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FRANKLIN PARISH POLICE JURY
Winnsboro, Louisiana

Primary Government Financial Statements
With Independent Auditor's Report
As of and for the Year Ended
December 31, 2006
With Supplemental Information Schedules

Franklin Parish Police Jury
Winnsboro, Louisiana

Primary Government Financial Statements
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With Supplemental Information Schedules

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Franklin Parish Police Jury
Winnsboro, Louisiana
Management's Discussion and Analysis
December 31, 2006
(Unaudited)

As management of the Franklin Parish Police Jury, we offer readers of the police jury's financial statements this narrative overview and analysis of the financial activities of the police jury for the year ended December 31, 2006. We encourage readers to consider the information presented here, in conjunction with the basic financial statements, and the supplementary information provided in this report in assessing the efficiency and effectiveness of our stewardship of public resources.

Overview of the Financial Statements

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

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

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

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

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

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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

The Franklin Parish Police Jury maintains 17 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, the Road and Bridge, Drainage Maintenance, Parish Equipment, Sales Tax, and Workforce Investment Act special revenue funds, which are considered to be a major funds. Data from the other funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining schedules in the other supplemental information section of the report.

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

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

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

Government-Wide Financial Analysis As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. At the close of the fiscal year, assets of the Franklin Parish Police Jury exceeded liabilities by $25,484,514. Of those net assets, $19,860,031 represents the police jury's investment in capital assets net of accumulated depreciation. These assets are not available for future spending. The remaining net assets are made up of bank balances and receivables.

Statement of Net Assets

Assets	2006	2005
Cash and cash equivalents	$4,074,740	$3,270,166
Receivables	2,289,208	2,275,122
Capital assets (net)	19,860,031	20,281,415
Total Assets	$26,223,979	$25,826,703
Liabilities		
Accounts payable	$252,126	$425,928
Salaries payable	31,993	30,335
Payroll withholding payable	62,102	60,260

Compensated absences payable	$85,118	$73,871
Due to others	10,000	10,000
Deferred revenues:		
Protest taxes	282,308	240,262
Grant	15,818	11,213
Total Liabilities	$739,465	$851,869
Net Assets		
Invested in capital assets, net of related debt	$19,860,031	$20,281,415
Unrestricted	5,624,483	4,693,419
Total Net Assets	$25,484,514	$24,974,834

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

As of December 31, 2006, combined governmental fund balances of $5,709,601 showed an increase of $942,311 over December 31, 2005. The General Fund's balance of $562,814 showed an increase of $146,323 from the 2005 balance of $416,491.

Budgetary Highlights

GENERAL FUND - The differences in revenues were due to increases in ad valorem taxes, other taxes, penalties & interest, licenses and permits, and rural development and decreases in severance taxes, federal funds and other revenues. Expenditures required an increase in public safety, health and welfare, and capital outlay and a decrease in finance and administrative.

ROAD AND BRIDGE - The differences in expenditures was due to an increase in public works and capital outlay.

DRAINAGE MAINTENANCE - There were no significant changes in the budget.

PARISH EQUIPMENT - The differences in revenues was due to an increase in ad valorem taxes and a decrease in other revenues.

SALES TAX - This fund was amended due to an increase in anticipated expenditures for public works.

Capital Asset and Debt Administration

Capital Assets. The Franklin Parish Police Jury's investment in capital assets for its governmental activities as of December 31, 2006, amounts to $19,860,031 (net accumulated depreciation). This investment includes land, buildings and improvements, infrastructure roads and bridges, and furniture and equipment. The increase in capital assets for the year was $694,147. Reductions in capital assets for the year ended December 31, 2006 were $470,236.

Long-Term Debt. The Franklin Parish Police Jury had long-term debt at 12/31/06 relating to compensated absences. That total is $ 85,118.

Economic Factors and Next Year's Budgets

The police jury's financial plan for this upcoming year is underway. The General Fund plans to make transfers to accommodate for any deficit balances that may occur in any of the special revenue funds.

Requests for Information

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

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Independent Auditor's Report

Franklin Parish Police Jury
Winnsboro, Louisiana

I have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Franklin Parish Police Jury as of and for the year ended December 31, 2006, which collectively comprise the basic financial statements of the parish's primary government as listed in the table of contents. These financial statements are the responsibility of Franklin Parish Police Jury's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

The financial statements referred to above include only the primary government of Franklin Parish which consist of all funds, organizations, institutions, agencies, departments, and offices that comprise the police jury's legal entity. The financial statements do not include financial data of the police jury's legally separate component units, which accounting principles generally accepted in the United States of America require to be reported with the financial data of the parish's primary government. As a result, the primary government financial statements do not purport to, and do not, present fairly the financial position of the reporting entity of Franklin Parish as of December 31, 2006, and the changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, major funds, and the aggregate remaining fund information for the primary government of Franklin Parish Police Jury as of December 31, 2006, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Management's discussion and analysis on pages 4 through 7 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, I did not audit the information and express no opinion on it.

My audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise Franklin Parish Police Jury's basic financial statements. The other supplementary information schedules on pages 38 through 48 are presented for the purpose of additional analysis and are not a required part of the basic financial statements. 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-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements of Franklin Parish Police Jury. Those schedules, and the budgetary comparison schedules on pages 33 through 36 which is supplementary information required by the Governmental Accounting Standards board, have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, are presented fairly in all material respects in relation to the basic financial statements taken as a whole.

In accordance with *Government Auditing Standards*, I have also issued a report dated April 5, 2007, on my consideration of the Franklin Parish Police Jury's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of my audit.

West Monroe, Louisiana
April 5, 2007

Basic Financial Statements

Statement A

Franklin Parish Police Jury
Winnsboro, Louisiana
Governmental Activities
Statement of Net Assets
December 31, 2006

Assets	
Cash and cash equivalents	$4,074,740
Receivables	2,289,208
Capital assets (net)	19,860,031
Total Assets	$26,223,979
Liabilities	
Accounts payable	$252,126
Salaries payable	31,993
Payroll withholding payable	62,102
Compensated absences payable	85,118
Due to others (damage deposit)	10,000
Deferred revenues:	
Protest taxes	282,308
Federal grant	15,818
Total Liabilities	$739,465
Net Assets	
Invested in capital assets, net of related debt	$19,860,031
Unrestricted	5,624,483
Total Net Assets	$25,484,514

See accompanying notes to basic financial statements.

Statement B

Franklin Parish Police Jury
Winnsboro, Louisiana
Statement of Activities
For the Year Ended December 31, 2006

Functions:	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets
Governmental Activities:					
General government	$775,096	$286,349			($488,747)
Public safety	282,668			$3,739	(278,929)
Public works	4,688,134		$269,363	26,270	(4,392,501)
Health and welfare	528,604		53,069		(475,535)
Culture and recreation	67,361				(67,361)
Economic development and assistance	1,988,490		1,956,217	575,833	543,560
Total governmental activities	$8,330,353	$286,349	$2,278,649	$605,842	(5,159,513)

General revenues:	
Taxes:	
Ad valorem taxes	1,801,301
Sales taxes	3,224,512
State revenue sharing	157,669
Fire insurance rebate	67,812
Other taxes, penalties, and interest	17,210
Grants and contributions not restricted to specific programs	77,601
Licenses and permits	101,033
Unrestricted investment earnings	67,202
Loss on sale of assets	(197,044)
Other	64,621
Total general revenues	5,381,917
Change in net assets	222,404
Net assets at beginning of year	25,262,110
Net assets at end of year	$25,484,514

See accompanying notes to basic financial statements.

Statement C

Franklin Parish Police Jury
Winnsboro, Louisiana
Governmental Funds
Balance Sheet
December 31, 2006

	General	Road and Bridge	Drainage Maintenance	Parish Equipment	Sales Tax	Other Governmental Funds	Total Governmental Funds
Assets							
Cash and equivalents	$297,635	$1,269,064	$196,150	$320,162	$753,995	$1,237,734	$4,074,740
Receivables	352,366	240,665	531,975	387,249	82,705	694,248	2,289,208
Due from other funds	56,285	7,901				18,010	82,196
Total Assets	$706,286	$1,517,630	$728,125	$707,411	$836,700	$1,949,992	$6,446,144
Liabilities and Fund Balances							
Liabilities:							
Accounts payable	$13,607	$50,069	$22,386	$24,621	$100,903	$40,540	$252,126
Salaries payable	4,184	12,919	9,759			5,131	31,993
Due to other funds	25,911		18,549	13,489		24,247	82,196
Due to others (damage deposit)		10,000					10,000
Payroll deducts payable	62,102						62,102
Deferred revenues:							
Protest taxes	21,850		75,489	55,229		129,740	282,308
Grant	15,818						15,818
Total Liabilities	143,472	72,988	126,183	93,339	100,903	199,658	736,543
Fund balances- unreserved - undesignated	562,814	1,444,642	601,942	614,072	735,797	1,750,334	5,709,601
Total Liabilities and Fund Balances	$706,286	$1,517,630	$728,125	$707,411	$836,700	$1,949,992	$6,446,144

See accompanying notes to basic financial statements.

Franklin Parish Police Jury
Winnsboro, Louisiana
Reconciliation of Governmental Funds Balance Sheet to
Statement of Net Assets
December 31, 2006

Total fund balance - governmental funds (Statement C)	$5,709,601
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources	19,860,031
Long term liabilities - Compensated absences payable	(85,118)
Net assets of governmental activities (Statement A)	$25,484,514

See accompanying notes to basic financial statements.

Statement D

Franklin Parish Police Jury
Winnsboro, Louisiana
Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended December 31, 2006

	General	Road and Bridge	Drainage Maint	Parish Equipment	Sales Tax	Workforce Investment Act	Other Governmental Funds	Total Governmental Funds
REVENUES								
Taxes:								
Ad valorem	$139,883		$549,682	$400,149			$711,587	$1,801,301
Sales		$2,129,813			$1,064,911		29,788	3,224,512
Other taxes, penalties, and interest	17,210							17,210
Licenses and permits	101,033							101,033
Intergovernmental revenues:								
Federal funds	181,075	15,477				$1,927,734	53,069	2,177,355
State funds:								
Severance taxes	77,601							77,601
Fire insurance rebate	46,749						21,063	67,812
State revenue sharing	15,249		51,342	37,372			53,706	157,669
Parish transportation		269,363						269,363
Rural development grants	427,350	10,793						438,143
Other	3,419							3,419
Fees, charges, and commissions for services	145,695				4,380		39,469	189,544
Fines and forfeitures							136,004	136,004
Use of money and property	4,883	17,551	5,338	5,844	10,062		23,524	67,202
Other	6,191	1,552	6,885				7,006	21,634
Total revenues	1,166,338	2,444,549	613,247	443,365	1,079,353	1,927,734	1,075,216	8,749,802
EXPENDITURES								
Current:								
General government:								
Legislative	74,958							74,958
Judicial	59,516						167,269	226,785
Elections	16,936							16,936
Finance and administrative	185,217							185,217
Other general government							236,648	236,648
Public safety	116,519						82,203	198,722
Public works		1,823,859	540,314	348,527	898,643		213,808	3,825,151

Health and welfare	180,108						227,069	407,177
Culture and recreation	24,313							24,313
Economic development and assistance	32,859					1,927,734	27,897	1,988,490
Capital outlay	406,142	210,429		66,925			10,651	694,147
Total expenditures	1,096,568	2,034,288	540,314	415,452	898,643	1,927,734	965,545	7,878,544
EXCESS OF REVENUES OVER EXPENDITURES	69,770	410,261	72,933	27,913	180,710	NONE	109,671	871,258
OTHER FINANCING SOURCES (Use)								
Operating transfers in	40,000						34,500	74,500
Proceeds from sale of property	71,053							71,053
Operating transfers out	(34,500)						(40,000)	(74,500)
Total other financing sources (use)	76,553	NONE	NONE	NONE	NONE	NONE	(5,500)	71,053
NET CHANGE IN FUND BALANCES	146,323	410,261	72,933	27,913	180,710	NONE	104,171	942,311
FUND BALANCES - BEGINNING	416,491	1,034,381	529,009	586,159	555,087		1,646,163	4,767,290
FUND BALANCES - ENDING	$562,814	$1,444,642	$601,942	$614,072	$735,797	NONE	$1,750,334	$5,709,601

See accompanying notes to basic financial statements.

Franklin Parish Police Jury
Winnsboro, Louisiana
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances to the Statement of Activities
For the Year Ended December 31, 2006

Net change in fund balances - total governmental funds (Statement D)	$942,311
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays ($694,147) exceeded depreciation ($1,134,709) in the current period.	(440,562)
Governmental funds do not report gain or loss on disposition of assets. In the Statement of Activities, gain on disposition of assets increased when the asset is disposed.	(268,098)
In the Statement of Activities, certain operating expenses - compensated absences - are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid).	(11,247)
Change in net assets of governmental activities (Statement B)	$222,404

See accompanying notes to basic financial statements.

Notes to the Financial Statements
As of and for the Year Ended December 31, 2006

Introduction

The Franklin Parish Police Jury is the governing authority for Franklin Parish and is a political subdivision of the State of Louisiana. The police jury is governed by seven jurors representing the various districts within the parish. The jurors serve four-year terms which expire in January, 2008.

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

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

GASB Statement No. 14, *The Reporting Entity*, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the jury is considered a primary government, since it is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement No. 14, fiscally independent means that the police jury may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. In accordance with GASB Statement 14, the reporting entity for Franklin Parish consist of the primary government (police jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

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

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

    a. The ability of the police jury to impose its will on that organization and/or

b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.

2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.

3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Based on the previous criteria, the police jury has determined that the following component units are part of the reporting entity:

	Fiscal Year End	Criteria Used
Franklin Parish:		
Library	December 31	1 & 3
Tourist Commission	December 31	1 & 3
Assessor	December 31	2 & 3
Clerk of Court	June 30	2 & 3
Sheriff	June 30	2 & 3
Communications District	December 31	1 & 3
Hospital Service District No. 1	December 31	1 & 3
Sewerage District No. 1	June 30	1 & 3
Sewerage District No. 2	December 31	1 & 3
Fire District No. 2	December 31	1 & 3
Fire District No. 3	December 31	1 & 3
Fire District No. 4	December 31	1 & 3
Fire District No. 5	December 31	1 & 3
Fifth Judicial District Criminal Court	December 31	3
Crowville Fire District	December 31	1 & 3
South Franklin Recreation District	December 31	1 & 3

Considered in the determination of component units of the reporting entity were the Franklin Parish School Board and the various municipalities in the parish. It was determined that these governmental entities are not component units of the Franklin Parish Police Jury reporting entity because they have separately elected governing bodies, are legally separate, and are fiscally independent of the Franklin Parish Police Jury.

GASB Statement 14 provides for the issuance of primary government financial statements that are separate from those of the reporting entity. However, the primary government's (police jury's) financial statements are not a substitute for the reporting entity's financial statements. The accompanying primary government financial statements have been prepared in conformity with generally accepted accounting principles as applied to governmental units.

The police jury has chosen to issue financial statements of the primary government (police jury) only; therefore, none of the previously listed component units, except as discussed in the following paragraph, are included in the accompanying primary government financial statements. These financial statements are not intended to and do not report on the Franklin Parish reporting entity but rather are intended to reflect only the financial statements of the primary government (police jury).

These primary government (police jury) financial statements include all funds and organizations for which the police jury maintains the accounting records. Organizations for which the police jury maintains the accounting records include the Fifth Judicial District Criminal Court, Fire District No. 2, Fire District No. 3, Fire District No. 4, and the Franklin Parish Tourist Commission.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and, where applicable, proprietary and fiduciary funds, even though fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds and, where applicable, major individual enterprise funds are reported as separate columns in the fund financial statements.

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are proprietary and fiduciary fund financial statements, where applicable. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Ad valorem taxes, state revenue sharing, and federal and state grants are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the police jury.

The police jury reports the following major governmental funds:

> The General Fund is the police jury's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund
>
> The Road and Bridge Fund accounts for the construction, repair, and maintenance of roads and bridges on a parish wide basis. Financing is provided by ad valorem taxes, state revenue sharing, Parish Transportation Act funds, and operating transfers from the General Fund.
>
> The Drainage Maintenance Fund accounts for maintenance of storm drainage systems and watershed programs in the parish. Financing is provided by ad valorem taxes.
>
> The Parish Equipment Fund accounts for acquisition and maintenance of police jury equipment. Financing is provided by a parishwide ad valorem tax.

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

The Workforce Investment Act (WIA) Fund accounts for grants from the United States Department of Labor passed through the Louisiana Department of Labor. Grants are subsequently transferred to the Franklin Parish Community Action Association, Incorporated, which administers the program under contract with the police jury. The WIA program provides job training and related assistance to economically disadvantaged individuals. The ultimate goal of the program is to move trainees into permanent, self-sustaining employment.

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

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

When both restricted and unrestricted resources are available for use, it is the police jury's policy to use restricted resources first, then unrestricted resources as they are needed.

C. Deposits and Investments

The police jury's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. State law and the police jury's investment policy allow the police jury to invest in collateralized certificates of deposits, government backed securities, commercial paper, the Louisiana Asset Management Pool (a state sponsored investment pool), and mutual funds consisting solely of government backed securities. Investments for the police jury are reported at fair value.

D. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources

All property tax receivables are shown net of an allowance for uncollectibles. Ad valorem taxes are assessed on a calendar year basis and attach as an enforceable lien and become due and payable on the date the tax rolls are filed with the recorder of mortgages. Louisiana Revised Statute 47:1993 requires that the tax roll be filed on or before November 15th. Ad valorem taxes become delinquent if not paid by December 31st. The taxes are normally collected in December of the current year and January and February of the ensuing year. The following is a summary of authorized and levied ad valorem taxes:

	Authorized Millage	Levied Millage	Expiration Date
Parishwide taxes:			
General:			
Outside municipalities	3.52	3.56	Indefinite
Inside municipalities	1.76	1.78	Indefinite
Equipment	7.84	7.97	2007
Health Unit	3.16	3.21	2010
Drainage maintenance	10.77	10.96	2007
Road equipment and salary adjustment	4.19	4.26	2008
Courthouse maintenance	3.92	3.99	2007
Fire district 2	10.42	10.42	2010
Fire district 3	10.37	10.37	2007
Fire district 4	10.20	10.20	2010

The difference between authorized and levied millage is the result of reassessments of taxable property within the parish as required by Article 7, Section 18 of the Louisiana Constitution of 1974. The following are the principal taxpayers for the parish and their 2006 assessed valuation (amounts expressed in thousands):

	2006 Assessed Valuation	Percent of Total Assessed Valuation
Entergy Louisiana, Inc.	$2,210,590	2.82%
Regency Intrastate	1,851,863	2.36%
Bellsouth Telecommunications	1,522,570	1.94%
Tennessee Gas Pipeline Co.	1,411,440	1.80%
Northeast Louisiana Power Coop	1,389,940	1.77%
Winnsboro State Bank	1,295,880	1.65%
Columbia Gulf Transmission	1,272,810	1.63%
Progressive Bank	1,213,305	1.55%
ANR Pipeline Company	1,182,160	1.51%
Franklin State Bank	1,095,405	1.40%
Total	$14,445,963	18.43%

E. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads and bridges) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Approximately 92% of the police jury's non-infrastructure assets are based on actual costs while the remaining 8% are based on the actual historical costs of like items. The cost of infrastructure assets (roads and bridges) acquired prior to 2006 are based on current replacement cost adjusted to their year of acceptance into the parish road system using the U.S. Department of Labor's producer price index. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The police jury maintains a threshold level of $1,000 or more for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend their useful lives are not capitalized.

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

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

F. Annual and Sick Leave

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

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

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

At December 31, 2006, employees of the police jury had accumulated and vested $85,118 of employee leave benefits, computed in accordance with GASB Codification C60. The liability is recorded within the general long-term obligations account group.

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

G. Sales Taxes

On January 19, 2002, voters of the parish approved the renewal of a one-half of one per cent sales and use tax which is dedicated for the purpose of solid waste collection and disposal. The renewal tax is for a period of five years beginning December 1, 2003, and ending November 30, 2008. On January 19, 2002, voters of the parish approved the renewal of a one per cent sales and use tax which is dedicated for the construction, operation, and maintenance of roads and bridges within the parish. The renewal tax is for a period of ten years beginning July 1, 2003, and ending June 30, 2013. The police jury entered into an agreement with the Franklin Parish School Board whereby the school board provides collection services for a pro rata fee of the total based on taxes collected by the school board.

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

2. CASH AND EQUIVALENTS

Under state law, the police jury may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having principal offices in Louisiana. At December 31, 2006, the police jury has cash (book balances), in total of $4,074,740.

Demand deposits	$2,094,740
Time deposits	1,980,000
Total	$4,074,740

These deposits are stated at cost, which approximates market. Under state law, these deposits, or the resulting bank balances, must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Cash (bank balances) at December 31, 2006, are secured in total as follows:

Bank Balances	$4,097,441
Federal deposit insurance	$200,000
Pledged securities (uncollateralized)	5,447,656
Total	$5,647,656

Because the pledged securities are held by a custodial bank in the name of the fiscal agent bank rather than in the name of the police jury, they are considered uncollateralized (Category 3) under the provisions of GASB Codification C20.106. However, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the police jury that the fiscal agent bank has failed to pay deposited funds upon demand. Further, LRS 39:1224 states that securities held by a third party shall be deemed to be held in the police jury's name.

3. RECEIVABLES

The receivables of $2,289,208 at December 31, 2006, are as follows:

	General Fund	Special Revenue Funds	Total
Taxes:			
Ad valorem	$128,411	$1,506,428	$1,634,839
Sales		248,113	248,113
Alcoholic Beverage	2,871		2,871
Federal grants	88,308	15,477	103,785
State grants	110,878	154,727	265,605
Local grants	9,090		9,090
Accounts and other	12,808	12,097	24,905
Total	$352,366	$1,936,842	$2,289,208

4. CHANGES IN CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended 12/31/06 is as follows:

	Balance January 1,	Additions	Deletions	Balance December 31,
Police Jury:				
Capital assets not being depreciated:				
Land	$308,136			$308,136
Construction in Progress	NONE	$396,469		396,469
Total capital assets not being depreciated	308,136	396,469	NONE	704,605
Capital assets being depreciated:				
Infrastructure - roads	82,952,396	61,724		$83,014,120
Infrastructure - bridges	2,354,699			2,354,699
Buildings and improvements	5,146,029		($380,494)	4,765,535
Improvements other than buildings	2,028,484			2,028,484
Office furniture and equipment	84,293	2,313	(46,338)	40,268

	Balance January 1,	Additions	Deletions	Balance December 31,
Heavy equipment	$968,427	$215,630	($11,100)	$1,172,957
Other equipment	525,850	18,011		543,861
Vehicles	1,098,095		(32,304)	1,065,791
Total capital assets being depreciated	95,158,273	297,678	(470,236)	94,985,715
Less accumulated depreciation for:				
Infrastructure - roads	(68,799,428)	(662,860)		(69,462,288)
Infrastructure - bridges	(1,278,580)	(36,688)		(1,315,268)
Buildings and improvements	(2,510,605)	(128,676)	123,661	(2,515,620)
Improvements other than buildings	(720,561)	(96,875)		(817,436)
Office furniture and equipment	(46,606)	(2,337)		(48,943)
Heavy equipment	(544,973)	(84,973)	9,655	(620,291)
Other equipment	(360,275)	(52,343)	36,519	(376,099)
Vehicles	(636,691)	(69,957)	32,304	(674,344)
Total accumulated depreciation	(74,897,719)	(1,134,709)	202,139	(75,830,289)
Total capital assets being depreciated (net)	$20,260,554	($837,031)	($268,097)	$19,155,426
Total capital assets (net)	$20,568,690	($440,562)	($268,097)	$19,860,031

The beginning balances have been restated due to a calculation error in prior year.

Depreciation expense as of and for the year ended 12/31/06 was charged as follows:

	Amount
General government	$31,600
Public safety	83,946
Public works (including depreciation on road infrastructure)	854,660
Health and welfare	121,455
Culture and recreation	43,048
Total	$1,134,709

5. PENSION PLAN

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

All permanent employees working at least twenty-eight hours per week who are paid wholly or in part from parish funds and all elected parish officials are eligible to participate in the System. Under Plan A, employees who retire at or after age 60 with at least 10 years of creditable service, at or after age 55 with at least 25 years of creditable service, or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 per cent of their final average salary for each year of creditable service. However, for those employees who were members of the supplemental plan only before January 1, 1980, the benefit is equal to one per cent of final average salary plus $24 for each year of supplemental-plan-only service earned before January 1, 1980, plus 3 per cent of final-average salary for each year of service credited after the revision date. Final average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefits accrued to their date of termination. The system also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Parochial Employees' Retirement System of Louisiana, Post Office Box 14619, Baton Rouge, Louisiana 70898-4619, or by calling (504) 928-1361.

Under Plan A, members are required by state statute to contribute 9.50 per cent of their annual covered salary and the Franklin Parish Police Jury is required to contribute at an actuarially determined rate. The current rate is 12.75 per cent of annual covered payroll. Contributions to the system also include one-fourth of one per cent (except Orleans and East Baton Rouge Parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the Franklin Parish Police Jury are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Franklin Parish Police Jury's contributions to the System under Plan A for the years ending December 31, 2006, 2005, and 2004, were $118,236, $126,771, and $115,982, respectively, equal to the required contributions for each year.

6. POST RETIREMENT GROUP INSURANCE BENEFITS

The Franklin Parish Police Jury provides certain continuing health care benefits for its retired employees who have been employed for 30 years or longer. The police jury recognizes the cost of providing these benefits (police jury's portion of premiums) as an expenditure when paid during the year, of that amount, $5,402, was for retiree benefits. Additionally, the police jury has made available certain continuing health care and life insurance benefits provided through an insurance company to all other employees that reach normal retirement age. Retirees participating in the program are required to pay 100 per cent of the monthly premium.

7. DUE FROM/TO OTHER FUNDS

The following presents interfund balances due from and to other funds at December 31, 2006.

Fund	Due From	Due To
General	$56,285	$25,911
Special Revenue:		
Road and Bridge	7,901	
Health Unit		5,607
Section 8	12,742	
Drainage Maintenance		18,549
Road Equipment and Salary Adjustment		7,210
Parish Equipment		13,489
Courthouse Maintenance	5,268	6,753
Fire District No. 2		2,030
Fire District No. 3		865
Fire District No. 4		1,782
Total	$82,196	$82,196

8. CHANGES IN GENERAL LONG-TERM OBLIGATIONS

The following is a summary of long-term obligation transactions for the year ended December 31, 2006:

	Compensated Absences
Long-term obligations at January 1ST	$73,871
Additions	39,704
Deductions	(42,835)
Adjustments[1]	14,378
Long-term obligations at December 31ST	$85,118

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

9. RISK MANAGEMENT

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

10. WORKFORCE INVESTMENT ACT PROGRAM

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

11. LITIGATION AND CLAIMS

At December 31, 2006, the police jury is involved in several lawsuits. Although the total amount of potential liability cannot be determined at this time, any damages awarded would be covered under the police jury's insurance. In the event there is an unfavorable outcome, the police jury's maximum loss would be limited to the insurance deductible amount. No provision for the potential liability has been made in the accompanying financial statements.

Required Supplemental Information (Part II)

Franklin Parish Police Jury
Winnsboro, Louisiana

Required Supplementary Information
Budgetary Comparison Schedules for Major Funds
For the Year Ended December 31, 2006

Preliminary budgets for the ensuing year are prepared by the secretary/treasurer prior to November of each year. During November, the finance committee reviews the proposed budgets and makes changes as they deem appropriate. The availability of the proposed budgets for public inspection and the date of the public hearing on the budgets are then advertised in the official journal. During its regular December meeting, the police jury holds a public hearing on the proposed budget in order to receive comments from residents. Changes are made to the proposed budgets based on the public hearing and the desires of the police jury as a whole. The budgets are then adopted during the police jury's regular December meeting, and a notice is published in the official journal.

During the year, the police jury receives monthly budget comparison statements which are used as a tool to control the operations of the parish. The secretary/treasurer presents necessary budget amendments to the police jury during the year when, in his judgement, actual operations are differing materially from those anticipated in the original budget. The jury, during a regular meeting, reviews the proposed amendments, makes changes as they feel necessary, and formally adopts the amendments. The adoption of the amendments is included in police jury minutes published in the official journal.

The police jury exercises budgetary control at the function level. Unexpended appropriations lapse at year end and must be reappropriated in the next year's budget to be expended.

For the year ended December 31, 2006, modified accrual based budgets were adopted for the General Fund and all special revenue funds. Budgetary comparison schedules include the original budgets and all subsequent amendments.

Schedule 1

Franklin Parish Police Jury
Winnsboro, Louisiana
Budgetary Comparison Schedule
General Fund and Workforce Investment Act
For the Year Ended December 31, 2006

	General Fund				Workforce Investment Act		
	Budgeted Amounts			Variance With Final Budget	Budget		Variance With Final Budget
	Original	Final	Actual	Positive (Negative)	Original	Actual	Positive (Negative)
Revenues							
Taxes:							
Ad Valorem	$100,000	$150,000	$139,883	($10,117)			
Other taxes, penalties, & interest	12,200	26,000	17,210	(8,790)			
Licenses and permits	85,000	102,000	101,033	(967)			
Intergovernmental revenues:							
Federal funds	129,000	30,911	181,075	150,164	1,927,734	1,927,734	
State funds:							
Severance taxes	180,000	55,000	77,601	22,601			
Fire insurance rebate	60,000	68,000	46,749	(21,251)			
State revenue sharing (net)	16,000	16,000	15,249	(751)			
Rural development		365,000	427,350	62,350			
Other	550	450	3,419	2,969			
Fees, charges, and commissions for services	22,200	28,500	145,695	117,195			
Use of money and property	5,500	4,000	4,883	883			
Other revenue	39,700	6,000	6,191	191			
Total revenues	650,150	851,861	1,166,338	314,477	1,927,734	1,927,734	
Expenditures							
Current:							
General government:							
Legislative	75,500	74,500	74,958	(458)			
Judicial	53,405	62,945	59,516	3,429			
Elections	14,400	19,200	16,936	2,264			
Finance and administrative	241,000	186,500	185,217	1,283			
Public safety	101,700	133,760	116,519	17,241			
Public works							
Health and welfare	134,810	171,261	180,108	(8,847)			
Culture and recreation	19,500	24,100	24,313	(213)			
Economic development and assistance	46,374	53,104	32,859	20,245	1,927,734	1,927,734	
Capital outlay		360,000	406,142	(46,142)			
Total expenditures	686,689	1,085,370	1,096,568	(11,198)	1,927,734	1,927,734	

Excess (Deficiency) of Revenues over Expenditures	(36,539)	(233,509)	69,770	303,279	NONE	NONE	
Other Financing Sources (Use)							
Operating transfer in	46,000	46,050	40,000	(6,050)			
Proceeds from sale of property			71,053				
Operating transfer out	(30,000)	(35,000)	(34,500)	500			
Total other financing sources (use)	16,000	11,050	76,553	(5,550)	NONE	NONE	0
Net Change In Fund Balances	(20,539)	(222,459)	146,323	297,729	NONE	NONE	0
Fund Balance - Beginning	416,491	416,491	416,491				
Fund Balance - Ending	$395,952	$194,032	$562,814	$368,782	NONE	NONE	

(Continued)

Schedule 1

Franklin Parish Police Jury
Winnsboro, Louisiana
Budgetary Comparison Schedule
Road and Bridge and Sales Tax Funds
For the Year Ended December 31, 2006

	Road and Bridge				Sales Tax			
	Budgeted Amounts			Variance With Final Budget	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Positive (Negative)	Original	Final	Actual	Positive (Negative)
Revenues								
Taxes - Sales	$1,700,000	$1,700,000	$2,129,813	$429,813	$950,000	$950,000	$1,064,911	$114,911
Intergovernmental revenues -								
Federal funds			15,477	15,477				
State funds:								
Parish transportation	180,000	180,000	269,363	89,363				
Rural development grants	83,000	83,000	10,793	(72,207)				
Fees, charges, and commissions for services					7,900	7,900	4,380	(3,520)
Use of money and property	11,150	11,150	17,551	6,401	3,800	3,800	10,062	6,262
Other	1,100	1,100	1,552	452				
Total revenues	1,975,250	1,975,250	2,444,549	469,299	961,700	961,700	1,079,353	117,653
Expenditures								
Current								
Public works	2,059,340	2,199,340	1,823,859	375,481	741,200	791,200	898,643	(107,443)
Capital outlay		153,155	210,429	(57,274)				
Total expenditures	2,059,340	2,352,495	2,034,288	318,207	741,200	791,200	898,643	(107,443)
Excess (Deficiency) of Revenues over Expenditures	(84,090)	(377,245)	410,261	787,506	220,500	170,500	180,710	10,210
Other Financing Source								
Proceeds from sale of property	1,000	1,000		(1,000)				
Net Change In Fund Balances	(83,090)	(376,245)	410,261	786,506	220,500	170,500	180,710	10,210
Fund Balance - Beginning	1,034,381	1,034,381	1,034,381		555,087	555,087	555,087	
Fund Balance - Ending	$951,291	$658,136	$1,444,642	$786,506	$775,587	$725,587	$735,797	$10,210

(Continued)

Schedule 1

Franklin Parish Police Jury
Winnsboro, Louisiana
Budgetary Comparison Schedule
Drainage Maintenance and Parish Equipment Funds
For the Year Ended December 31, 2006

	Drainage Maintenance				Parish Equipment		
	Budgeted Amounts			Variance With Final Budget	Budget		Variance With Final Budget
	Original	Final	Actual	Positive (Negative)	Original	Actual	Positive (Negative)
Revenues							
Taxes - Ad valorem	$490,000	$490,000	$549,682	$59,682	$375,000	$400,149	$25,149
Intergovernmental revenues -							
State - State revenue sharing (net)	55,000	55,000	51,342	(3,658)	40,000	37,372	(2,628)
Use of money and property	3,850	4,000	5,338	1,338	3,650	5,844	
Other			6,885	6,885	3,500		(3,500)
Total revenues	548,850	549,000	613,247	64,247	422,150	443,365	21,215
Expenditures							
Current - Public works	607,570	607,570	540,314	67,256	353,010	348,527	4,483
Capital outlay	3,500	3,500		3,500	65,000	66,925	(1,925)
Total expenditures	611,070	611,070	540,314	70,756	418,010	415,452	2,558
Excess (Deficiency) of Revenues over Expenditures	(62,220)	(62,070)	72,933	135,003	4,140	27,913	23,773
Other Financing Sources (use)							
Operating transfers in	22,000	22,000		(22,000)	15,700		(15,700)
Operating transfers out	(22,000)	(22,000)		22,000	(15,700)		15,700
Total other financing sources (use)	NONE	NONE		NONE	NONE	NONE	NONE
Net Change In Fund Balances	(62,220)	(62,070)	72,933	135,003	4,140	27,913	23,773
Fund Balance - Beginning	529,009	529,009	529,009		586,159	586,159	
Fund Balance - Ending	$466,789	$466,939	$601,942	$135,003	$590,299	$614,072	$23,773

(Concluded)

Other Supplemental Schedules

SPECIAL REVENUE FUNDS

MAINTENANCE FUNDS

Courthouse Maintenance Fund

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

Health Unit Maintenance Fund

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

ROAD EQUIPMENT AND SALARY ADJUSTMENT FUND

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

SECTION 8 HOUSING FUND

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

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

WITNESS FEE FUND

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

CRIMINAL COURT FUND

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

TOURIST COMMISSION FUND

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

UNEMPLOYMENT ESCROW

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

FIRE DISTRICT N0. 2

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

FIRE DISTRICT N0. 3

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

FIRE DISTRICT N0. 4

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

FRANKLIN PARISH POLICE JURY
Winnsboro, Louisiana
OTHER GOVERNMENTAL FUNDS

Combining Balance Sheet, December 31, 2006

	MAINTENANCE FUNDS	ROAD EQUIP & SAL ADJ	SECTION 8	WITNESS FEE	CRIMINAL COURT	TOURIST COMM	UNEMP ESCROW	FIRE DISTRICTS	TOTAL
ASSETS									
Cash and cash equivalents	$429,006	$360,303	$9,519	$6,446	$8,321	$91,984	$45,528	$286,627	$1,237,734
Receivables	349,702	206,958		85	2,967	8,344		126,192	694,248
Due from other funds	5,268		12,742						18,010
TOTAL ASSETS	$783,976	$567,261	$22,261	$6,531	$11,288	$100,328	$45,528	$412,819	$1,949,992
LIABILITIES AND FUND EQUITY									
Liabilities:									
Accounts payable	$24,581	$8,807			$971			$6,181	$40,540
Salaries payable	2,792				2,339				5,131
Due to other funds	12,360	7,210						4,677	24,247
Deferred revenue - protest taxes	49,302	28,621						51,817	129,740
Total liabilities	89,035	44,638	NONE	NONE	3,310	NONE	NONE	62,675	199,658
Fund Equity - fund balances - unreserved - undesignated	694,941	522,623	$22,261	$6,531	7,978	$100,328	$45,528	350,144	1,750,334
TOTAL LIABILITIES AND FUND EQUITY	$783,976	$567,261	$22,261	$6,531	$11,288	$100,328	$45,528	$412,819	$1,949,992

Schedule 3

FRANKLIN PARISH POLICE JURY
Winnsboro, Louisiana
OTHER GOVERNMENTAL FUNDS

Combining Schedule of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended December 31, 2006

	MAINTENANCE FUNDS	ROAD EQUIP & SAL ADJ	SECTION 8	WITNESS FEE	CRIMINAL COURT	TOURIST COMM	UNEMP ESCROW	FIRE DISTRICTS	TOTAL
REVENUES									
Taxes:									
Ad valorem	$361,343	213,859						$136,385	$711,587
Sales						$29,788			29,788
Intergovernmental:									
Federal funds - grants			$53,069						53,069
State funds:									
Fire insurance rebate								21,063	21,063
State revenue sharing (net)	33,738	19,968							53,706
Fees, charges, and commissions for services				$7,401		18,218		13,850	39,469
Fines and forfeitures					$136,004				136,004
Use of money and property	10,232	7,239	104	47	67	1,102	$762	3,971	23,524
Other revenues	800		5,406			100		700	7,006
Total revenues	406,113	241,066	58,579	7,448	136,071	49,208	762	175,969	1,075,216
EXPENDITURES									
Current:									
General government									
Judicial				3,700	161,751		1,818		167,269
Other general government	236,648								236,648
Public safety								82,203	82,203
Public works		213,808							213,808
Health and welfare	182,664		44,405						227,069
Economic development and assistance						27,897			27,897
Capital outlay		7,735						2,916	10,651
Total expenditures	419,312	221,543	44,405	3,700	161,751	27,897	1,818	85,119	965,545
EXCESS (Deficiency) OF REVENUES	(13,199)	19,523	14,174	3,748	(25,680)	21,311	(1,056)	90,850	109,671

OTHER FINANCING SOURCE (USE)									
Operating transfers in					34,500				34,500
Operating transfers out	(40,000)								(40,000)
Total other financing source (use)	(40,000)	NONE	NONE	NONE	34,500	NONE	NONE	NONE	(5,500)
NET CHANGE IN FUND BALANCE	(53,199)	19,523	14,174	3,748	8,820	21,311	(1,056)	90,850	104,171
FUND BALANCES AT BEGINNING OF YEAR	748,140	503,100	8,087	2,783	(842)	79,017	46,584	259,294	1,646,163
FUND BALANCES AT END OF YEAR	$694,941	$522,623	$22,261	$6,531	$7,978	$100,328	$45,528	$350,144	$1,750,334

FRANKLIN PARISH POLICE JURY
Winnsboro, Louisiana
OTHER GOVERNMENTAL FUNDS - MAINTENANCE FUNDS

Combining Balance Sheet, December 31, 2006

	COURTHOUSE	HEALTH UNIT	TOTAL
ASSETS			
Cash and cash equivalents	$231,929	$197,077	$429,006
Receivables	193,621	156,081	349,702
Due from other funds	5,268		5,268
TOTAL ASSETS	$430,818	$353,158	$783,976
LIABILITIES AND FUND EQUITY			
Liabilities:			
Accounts payable	$16,153	$8,428	$24,581
Salaries payable	725	2,067	2,792
Due to other funds	6,753	5,607	12,360
Deferred revenue - protest taxes	27,377	21,925	49,302
Total liabilities	51,008	38,027	89,035
Fund Equity - fund balances - unreserved -undesignated	379,810	315,131	694,941
TOTAL LIABILITIES AND FUND EQUITY	$430,818	$353,158	$783,976

FRANKLIN PARISH POLICE JURY
Winnsboro, Louisiana
OTHER GOVERNMENTAL FUNDS - MAINTENANCE FUNDS

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended December 31, 2006

	COURTHOUSE	HEALTH UNIT	TOTAL
REVENUES			
Taxes - Ad valorem	$200,074	$161,269	$361,343
State funds - state revenue sharing	18,681	15,057	33,738
Use of money and property	5,174	5,058	10,232
Other	733	67	800
Total revenues	224,662	181,451	406,113
EXPENDITURES			
Current - general government	236,648		236,648
Health and welfare		182,664	182,664
Total expenditures	236,648	182,664	419,312
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(11,986)	(1,213)	(13,199)
OTHER FINANCING USE			
Operating transfers out		(40,000)	(40,000)
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES AND OTHER USE	(11,986)	(41,213)	(53,199)
FUND BALANCES AT BEGINNING OF YEAR	391,796	356,344	748,140
FUND BALANCES AT END OF YEAR	$379,810	$315,131	$694,941

FRANKLIN PARISH POLICE JURY
Winnsboro, Louisiana
OTHER GOVERNMENTAL FUNDS - FIRE DISTRICT FUNDS

Combining Balance Sheet, December 31, 2006

	FIRE DISTRICT 2	FIRE DISTRICT 3	FIRE DISTRICT 4	TOTAL
ASSETS				
Cash and cash equivalents	$99,497	$70,862	$116,268	$286,627
Receivables	61,250	19,038	45,904	126,192
TOTAL ASSETS	$160,747	$89,900	$162,172	$412,819
LIABILITIES AND FUND EQUITY				
Liabilities:				
Accounts payable	$3,020	$966	$2,195	$6,181
Due to other funds	2,030	865	1,782	4,677
Deferred revenue - protest taxes	36,821	13,653	1,343	51,817
Total liabilities	41,871	15,484	5,320	62,675
Fund Equity - fund balances -unreserved -undesignated	118,876	74,416	156,852	350,144
TOTAL LIABILITIES AND FUND EQUITY	$160,747	$89,900	$162,172	$412,819

FRANKLIN PARISH POLICE JURY
Winnsboro, Louisiana
OTHER GOVERNMENTAL FUNDS - FIRE DISTRICT FUNDS

Combining Schedule of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended December 31, 2006

	FIRE DISTRICT 2	FIRE DISTRICT 3	FIRE DISTRICT 4	TOTAL
REVENUES				
Taxes - Ad valorem	$62,033	$22,102	$52,250	$136,385
State funds - fire insurance rebate	9,286	3,876	7,901	21,063
Fees, Charges and Commissions for Services	13,850			13,850
Use of money and property	1,274	942	1,755	3,971
Other revenue			700	700
Total revenues	86,443	26,920	62,606	175,969
EXPENDITURES				
Current - public safety	42,783	14,415	25,005	82,203
Capital outlay			2,916	2,916
Total expenditures	42,783	14,415	27,921	85,119
NET CHANGE IN FUND BALANCE	43,660	12,505	34,685	90,850
FUND BALANCES AT BEGINNING OF YEAR	75,216	61,911	122,167	259,294
FUND BALANCES AT END OF YEAR	$118,876	$74,416	$156,852	$350,144

COMPENSATION PAID POLICE JURORS

The schedule of compensation paid to police jurors is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Compensation of the police jurors is included in the legislative expenditures of the General Fund. In accordance with Louisiana Revised Statute 33:1233, the police jury has elected the monthly payment method of compensation. The president receives $900 per month, and the other jurors receive $750 per month.

Schedule 8

FRANKLIN PARISH POLICE JURY
Winnsboro, Louisiana

Schedule of Compensation Paid Police Jurors
For the Year Ended December 31, 2006

Ricky Campbell	$9,000
Troy Hendry	9,000
Harvey Guimbellot (President)	10,800
Jackie R. Johnson	9,000
Leroy Scott	9,000
Buddy Parks	9,000
Ray Young	NONE
Total	$55,800

Schedule 9

FRANKLIN PARISH POLICE JURY
Winnsboro, Louisiana

Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2006

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM NAME	CFDA NUMBER	PASS-THROUGH GRANT NUMBER	FEDERAL EXPENDITURES
United States Department of Labor			
Passed through Louisiana Department of Labor:			
Workforce Investment Act - Adult Program	17.258	N/A	$633,966
Workforce Investment Act - Youth Activities	17.259	N/A	612,284
Workforce Investment Act - Dislocated Workers	17.260	N/A	1,562,434
Total Department of Labor			2,808,684
United States Department of Housing and Urban Development			
Passed through Department of Social Services, Office of Community Services- HUD/Emergency Shelter Grants Program:	14.231	N/A	20,111
Direct program - Lower-Income Housing Assistance Program	14.156	N/A	53,069
Total Department of Housing and Urban Development			73,180
United State Department of Health and Human Services			
Passed through Department of Labor - Temporary Assistance for Needy Families	93.558	N/A	93,272
United States Department of Homeland Security			
Disaster Grants - Public Assistance	97.036	N/A	15,477
State Homeland Security Program	97.073	N/A	3,739
Total Department of Homeland Security			19,216
Federal Emergency Management Agency			
Passed through Louisiana Office of Emergency Preparedness - Emergency Management Assistance (Civil Defense) Program	83.534	N/A	7,953
United States Department of Interior			
Passed through National Park Service	15.916	N/A	148,483
Direct program - Payment in Lieu of Taxes	15.000	N/A	789
Total United State Department of Interior			149,272
Total Federal Financial Assistance			$3,151,577

FOOTNOTES:

(1) The Schedule of Expenditures of Federal Awards was prepared on the modified accrual basis of accounting.

(2) The Workforce Investment Act Cluster and Technical Assistance for Needy Families are reported for the year ended June 30, 2006.

Other Reports

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

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

Member American
Institute of Certified
Public Accountants

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

Member Society of
Louisiana Certified
Public Accountants

Report on Compliance and Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance *Government Auditing Standards*

Franklin Parish Police Jury
Winnsboro, Louisiana

I have audited the basic financial statements of Franklin Parish Police Jury as of and for the year ended December 31, 2006, and have issued my report there on dated April 5, 2007. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance
As part of obtaining reasonable assurance about whether Franklin Parish Police Jury's basic financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting
In planning and performing my audit, I considered Franklin Parish Police Jury's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the basic financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the basic 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. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses. However I noted another matter involving the internal control over financial reporting that I have reported to the management of the Franklin Parish Police Jury, in a separate letter dated April 5, 2007.

This report is intended for the information of the members of Franklin Parish Pqlice Jury, management of the police jury, federal awarding agencies and pass-through entities, and the Legislative Auditor, and is not intended to be and should not be used by anyone other than these specified parties. Although the intended use of this report may be limited, under Louisiana Revised Statute 24:513, it is issued by the Legislative Auditor as a public document.

West Monroe, Louisiana
April 5, 2007

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Report on Compliance With Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance With OMB Circular A-133

Franklin Parish Police Jury
Winnsboro, Louisiana

Compliance

I have audited the compliance of Franklin Parish Police Jury with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal program for the year ended December 31, 2006. Franklin Parish Police Jury's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of Franklin Parish Police Jury's management. My responsibility is to express an opinion on Franklin Parish Police Jury's compliance based on my audit.

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

In my opinion, Franklin Parish Police Jury complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended December 31, 2006. The results of my auditing procedures disclosed no instances of noncompliance with those requirements that are required to be reported in accordance with OMB Circular A-133.

Practice Limited to Governmental Accounting, Auditing and Financial Reporting

Internal Control Over Compliance

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

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

This report is intended for the information of the members of Franklin Parish Police Jury, management of the police jury, federal awarding agencies and pass-through entities, and the Legislative Auditor, and is not intended to be and should not be used by anyone other than these specified parties. Although the intended use of this report may be limited, under Louisiana Revised Statute 24:513, it is issued by the Legislative Auditor as a public document.

West Monroe, Louisiana
April 5, 2007

FRANKLIN PARISH POLICE JURY
Winnsboro, Louisiana

Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2006

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the primary government financial statements of the Franklin Parish Police Jury.

2. No reportable conditions relating to the audit of the financial statements are reported in the Independent Auditor's Report on Compliance and Internal Control Over Financial Reporting.

3. No instances of noncompliance material to the financial statements of the Franklin Parish Police Jury is reported in the Auditor's Report on Compliance and Internal Control Over Financial Reporting.

4. No reportable conditions relating to the audit of the major federal award programs are reported in the Auditor's Report on Compliance With Requirements Applicable to Major Programs and Internal Control Over Compliance.

5. The auditor's report on compliance for the major federal award programs for the Franklin Parish Police Jury expresses an unqualified opinion.

6. No audit findings relative to the major federal award programs for the Franklin Parish Police Jury are reported.

7. The Workforce Investment Act (WIA) Cluster and the Community Block Development Grant were tested as major programs and consisted of the following individual programs:

	CFDA No.
Workforce Investment Act - Adult Program	17.258
Workforce Investment Act - Youth Activities	17.259
Workforce Investment Act - Dislocated Workers	17.260

8. The threshold for distinguishing Type A and B programs was $300,000.

9. The Franklin Parish Police Jury was determined to be a low-risk auditee.

Schedule of Findings and Questioned Costs (Continued)
For the Year Ended December 31, 2006

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

None

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

None

Schedule 11

FRANKLIN PARISH POLICE JURY
Winnsboro, Louisiana

Summary Schedule of Prior Audit Findings
For the Year Ended December 31, 2006

The audit report for the year ended December 31, 2005 contained no audit findings.

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April 5, 2007

Franklin Parish Police Jury
Winnsboro, Louisiana

In planning and performing my audit of the financial statements of the Franklin Parish Police Jury for the year ended December 31, 2006, I considered the Police Jury's internal control in order to determine my auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on internal control. However, during my audit I became aware of certain matters that are opportunities for strengthening internal control and operating efficiency. The memorandum that accompanies this letter summarizes my comments and suggestions regarding this matter. I reported on the Parish's compliance and internal control over financial reporting in my report dated April 5, 2007. This letter does not affect my report dated April 5, 2007, on the financial statements of Franklin Parish Police Jury.

I will review the status of these comments during my next audit engagement. I have already discussed these comments and suggestions with various administration representatives, and I will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

Sincerely,

Mary Jo Finley, CPA

ML-06-01 Need to Comply With Budget Act

The police jury did not comply with the Local Government Budget Act. LSA-R.S. 39:1310-1311 requires, among other things, that the police jury amend an individual fund's budget when actual revenues and other sources to date plus projected amounts to year-end are failing to meet budgeted amounts by five percent or more and/or when actual expenditures and other uses to date plus projected amounts to year-end are exceeding budgeted amounts by five percent or more. The Sales Tax fund actual expenditures and other uses exceeded budgeted amounts by approximately 14%. The Witness Fee fund actual expenditures and other uses exceeded budgeted amounts by approximately 5%. The Criminal Court fund budgeted expenditures and other uses also exceeded budgeted expenditures and other sources by approximately 7%. Furthermore, the Health Unit fund budgeted revenues exceeded actual amounts by approximately 7%, and Fire District No. 4 budgeted expenditures exceeded actual revenues by approximately 15%.

Both management and the finance committee must have monthly financial statements with which to monitor and control expenditures. Because the police jury as a body is ultimately responsible for compliance with laws and regulations, the finance committee should take an active role in reviewing and monitoring financial activity and any budget deficiencies should be corrected.

OFFICERS

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HARVEY R. GUIMBELLOT
VICE-PRESIDENT
JACKIE JOHNSON
TREASURER
SHANNON B. GWIN
SECRETARY
IRIS "JENNY" CURTIS
ASST.-SECRETARY/TREASURER
JOHNNIE L. WESLEY
PARISH SUPERINTENDENT
GREG HUMPHRIES

MEMBERS

DISTRICT 1
RICKY CAMPBELL
DISTRICT 2
K. W. "BUDDY" PARKS
DISTRICT 3
RAY YOUNG
DISTRICT 4
TROY HENDRY
DISTRICT 5
LEROY SCOTT
DISTRICT 6
HARVEY RAY GUIMBELLOT
DISTRICT 7
JACKIE JOHNSON

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April 5, 2007

Louisiana Legislative Auditors Office
Steve Theriot, Legislative Auditor
P O Box 94397
1600 North Third Street
Baton Rouge, LA 70804

Mr. Theriot:

I am writing in response to the management letter of the FY2006 audit performed by Mary Jo Finley, CPA, Inc. regarding negative budget variances.

The Treasurer for the Franklin Parish Police Jury was averaging all special revenue funds as one fund when monitoring variances in budget. The special revenue funds were added together and an average was taken in order to comply with the budget act in lieu of controlling the funds on an individual basis. When the average was done, the budget had no variance, as other special revenue funds fell well below the budgeted expenditures. Although the financial statements reported at public meetings did show a variance for individual funds, we understood that the average would allow for compliance. We are now better informed that each fund must be monitored and amended individually and we have started and will continue to examine the budget in this manner to ensure compliance.

We apologize for this oversight and obvious misinterpretation of the Budget Act. The Franklin Parish Police Jury Finance Committee and the Parish Treasurer will make an extra effort to monitor each fund every month to ensure proper adjustments are made in a timely manner.

Thank you for your support, care and concern for Louisiana public offices. If there is anything further the Franklin Parish Police Jury could assist your office with, please do not hesitate to ask.

Sincerely,

Harvey R. Guimbellot
Parish President