payable		16,589			16,589	44,465
Total liabilities		26,959	116,968	3,120	147,046	176,502
Fund Equity						
Fund balances	\$14,250	-	-	-	14,451	14,451
Total liabilities and fund balances	\$14,250	\$26,959	\$116,968	\$3,120	\$162,496	\$218,250

CITY OF FRANKLIN

COMBINED STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 -ALL AGENCY FUNDS
 Year Ended April 30, 1999

	Payroll Fund	Accounts Payable Clearing	Fund of Employees' Indebtedness	Total All Agency Funds
Cash - beginning	183,884	888,188	83,825	1,155,914
Additions	3,055,283	2,854,394	27,792	5,937,509
Deductions	(3,076,748)	(2,718,879)	(21,867)	(5,817,508)
Cash - ending	26,417	22,703	8,750	49,870
Due from other funds - beginning	941	52,292		53,233
Additions		3,854,838		3,854,838
Deductions		(2,854,879)		(2,854,879)
Due from other funds - ending	941	96,708	--	97,649
Total assets	\$26,417	\$116,968	\$8,750	\$147,898
Accounts payable - beginning			\$5,825	\$5,825
Additions			27,763	27,763
Deductions			(27,828)	(27,828)
Accounts payable - ending	--	--	3,720	3,720
Accrued salaries payable - beginning				3,088,929
Additions	\$3,088,929			3,088,929
Deductions	3,088,929			3,088,929
Accrued salaries payable - ending	--	--	--	--
Due to other funds - beginning	18,378	1718,547		1736,925
Additions		286,873		286,873
Deductions		(286,892)		(286,892)
Due to other funds - ending	18,378	148,958	--	167,336
Payroll deductions payable - beginning	44,485			44,485
Additions	889,887			934,372
Deductions	(897,544)			(897,544)
Payroll deductions payable - ending	36,828	--	--	36,828
Total liabilities	\$26,417	\$116,968	\$3,720	\$147,898

GENERAL FIXED ASSETS ACCOUNT GROUP

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

CITY OF FRANKLIN

STATEMENT OF CHANGES IN GENERAL FIXED ASSETS

Year Ended April 30, 1999

	Land	Buildings	Improvements Other Than Buildings	Movable Equipment	Contribution in Progress	Total
General Fixed Assets, beginning of year	\$649,094	\$1,348,728	\$6,341,660	\$1,329,663	\$859,977	\$10,529,122
Additions:						
General Fund		8,799		\$403,959		\$412,758
Local and State Roads		25,826		79,433		105,259
Police Narcotics				3,500		3,500
1999 SPT Bond Construction		13,244		10,244		23,488
UCDBG Street Repairs		348,764				348,764
Landscape Maintenance Park		57,567				57,567
Highway 102 Project					152,456	152,456
Techia Theater					118,126	118,126
	-	423,436		\$882,996	279,582	1,385,994
Reductions				(4,963)		(4,963)
Reclassification			471,349		(671,349)	
General Fixed Assets, end of year	\$649,094	\$1,348,728	\$6,428,815	\$1,597,697	\$268,965	\$14,883,307

CITY OF FRANKLIN
 SCHEDULE OF EXPENDITURES OF FEDERAL FUNDS
 Year Ended April 30, 1988

FEDERAL DONOR OR PASS THROUGH DONOR NAME PROGRAM TITLE	CFDA NUMBER	REVENUES	EXPENSES
U.S. Department of Agriculture Passed through Louisiana Department of Education Summer Food Service Program for Children (Summer Feeding Program)	16-006	128,268	128,268
Total U.S. Department of Agriculture		<u>128,268</u>	<u>128,268</u>
U.S. Department of Housing and Urban Development Passed through Louisiana Office of Community Development *Community Development Block Grant 8,0000 (Senior Rehab.)	14-219	241,088	241,088
Total U.S. Department of Housing and Urban Development		<u>241,088</u>	<u>241,088</u>
U.S. Department of Justice Office of Community Oriented Policing Services (COPS) Community Policing Grant	16-110	181,004	181,004
Local Law Enforcement/Block Grant	16-082	5,689	5,689
Passed through Louisiana Commission on Law Enforcement Violence against Women Formula Grant	16-088	4,918	4,918
Total U.S. Department of Justice		<u>191,611</u>	<u>191,611</u>
U.S. Department of Transportation Passed through Louisiana Department of Transportation and Development National Recreational Trails Funding Program (Landscaping/Preservation/Byway Path)	20-276	38,802	38,802
State and Community Highway Safety Program	20-002	2,853	2,853
Total U.S. Department of Transportation		<u>41,655</u>	<u>41,655</u>
Total Federal Assistance		<u>\$441,672</u>	<u>\$441,672</u>

*Federal major program

The accompanying notes are an integral part of this schedule.

CITY OF FRANKLIN

NOTES TO THE SCHEDULE OF FEDERAL AWARDS

April 30, 1999

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedule of expenditures of federal awards is a summary of the activity of the City's federal award programs presented on the accrual basis of accounting in accordance with generally accepted accounting principles.

NOTE 2 - DEFERRED REVENUE

A portion of the proceeds received from the National Recreation Trails Funding Program grant is being reflected as deferred revenue in the current year as follows:

Revenue	\$18,000
Deferred portion	<u>22,718</u>
Total received from grantor	<u>\$40,718</u>

SPECIAL INFORMATION

CITY OF PRASULIM
 Schedule of Changes in Assets Related to
 1993 Water and Revenue Bond Debt Service
 For the Year Ended April 30, 1998

	Sinking Funds			Reserve Funds		
	70 Water & Sewer Renewal & Replacement Fund	70 Water & Sewer Revenue Bonds	Utility Fund	70 Water & Sewer Revenue Bonds	Utility Fund	Total Reserve Funds
Cash, May 1, 1998	\$189,089	\$8,241	\$12,289	\$34,791	\$62,200	\$96,991
Cash receipts:						
Interest earned on cash account	3,391	409	1,007	699		699
Transfers from operating account	37,041	27,732	50,721			
Transfer from reserve fund		6,879		126		126
Miscellaneous		165				
Total cash receipts	40,432	3,382	51,728	694	-	694
Total cash available	193,127	48,882	64,017	35,485	62,200	97,679
Cash disbursements:						
Interest and fees charges		18,858	36,440			
Principal payments		17,000	20,000			
Transfers to operating account						
Transfers to sinking fund						
Miscellaneous				6,879		6,879
Total cash disbursements	24,292	37,858	56,440	6,879	-	6,879
Cash, April 30, 1998	\$168,835	\$18,027	\$12,289	\$28,606	\$62,200	\$90,806

CITY OF FRANKLIN

Analysis of Additions, Replacements, and Improvements
 Water and Sewer Systems
 For the Year Ended April 30, 1989

	Additions	Improvements	Total
Sewer System	\$18,733	\$25,638	\$44,371
Water System	68,377	16,014	84,391
	<u>\$87,110</u>	<u>\$41,652</u>	<u>\$128,762</u>

Unaudited

CITY OF FRANKLIN

**Schedule of Beverage Rates and Billings
For the Year Ended April 30, 1999**

		Billing Accounts
May 1998	Fee based upon consumption	228,258
June 1998		21,998
July 1998		29,948
August 1998		21,892
September 1998		22,300
October 1998		28,982
November 1998		22,778
December 1998		21,024
January 1999		22,028
February 1999		26,878
March 1999		22,054
April 1999		41,857
		<hr/>
		\$389,538
		<hr/>

*The number of system users at the end of the fiscal year was 3,174.

*The average monthly billing per user was approximately \$10.51.

*The fee is based on water consumption set at:

- a. \$2.50 minimum up to 2000 gallons
- b. \$1.40 per 1,000 gallons thereafter

CITY OF FRANKLIN

Schedule of Water Rates and Billings
For the Year Ended April 30, 1999

		Billing Accounts
May 1998	Fee based upon consumption	\$50,529
June 1998		56,076
July 1998		66,317
August 1998		78,589
September 1998		91,525
October 1998		96,330
November 1998		78,176
December 1998		67,152
January 1999		53,144
February 1999		66,802
March 1999		61,535
April 1999		73,542

*The number of system users at the end of the fiscal year was 3,174.

**The average monthly billing per user was approximately \$26.27.

**The fee is based on water consumption set at:

- a. \$4.18 minimum up to 2000 gallons
- b. \$2.31 per 1,000 gallons from 2001 to 10,000 gallons
- c. \$2.17 per 1,000 gallons from 10,001 to 50,000 gallons
- d. \$2.09 per 1,000 gallons thereafter

CITY OF FRANKLIN
Schedule of Insurance Policies in Force
As of April 30, 2000

Category	Amounts or limits	Rates	Company
Workers' Compensation	Statutory/Variable Benefits \$200,000 - each accident \$200,000 - each employee \$200,000 - each policy	014200	Louisiana Workers Comp. Corp.
Business Automobile	\$20,000/00 - \$750,000	107100	Transportation Insurance Co.
Surety Bond	\$50,000 - Mayor \$50,000 - City Clerk \$20,000 - other employees \$50,000 - Tax collector \$20,000 - South Central Bell \$1,000 City Marshal \$1,000 - Court Clerk \$0,000 - City Deputy Marshal \$0,000 - City Deputy Marshal	\$60000 \$60000 \$60000 \$60000 \$60000 000000 000000 000000	Western Surety Western Surety Western Surety GNA Surety
Baker & Machinery	\$7,000,000	018800	Hartford
Fire & Extended Coverage	Multi Subtype - \$4,455,474 Basic Street - \$500,000	\$21100 \$20100	Windsor Specialty Group Sunshine Ins.
Motor-Vehicle Fleet	\$700,000	\$70000	Continental Casualty Co.
Premises Liability	Liability Injury & Damage \$1,000,000	\$60100	Essex Insurance Co.
Computer Coverage	\$10,000	110000	Hartford
Health Benefit Plan	\$1,000,000 - maximum individual lifetime benefit \$20,000 - individual mental & nervous \$20,000 - individual alcohol & substance abuse \$20,000 - lifetime nursing care		AAA of Louisiana

Continued

CITY OF FRANKLIN

Compensation Paid to Members of Governing Board
For the Year Ended April 30, 1999

	Salary	Expense Allowance	Car Allowance
Mayor			
Sam Jones	\$48,400	\$2,750	\$5,400
Council Members			
Carl Faulkard	5,000	1,000	
Adrienne Johnson-Jones	5,000	1,000	
Sarah Belle Miner	800	300	
John O'Hall	5,000	1,000	
Craig Patton	800	300	
Randy Scott	5,000	1,000	
L.J. Segura	5,000	1,000	
	<u>\$74,400</u>	<u>\$71,750</u>	<u>\$5,400</u>

**SUPPLEMENTARY INFORMATION REQUIRED BY
GOVERNMENTAL ACCOUNTING STANDARDS BOARD**

CITY OF FRANKLIN
YEAR 2000 INFORMATION

The year 2000 issue is the result of shortcomings in many electronic data processing systems and other electronic equipment that may adversely affect the government's operations as early as 1999.

The City has completed an inventory of computer systems and other electronic equipment that may be affected by the year 2000 issue and that are necessary to conducting City operations. The City has identified the following systems requiring year 2000 remediation:

Accounting, Financial Reporting and Payroll

Management purchased new computer hardware prior to year end and upgraded its financial software package, including payroll. The system has been tested and validated.

Tax Revenue

Property taxes are assessed by another governmental unit. Various other taxes are assessed, collected, and remitted to the City by other governmental units. These specific other units of government are responsible for year 2000 compliance of any computer systems used in the assessment, collection, or remittance of these funds.

Utility Billing and Collection

Management purchased new computer hardware related to utility billing and collections prior to year end. Subsequent to year end, new software was purchased from an outside computer consultant. Management arranged for this consultant to test and validate the system. The cost for testing and validation is estimated to be immaterial.

INTERNAL ACCOUNTING CONTROL AND COMPLIANCE



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

The Honorable Mayor and
Members of the City Council
City of Franklin, Louisiana

We have audited the general purpose financial statements of the City of Franklin, Louisiana, as of and for the year ended April 30, 1999, and have issued our report thereon dated October 8, 1999, which was qualified due to lack of proper reporting of certain pension related costs. Separate auditor's reports have been issued for the financial statements of the City's component units (City Court of the City of Franklin and Marshall's Fund of the City Court.) Reports similar to these have been issued on those component units. Therefore, this report does not include any information related to these component units. 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 City of Franklin, Louisiana's general purpose 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 one instance of noncompliance that is required to be reported under *Government Auditing Standards* which is described in the accompanying items of noncompliance schedule as item no. 59-1.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Franklin, Louisiana's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose 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 misstatement in amounts that would be material in relation to the general purpose 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 solely for the use of management, funding agencies, and the Legislative Auditor of the State of Louisiana. This restriction is not intended to limit the distribution of this report, which is a matter of public record.



CERTIFIED PUBLIC ACCOUNTANTS

October 8, 2009



**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH
MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH OMB CIRCULAR A-133**

The Honorable Mayor and
Members of the City Council
Franklin, Louisiana

Compliance

We have audited the compliance of the City of Franklin, Louisiana with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement that are applicable to its major federal programs for the year ended April 30, 1999. The City of Franklin, Louisiana's major federal program is identified in the summary of audit results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of City of Franklin, Louisiana's management. Our responsibility is to express an opinion on City of Franklin, Louisiana's compliance based on our audit.

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

In our opinion, City of Franklin, Louisiana, complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended April 30, 1999. The results of our auditing procedures also disclosed one instance of noncompliance with those requirements, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs on item No. 98-2.

Internal Control Over Compliance

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

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

This report is intended solely for the use of management, funding agencies and the Legislative Auditor of the State of Louisiana. This restriction is not intended to limit the distribution of this report, which is a matter of public record.



CERTIFIED PUBLIC ACCOUNTANTS

October 8, 1999

CITY OF FRANKLIN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended April 30, 1999

A. SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses a qualified opinion on the financial statements of the City of Franklin, Louisiana due to lack of proper reporting of certain pension related costs.
2. No reportable conditions were disclosed during the audit of the financial statements.
3. One instance of noncompliance with state law material to the financial statements of the City of Franklin, Louisiana was disclosed during the audit.
4. No reportable conditions relating to the audit of the major federal award program are reported in the Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133.
5. The auditors' report on compliance for the major federal award program for the City of Franklin, Louisiana expresses an unqualified opinion.
6. No audit findings relative to the major federal award program for the City of Franklin, Louisiana are reported in this schedule. One finding of questioned costs related to a program not audited as a major program is being reported.
7. The program tested as a major program is:
Community Development Block Grant (CFDA No. 14.219)
8. The threshold for distinguishing types A and B programs was \$390,000.
9. City of Franklin, Louisiana was not determined to be a low risk auditee.

B. FINDINGS- FINANCIAL STATEMENT AUDIT

ITEMS OF NONCOMPLIANCE WITH STATE LAW

Item No. 95-1

BUDGET AMENDMENT COMPLIANCE

Condition: We noted during our review of budget to actual comparisons that several funds had expenditures in excess of appropriations and revenues which were less than the budgeted amounts.

Criteria: Louisiana statute requires that the chief executive or administrative officer advise the governing authority or independently elected official in writing when total actual revenues within a fund are falling to meet budgeted revenues by five percent or more, or when total expenditures in a fund are exceeding the estimated budgeted expenditures by five percent or more. Upon receiving notification, the governing authority is required to amend the budget.

Effect: Noncompliance with State law.

Cause: Failure of the system for amending budgets to capture all adjustments within the 5% range.

Notification was not made and the following budgets were not amended although actual revenues failed to come within five percent of budgeted revenues:

Fund	Budget	Actual	Variance
Debt Service Funds:			
Consolidated Sewerage District No. 1 - 1989	\$8,571	\$2,100	\$(6,468)
Capital Projects Funds:			
ISTEA/Franklin Landscaping, Pedestrian/Bicycle Path	509,285	241,400	(267,885)
Special Revenue Funds:			
Summer Feeding	60,722	34,889	(25,833)

Notification was not made and the following budgets were not amended although actual expenditures exceeded budgeted expenditures by five percent or more.

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<u>Debt Service Funds:</u>			
DEQ Loan Sinking Fund	\$92,265	\$99,285	\$7,020
<u>Capital Projects Funds:</u>			
Teché Theatre Grant	51,204	157,790	(106,586)
Widening of Highway 182	159,992	175,127	(15,135)

Management Comments

In regards to our Summer Feeding Program, a summer camp that is normally run in an adjacent building was cancelled. As a result, we didn't serve the number of children that we budgeted for and so we couldn't receive the level of funding budgeted.

On the Teché Theatre Grant as well as the Widening of Highway 182 Project, expenditures increased above what was budgeted because the volume of activity due to good weather was greater than we anticipated by year end. This resulted in greater percentage of work being completed in this fiscal period rather than the rest.

Our remaining variances are not very large in terms of actual dollars, except for our ESTELA-Franklin Robinson Bicycle Path Fund. We budgeted for this project based on grants that were anticipated but not received because the project is still incomplete.

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

1. No matters to be reported related to major programs.
2. Instance of noncompliance related to a non-major program.

Item No. 99-2

COMPLIANCE WITH REPORTING REQUIREMENTS

Summer Food Service Program for Children (Summer Feeding Program) Questioned Costs
(CFDA No. 10.558)

Condition: During our audit we reviewed a monitoring report from the grantor which noted that the City did not properly report the number of meals served during the program. Therefore, the City received money in excess of the allowable reimbursement \$21,034

Cause: The employee in charge of reporting meals served used estimates based upon prior years activity, rather than actual number of meals served.

Effect: Noncompliance with grant reporting requirements, and loss of funding.

Recommendation: Accurate meal counts should be used when reporting to the grantor. Management should have all reports checked to make sure that accurate meal counts are reflected before being submitted to the grantor. During the year, the money related to this instance was refunded to the grantor.

Management Comments:

There was a discrepancy caused by the method we used to bill the State which resulted in our being liable to the State. We have since changed the procedure we use to determine our meal count and we will employ this procedure in the future to avoid any possible discrepancies leading to an operational disallowance.

**SUMMARY OF PRIOR YEAR FINDINGS AND RELATED CORRECTIVE ACTION
PREPARED BY THE CITY OF FRANKLIN**

Item of Noncompliance

Item 59-1: Budget Assessment Compliance

Condition: Our auditors noted during our review of budget to actual comparison that several funds had expenditures in excess of appropriations and revenues which were less than the budgeted amounts.

Corrective Action

Due to timing differences regarding proposed projects it is difficult to project accurately proposed expenditures and revenues. This past fiscal year, we made every effort to monitor revenues and expenditures by reporting to the City Council on a monthly basis. We proposed adjustments to the budget only when it appeared that any of these items might deviate by 5% or more. This plan of action proved partially effective. However, due to unforeseen circumstances, we were out of compliance because of unexpected events for the fiscal year ended 1998-1999. We will continue to monitor all funds as we did this year with increased emphasis on anticipating year end events that could significantly alter revenues.



1844 JUNE 18
1848

City of Franklin Louisiana

U. S. HIGHWAY 707 EMP CODE 70004
PHONE: 800-444-8444

October 28, 1999

Dr. David G. Kyle
Office of Legislative Auditor
State of Louisiana
P. O. Box 94197
Baton Rouge, La. 70804-0197

Dear Dr. Kyle,

The City of Franklin respectfully submits the following corrective action plan for their year ended April 30, 1999.

CORRECTIVE ACTION:

Person Responsible: Raymond Harris, Jr., Chief Financial Officer
City of Franklin
200 South Street • P. O. Box 707
Franklin, La. 70554-0047
(337) 828-4300

Time of Completion: April, 2000

ITEMS OF NON-COMPLIANCE: RE: Item No. 29-1

Budget Amendment Compliance: Our auditors noted during our review of budget to actual comparison that several funds had expenditures in excess of appropriations and revenues which were less than the budgeted amounts.

Corrective Action: Due to timing differences regarding proposed projects it is difficult to project accurately proposed expenditures and revenues. We feel we will always have some budget deviations.

However, we are making every effort to monitor these deviations and to provide a report to the Council on a monthly basis of operating revenues and expenditures and any deviations resulting therefrom. And we will propose an adjustment to the budget if it appears that the deviation will exceed 5%.

ITEMS OF NON-COMPLIANCE: RE: Item No. 29-2

Compliance with Reporting Requirements: During our audit testing of compliance, our auditors noted that the City did not properly report the number of meals served during the program, (Shannon Food Service Program for children -CFDA No. 30.592)

Corrective Action: The City of Franklin was required to refund \$21,050.08 to the State due to a local operational disadvantage. There was a discrepancy caused by the method we used to bill the State which resulted in our being liable to the State. We have since changed the procedure we use to determine our meal count. We will employ this procedure, in which is consistent with the State's method of determining the meal count. By doing so, we hope to avoid any discrepancies in the future.

Raymond Harris, Jr.
Raymond Harris, Jr.
Chief Financial Officer