

FRANKLIN PARISH POLICE JURY
Wiinsboro, Louisiana

Primary Government Financial Statements
With Independent Auditor's Report
As of and for the Year Ended
December 31, 2009
With Supplemental Information Schedules

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

Release Date 4/7/10

**Franklin Parish Police Jury
Winnsboro, Louisiana**

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As of and for the Year Ended
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Required Supplemental Information (Part I)
Management's Discussion and Analysis

Franklin Parish Police Jury
Winnsboro, Louisiana
Management's Discussion and Analysis
December 31, 2009
(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, 2009. 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, and Sales Tax special revenue funds, which are considered to be a major funds. Data from the other funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining schedules in the other supplemental information section of the report.

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

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

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

Government-Wide Financial Analysis As noted earlier, net 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 \$24,343,508. Of those net assets, \$19,121,009 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, receivables, and prepaid assets.

Statement of Net Assets		
Assets	2009	2008
Cash and cash equivalents	\$4,375,203	\$3,765,869
Receivables	2,279,217	2,558,931
Prepaid assets	3,009	
Capital assets (net)	<u>19,121,009</u>	<u>18,517,762</u>
Total Assets	<u>\$25,778,438</u>	<u>\$24,842,562</u>
Liabilities		
Bank overdraft	\$8,698	
Accounts payable	283,932	\$253,378

Payroll withholding payable	\$35,319	\$78,927
Compensated absences payable	102,809	98,122
Capital leases payable	280,023	
Due to others	20,000	10,000
Net OPEB obligation	375,484	
Deferred revenues - Protest taxes	328,665	302,411
Total Liabilities	<u>\$1,434,930</u>	<u>\$742,838</u>
Net Assets		
Invested in capital assets, net of related debt	\$18,840,986	\$18,517,762
Unrestricted	5,502,522	5,581,962
Total Net Assets	<u>\$24,343,508</u>	<u>\$24,099,724</u>

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

As of December 31, 2009, combined governmental fund balances of \$5,980,815 showed an increase of \$300,731 over December 31, 2008. The General Fund's balance of \$272,696 showed a decrease of \$90,068 from the 2008 balance of \$362,764.

Budgetary Highlights

GENERAL FUND - The differences in revenues were due to increases in licenses and permits, federal funds and operating transfers in and a decrease in other state funds. Expenditures required an increase in finance and administrative, public safety, and operating transfers out.

WORKFORCE INVESTMENT ACT - There were no amendments to the budget.

ROAD AND BRIDGE - The differences in revenues were due to increases in federal funds and other state funds. Expenditures required an increase in public works and capital outlay.

SALES TAX - The differences in expenditures required an increase in public works.

DRAINAGE MAINTENANCE - The differences in expenditures required an increase in public works.

PARISH EQUIPMENT - The differences in expenditures required an increase in public works and capital outlay.

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, 2009, amounts to \$19,121,009 (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 \$1,964,561. Reductions in capital assets for the year ended December 31, 2009 were \$280,457.

Long-Term Debt. The Franklin Parish Police Jury had long-term debt at 12/31/09 relating to compensated absences. That total is \$102,809. At the end of the fiscal year, the Franklin Parish Police Jury also had debt outstanding, in the form of leases, of \$280,023, which will be paid in full within three years. During the year ended December 31, 2009, \$29,227 of debt was paid in accordance with the debt agreement.

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.

MARY JO FINLEY, CPA, INC.

A PROFESSIONAL CORPORATION

116 Professional Drive - West Monroe, LA 71291

Phone (318) 329-8880 - Fax (318) 329-8883

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, 2009, 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.

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, 2009, 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.

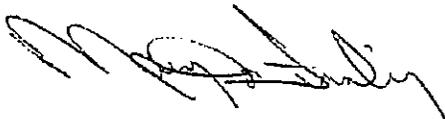
In accordance with *Government Auditing Standards*, I have also issued my report dated February 18, 2010, on my consideration of the Franklin Parish Police Jury's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* and important for assessing the results of my audit.

Franklin Parish Police Jury
Winnsboro, Louisiana
Independent Auditor's Report,
December 31, 2009

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 accounting principles generally accepted in the United States of America. 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 41 through 51 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 35 through 39 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. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, I express no opinion on them.

In accordance with *Government Auditing Standards*, I have also issued a report dated February 18, 2010, 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
February 18, 2010

Basic Financial Statements

Statement A

Franklin Parish Police Jury
Winnsboro, Louisiana
Governmental Activities
Statement of Net Assets
December 31, 2009

Assets	
Cash and cash equivalents	\$4,375,203
Receivables	2,279,217
Prepaid assets	3,009
Capital assets (net)	<u>19,121,009</u>
Total Assets	<u>\$25,778,438</u>
Liabilities	
Bank overdraft	\$8,698
Accounts payable	283,932
Payroll withholding payable	35,319
Compensated absences payable	102,809
Capital leases payable	280,023
Due to others (damage deposit)	20,000
Net OPEB obligation	375,484
Deferred revenues - protest taxes	<u>328,665</u>
Total Liabilities	<u>\$1,434,930</u>
Net Assets	
Invested in capital assets, net of related debt	\$18,840,986
Unrestricted	<u>5,502,522</u>
Total Net Assets	<u>\$24,343,508</u>

See accompanying notes to basic financial statements.

Statement B

Franklin Parish Police Jury
 Winnsboro, Louisiana
 Statement of Activities
 For the Year Ended December 31, 2009

Functions:	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
General government	\$919,225	\$241,270	\$29,848		(\$648,107)
Public safety	796,731	31,485	369,826		(395,420)
Public works	6,503,225		583,554	\$1,533,445	(4,386,226)
Health and welfare	347,106		41,910		(305,196)
Culture and recreation	123,891	32,525			(91,366)
Economic development and assistance	2,717,983		2,622,420		(95,563)
Total governmental activities	\$11,408,161	\$305,280	\$3,647,558	\$1,533,445	(5,921,878)
General revenues:					
Taxes:					
Ad valorem taxes					2,012,194
Sales taxes					3,587,222
State revenue sharing					175,659
Fire insurance rebate					96,151
Other taxes, penalties, and interest					14,468
Grants and contributions not restricted to specific programs					79,082
Licenses and permits					127,762
Unrestricted investment earnings					42,749
Gain (Loss) on sale of assets					(20,580)
Other					50,955
Total general revenues					6,165,662
Change in net assets					243,784
Net assets at beginning of year					24,099,724
Net assets at end of year					<u>\$24,343,508</u>

See accompanying notes to basic financial statements.

Statement C

Franklin Parish Police Jury
 Winnboro, Louisiana
 Governmental Funds
 Balance Sheet
 December 31, 2009

	Road and Bridge		Drainage Maintenance	Parish Equipment	Sales Tax	Other Governmental Funds		Total Governmental Funds
	General							
Assets								
Cash and equivalents	\$161,986	\$925,558	\$360,922	\$394,659	\$1,145,445	\$1,386,633	\$4,375,203	
Receivables	234,643	265,729	559,240	406,238	89,172	724,195	2,279,217	
Prepaid assets				3,009			3,009	
Due from other funds	15,363	98,865	1,582	75		15,407	131,292	
Total Assets	\$411,992	\$1,290,152	\$921,744	\$803,981	\$1,234,617	\$2,126,235	\$6,788,721	
Liabilities and Fund Balances								
Liabilities:								
Bank overdraft						\$8,698	\$8,698	
Accounts payable	\$15,299	\$34,089	\$22,355	\$20,958	\$130,079	61,152	283,932	
Due to other funds	61,246	11,758	2,066	51,210		5,012	131,292	
Due to others (damage deposit)		20,000					20,000	
Payroll deducts payable	35,258	61					35,319	
Deferred revenues - protest taxes	27,493		87,163	63,385		150,624	328,665	
Total Liabilities	139,296	65,908	111,584	135,553	130,079	225,486	807,906	
Fund balances- unreserved - undesignated	272,696	1,224,244	810,160	668,428	1,104,538	1,900,749	5,980,815	
Total Liabilities and Fund Balances	\$411,992	\$1,290,152	\$921,744	\$803,981	\$1,234,617	\$2,126,235	\$6,788,721	

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, 2009

Total fund balance - governmental funds (Statement C)		\$5,980,815
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources		19,121,009
Long term liabilities:		
Compensated absences payable	(\$102,809)	
Capital leases payable	(280,023)	
Net OPEB obligation	(375,484)	(758,316)
Net assets of governmental activities (Statement A)		<u>\$24,343,508</u>

See accompanying notes to basic financial statements.

Statement D

Franklin Parish Police Jury
Winnsboro, Louisiana
Governmental Funds

Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended December 31, 2009

	General	Workforce Investment Act	Road and Bridge	Drainage Maint	Parish Equipment	Sales Tax	Other Governmental Funds	Total Governmental Funds
REVENUES								
Taxes:								
Ad valorem	\$160,229		\$2,347,680	\$619,412	\$434,525	\$1,173,504	\$798,028	\$2,012,194
Sales	14,468						66,038	3,587,222
Other taxes, penalties, and interest Licenses and permits	127,762							14,468
Intergovernmental revenues:								127,762
Federal funds	369,998	\$2,621,839	730,658				41,910	3,764,405
State funds:								
Severance taxes	79,082							79,082
Fire insurance rebate	74,167						21,984	96,151
State revenue sharing	17,125			57,491	41,493		59,550	175,659
Parish transportation			317,966					317,966
Other	30,429		1,068,375					1,098,804
Fees, charges, and commissions for services	104,438					5,181	39,155	148,774
Fines and forfeitures							169,357	169,357
Use of money and property	2,802		6,399	4,225	4,949	10,286	14,088	42,749
Other	4,829		29,299	61			3,743	37,932
Total revenues	985,329	2,621,839	4,500,377	681,189	480,967	1,188,971	1,213,853	11,672,525

EXPENDITURES

Current:

General government:	
Legislative	81,501
Judicial	75,521
Elections	19,886
Finance and administrative	240,877
Other	
	208,701
	214,378
	81,501
	284,222
	19,886
	240,877
	214,378

Public safety	527,841						159,409	687,250
Public works							224,346	5,200,568
Health and welfare	50,817						174,135	224,952
Culture and recreation	76,229							76,229
Economic development and assistance	34,955	2,621,839					61,189	2,717,983
Debt service								33,637
Capital outlay								190,450
Total expenditures								1,964,561
EXCESS OF REVENUES OVER	1,107,627	2,621,839	4,168,944	627,142	891,736	1,096,148	1,232,608	11,746,044
EXPENDITURES	(122,298)	NONE	331,433	54,047	(410,769)	92,823	(18,755)	(73,519)
OTHER FINANCING								
SOURCES (Use)								
Operating transfers in	47,230						15,000	62,230
Proceeds from lease								309,250
Proceeds from sale of property								65,000
Operating transfers out	(15,000)						(47,230)	(62,230)
Total other financing sources (use)	32,230						270	374,250
NET CHANGE IN FUND BALANCES	(90,068)	NONE	331,433	54,047	(69,019)	92,823	(18,485)	300,731
FUND BALANCES - BEGINNING	362,764	NONE	892,811	756,113	737,447	1,011,715	1,919,234	5,680,084
FUND BALANCES - ENDING	\$272,696	NONE	\$1,224,244	\$810,160	\$668,428	\$1,104,538	\$1,900,749	\$5,980,815

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, 2009

Net change in fund balances - total governmental funds (Statement D)	\$300,731
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 (\$1,964,561) exceeded depreciation (\$1,275,736) in the current period.	688,825
The issuance of long term debt (lease) and payments on the leases are treated in governmental activities as other financing sources and uses, whereas those transactions are not reported in the government wide statement of activities but are carries to the statement of net assets.	(280,023)
Payments of long-term debt, including contributions to OPEB obligation, are reported as expenditures in governmental funds. However, those amounts are a reduction of long-term liabilities in the Statement of Net Assets and are not reflected in the Statement of Activities.	(375,484)
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.	(85,580)
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).	<u>(4,685)</u>
Change in net assets of governmental activities (Statement B)	<u><u>\$243,784</u></u>

See accompanying notes to basic financial statements.

Notes to the Financial Statements

FRANKLIN PARISH POLICE JURY
Winnsboro, Louisiana

Notes to the Financial Statements
As of and for the Year Ended December 31, 2009

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, 2012.

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

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

- b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.
2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.
 3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

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

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

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

GASB Statement 14 provides for the issuance of primary government financial statements that are separate from those of the reporting entity. However, the primary government's (police jury's)

financial statements are not a substitute for the reporting entity's financial statements. The accompanying primary government financial statements have been prepared in conformity with generally accepted accounting principles as applied to governmental units.

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

These primary government (police jury) financial statements include all funds and organizations for which the police jury maintains the accounting records. Organizations for which the police jury maintains the accounting records include the 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 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.

The Road and Bridge Fund accounts for the construction, repair, and maintenance of roads and bridges on a parish wide basis. Financing is provided by ad valorem

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

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

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

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

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

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

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

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

C. Deposits and Investments

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

D. Receivables and Payables

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

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

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

	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
Parishwide taxes:			
General:			
Outside municipalities	3.52	3.65	Indefinite
Inside municipalities	1.76	1.82	Indefinite
Equipment	7.84	8.12	2012
Health Unit	3.16	3.24	2010
Drainage maintenance	10.77	11.17	2012
Road equipment and salary adjustment	4.19	4.26	2018
Courthouse maintenance	3.92	4.07	2012
Fire district 2	10.42	10.53	2010
Fire district 3	10.37	15.00	2017
Fire district 4	10.20	10.66	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 2009 assessed valuation (amounts expressed in thousands):

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

	2009 Assessed Valuation	Percent of Total Assessed Valuation
Entergy Louisiana, Inc	\$2,486,480	2.97%
Regency Intrastate	1,808,480	2.16%
Columbia Gulf Transmission	1,696,640	2.03%
Tennessee Gas Pipeline Co	1,417,490	1.69%
Northeast Louisiana Power	1,409,210	1.68%
Bellsouth Telecommunications	1,328,020	1.59%
ANR Pipeline Company	1,238,850	1.48%
Wal-Mart Louisiana, LLC	1,073,630	1.28%
Ron's Warehouse Furniture	847,873	1.01%
Winnsboro State Bank	<u>780,020</u>	<u>0.93%</u>
Total	<u>\$14,086,693</u>	<u>16.82%</u>

E. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads and bridges) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Approximately 92% of the police jury's non-infrastructure assets are based on actual costs while the remaining 8% are based on the actual historical costs of like items. The cost of infrastructure assets (roads and bridges) acquired prior to 2009 are based on current replacement cost adjusted to their year of acceptance into the parish road system using the U.S. Department of Labor's producer price index. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The police jury maintains a threshold level of \$1,000 or more for capitalizing capital assets.

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

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

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

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

F. Annual and Sick Leave

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

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

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

At December 31, 2009, employees of the police jury had accumulated and vested \$102,809 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.

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

The renewal tax is for a period of five years beginning December 1, 2003, and ending November 30, 2008. On November 14, 2009, voters of the parish approved the renewal of a ½% sales and use tax for a period of 5 years. 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, 2009, the police jury has cash (book balances), in total of \$4,366,505, consisting of demand deposits.

These deposits are stated at cost, which approximates market. Under state law, these deposits, or the resulting bank balances, must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Cash (bank balances) at December 31, 2009, are secured in total as follows:

Bank Balances	<u>\$4,423,139</u>
Federal deposit insurance	\$475,480
Pledged securities (uncollateralized)	<u>4,008,125</u>
Total	<u>\$4,483,605</u>

Because the pledged securities are held by a custodial bank in the name of the fiscal agent bank rather than in the name of the police jury, they are considered uncollateralized (Category 3) under the provisions of GASB Codification C20.106. However, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the

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

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 \$2,279,217 at December 31, 2009, are as follows:

	General Fund	Special Revenue Funds	Total
Taxes:			
Ad valorem	\$132,489	\$1,561,163	\$1,693,652
Sales		267,575	267,575
Alcoholic Beverage	3,617		3,617
State grants	31,187	192,915	224,102
Accounts and other	67,350	22,921	90,271
Total	<u>\$234,643</u>	<u>\$2,044,574</u>	<u>\$2,279,217</u>

4. CHANGES IN CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended 12/31/09 is as follows:

	Balance January 1,	Additions	Deletions	Balance December 31,
Police Jury:				
Capital assets not being depreciated:				
Land	\$326,766			\$326,766
Construction in progress	NONE	\$215,705		215,705
Asset under Capital Lease	NONE	309,250		309,250
Total capital assets not being depreciated	<u>326,766</u>	<u>524,955</u>	<u>NONE</u>	<u>851,721</u>
Capital assets being depreciated:				
Infrastructure - roads	84,413,555	1,112,656		85,526,211
Infrastructure - bridges	2,354,699			2,354,699
Buildings and improvements	4,765,535			4,765,535
Improvements other than buildings	2,593,516			2,593,516
Office furniture and equipment	58,054			58,054
Heavy equipment	1,525,614	244,000	(280,457)	1,489,157
Other equipment	370,820	2,000		372,820
Vehicles	1,041,937	80,950		1,122,887
Total capital assets being depreciated	<u>97,123,730</u>	<u>1,439,606</u>	<u>(280,457)</u>	<u>98,282,879</u>
Less accumulated depreciation for:				
Infrastructure - roads	(71,415,901)	(759,066)		(72,174,967)
Infrastructure - bridges	(1,388,644)	(35,723)		(1,424,367)
Buildings and improvements	(2,861,539)	(119,063)		(2,980,602)

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

	Balance January 1,	Additions	Deletions	Balance December 31,
Improvements other than buildings	(\$1,114,267)	(\$111,001)		(\$1,225,268)
Office furniture and equipment	(52,854)	(2,313)		(55,167)
Heavy equipment	(1,061,694)	(134,012)	\$194,877	(1,000,829)
Other equipment	(270,670)	(29,717)		(300,387)
Vehicles	(767,163)	(84,841)		(852,004)
Total accumulated depreciation	(78,932,732)	(1,275,736)	194,877	(80,013,591)
Total capital assets being depreciated (net)	<u>18,190,998</u>	<u>163,870</u>	<u>(85,580)</u>	<u>18,269,288</u>
Total capital assets (net)	<u>\$18,517,764</u>	<u>\$688,825</u>	<u>(\$85,580)</u>	<u>\$19,121,009</u>

Depreciation expense as of and for the year ended 12/31/09 was charged as follows:

	Amount
General government	\$29,725
Public safety	109,481
Public works (including depreciation on road infrastructure)	967,493
Health and welfare	121,375
Culture and recreation	47,662
Total	<u>\$1,275,736</u>

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 12.25 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, 2009, 2008, and 2007, were \$125,582 , \$109,413, and \$132,257, respectively, equal to the required contributions for each year.

6. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

Plan Description. The Franklin Parish Police Jury contributes to a single-employer defined benefit healthcare plan ("the Retiree Health Plan"). The plan provides healthcare insurance for eligible retirees for life through the police jury's group health insurance plan, which covers both active and retired members. To receive benefits employees must have at least 30 years of service. Benefit provisions are established by the Franklin Parish Police Jury. The Retiree Health Plan does not issue a publicly available financial report.

Effective with the Year ending December 31, 2009, the Franklin Parish Police Jury implemented Government Accounting Standards Board Statement Number 45, *Accounting and Financial Reporting by Employers for Post employment Benefits Other than Pensions* (GASB 45). The statement has been implemented prospectively. Using this method, the beginning other post employment benefit (OPEB) liability is set at zero and the actuarially determined OPEB liability relative to past service (prior to January 1, 2009) will be amortized and recognized as an expense over thirty years.

Funding Policy. The Franklin Parish Police Jury contributes 100% of the cost of current year health care premiums for eligible retired employees. For the year ended December 31, 2009, the Franklin Parish Police Jury contributed \$11,945 to the plan.

Annual OPEB Cost and Net OPEB Obligation. The police jury's annual OPEB cost (expense) is calculated based on the annual required contribution (ARC) of the employer. The Franklin Parish Police Jury has elected to calculate the ARC and related information using the alternative measurement method permitted by GASB 45 for employers in plans with fewer than 100 total plan members. The ARC represents

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

a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the police jury's annual OPEB costs for the year, the amount actually contributed to the plan, and changes in the police jury's net OPEB obligation to the retiree health plan.

Annual required contribution	\$387,429
Interest on net OPEB obligation	None
Adjustment to annual required contribution	<u>None</u>
Annual OPEB cost (expense)	387,429
Contributions made	<u>(11,945)</u>
Increase in net OPEB obligation	375,484
Net OPEB obligation at beginning of year	<u>None</u>
Net OPEB obligation at end of year	<u><u>\$375,484</u></u>

The police jury's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the year 2009 was \$387,429, 3%, and \$11,945, respectively.

Funded Status and Funding Progress. As of December 31, 2009, the actuarial accrued liability for benefits was \$2,429,677, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$958,232, and ratio of the unfunded actuarial accrued liability to the covered payroll was 253.56%.

The projection of future benefits for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. The following simplifying assumptions were made:

Retirement age for active employees - Based on the historical retirement age for the covered group, active members were assumed to retire at age 55 or when they are eligible to receive benefits, whichever occurs later.

Marital status - Marital status of members at the calculation date were assumed to continue throughout retirement

Mortality - Life expectancies were based on mortality tables from the National Center for Health Statistics. The 2003 United States Life Tables for Males and for Females, revised March, 2007, were used.

Turnover - Non-group-specific age-based turnover data from GASB Statement 45 were used as the basis for assigning active members a probability of remaining employed until the assumed retirement age and for developing an expected future working lifetime assumption for purposes of allocating to periods the present value of total benefits to be paid.

Healthcare cost trend rate - The expected rate of increase in healthcare insurance premiums was based on projections of the Office of the Actuary at the Centers for Medicare and Medicaid Services. A rate of 5.5% initially, increased to an ultimate rate of 6.1% after ten years, was used.

Health insurance premiums - 2008 age-adjusted health insurance premiums for retirees were used as the basis for calculation of the present value of total benefits to be paid..

Inflation rate - A long-term inflation assumption of 3.9% was based on projected changes in the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) in the 2009 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Disability Insurance Trust Funds for an intermediate growth scenario.

Payroll growth rate - The expected long-term payroll growth rate was assumed to equal the rate of inflation.

Based on the historical and expected returns of the police jury's short-term investments, a discount rate 2.00% was used. In addition, a simplified version of the entry age actuarial cost method was used. The unfunded actuarial liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at December 31, 2008, is thirty years.

7. DUE FROM/TO OTHER FUNDS

The following presents interfund balances due from and to other funds at December 31, 2009.

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

Fund	<u>Due To</u>	<u>Due From</u>
General	\$15,363	\$61,246
Special Revenue:		
Road and Bridge	\$98,865	\$11,758
Health Unit	21	
Section 8	13,838	678
Drainage Maintenance	1,582	2,066
Road Equipment and Salary Adjustment		2,473
Parish Equipment	75	51,210
Courthouse Maintenance	179	654
Tourist Commission	150	
Criminal Court	584	
Unemployment Escrow		1,207
Fire District No. 2	500	
Fire District No. 4	135	
Total	<u>\$131,292</u>	<u>\$131,292</u>

8. CAPITAL LEASES

The police jury records items under capital leases as an asset and an obligation in the accompanying financial statements. At December 31, 2009, the police jury has three capital leases in effect. The leases in effect are for an excavator, a trailer and a truck. The lease for the excavator has an original recorded amount of \$179,500. Lease obligations are retired from the police jury's parish equipment fund. The second lease for the trailer has an original recorded amount of \$40,250. Lease obligations are retired from the police jury's parish equipment fund. The third lease for the truck has an original recorded amount of \$89,500. Lease obligations are retired from the police jury's parish equipment fund. The following is a summary of future minimum lease payments, together with the present value of the net minimum lease payments, as of December 31, 2009:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$70,762	\$8,549	\$79,311
2011	73,242	6,069	79,311
2012	136,019	2,540	138,559
Present value of net minimum lease	<u>\$280,023</u>	<u>\$17,158</u>	<u>\$297,181</u>

9. CHANGES IN GENERAL LONG-TERM OBLIGATIONS

The following is a summary of long-term obligation transactions for the year ended December 31, 2009:

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

	Compensated Absences	Capital Leases	Total
Long-term obligations at January 1 ST	\$98,122	NONE	\$98,122
Additions	\$36,203	\$309,250	\$345,453
Deductions	(41,101)	(29,227)	(70,328)
Adjustments ¹	9,585		9,585
Long-term obligations at December 31 ST	<u>\$102,809</u>	<u>\$280,023</u>	<u>\$382,832</u>

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

10. RISK MANAGEMENT

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

11. 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.

12. LITIGATION AND CLAIMS

At December 31, 2009, 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, 2009**

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, 2009, modified accrual based budgets were adopted for the General Fund and all special revenue funds. Budgetary comparison schedules include the original budgets and all subsequent amendments.

Franklin Parish Police Jury
Winnsboro, Louisiana
Budgetary Comparison Schedule
General Fund and Road Equipment and Salary Adjustment
For the Year Ended December 31, 2009

	General Fund			Workforce Investment Act		
	Budgeted Amounts		Actual	Variance With		Final Budget
	Original	Final		Final Budget	Positive (Negative)	
Revenues						
Taxes:						
Ad Valorem	\$175,000	\$175,000	\$160,229	(\$14,771)		
Other taxes, penalties, & interest	14,000	14,000	14,468	468		
Licenses and permits	76,000	113,000	127,762	14,762		
Intergovernmental revenues:						
Federal funds	15,800	420,800	369,998	(50,802)	\$2,621,839	\$2,621,839
State funds:						
Severance taxes	130,000	130,000	79,082	(50,918)		
Fire insurance rebate	80,000	80,000	74,167	(5,833)		
State revenue sharing (net)	26,000	26,000	17,125	(8,875)		
Other	100,450	450	30,429	29,979		
Fees, charges, and commissions for services	30,500	30,500	104,438	73,938		
Use of money and property	7,500	7,500	2,802	(4,698)		
Other revenue	8,000	8,000	4,829	(3,171)		
Total revenues	663,250	1,005,250	985,329	(19,921)	2,621,839	2,621,839
Expenditures						
Current:						
General government:						
Legislative	75,375	89,125	81,501	7,624		
Judicial	69,395	72,145	75,521	(3,376)		
Elections	23,650	24,550	19,886	4,664		
Finance and administrative	240,850	301,369	240,877	60,492		
Public safety	119,200	561,450	527,841	33,609		
Health and welfare	40,400	40,400	50,817	(10,417)		
Culture and recreation	44,600	36,914	76,229	(39,315)		
Economic development and assistance	47,004	48,504	34,955	13,549	2,621,839	2,621,839
						NONE

Total expenditures	660,474	1,174,457	1,107,627	66,830	2,621,839	2,621,839	NONE
Excess (Deficiency) of Revenues over Expenditures	2,776	(169,207)	(122,298)	46,909	NONE	NONE	NONE
Other Financing Source (Use)	40,000	200,000	47,230	(152,770)			
Operating transfer in		(60,000)	(15,000)	45,000			
Operating transfer out							
Total other financing source (use)	40,000	140,000	32,230	(107,770)	NONE	NONE	NONE
Net Change In Fund Balances	42,776	(29,207)	(90,068)	(60,861)	NONE	NONE	NONE
Fund Balance - Beginning	52,599	52,599	362,764	310,165	NONE	NONE	NONE
Fund Balance - Ending	\$95,375	\$23,392	\$272,696	\$249,304	NONE	NONE	NONE

(Continued)

Franklin Parish Police Jury
 Winnboro, Louisiana
 Budgetary Comparison Schedule
 Road and Bridge and Sales Tax Funds
 For the Year Ended December 31, 2009

	Road and Bridge				Sales Tax			
	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final			Original	Final		
Revenues								
Taxes - Sales	\$2,100,000	\$2,100,000	\$2,347,680	\$247,680	\$980,000	\$980,000	\$1,173,504	\$193,504
Intergovernmental revenues - Federal funds	150,000	850,000	730,658	(119,342)				
State funds:								
Parish transportation	300,000	300,000	317,966	17,966				
Other	10,000	996,400	1,068,375	71,975				
Fees, charges, and commissions for services	30,000	30,000	6,399	(23,601)	4,900	4,900	5,181	281
Use of money and property	2,000	52,050	29,299	(22,751)	9,000	9,000	10,286	1,286
Other	2,592,000	4,328,450	4,500,377	171,927	993,900	993,900	1,188,971	195,071
Total revenues	2,553,850	3,289,591	2,865,899	423,692	984,500	1,053,737	1,096,148	(42,411)
Expenditures								
Current - Public works	3,500	1,685,000	1,303,045	381,955				
Capital outlay	2,557,350	4,974,591	4,168,944	805,647	984,500	1,053,737	1,096,148	(42,411)
Total expenditures	34,650	(646,141)	331,433	977,574	9,400	(59,837)	92,823	152,660
Excess (Deficiency) of Revenues over Expenditures	10,000	10,000		(10,000)				
Other Financing Source								
Sale of property	44,650	(636,141)	331,433	967,574	9,400	(59,837)	92,823	152,660
Net Change In Fund Balances	641,536	641,536	892,811	251,275	1,015,181	1,015,181	1,011,715	(3,466)
Fund Balance - Beginning	\$686,186	\$5,395	\$1,224,244	\$1,218,849	\$1,024,581	\$955,344	\$1,104,538	\$149,194

(Continued)

Schedule I

Franklin Parish Police Jury
 Winnboro, Louisiana
 Budgetary Comparison Schedule
 Drainage Maintenance and Parish Equipment Funds
 For the Year Ended December 31, 2009

	Drainage Maintenance			Parish Equipment		
	Budgeted Amounts	Actual	Variance With Final Budget Positive (Negative)	Budgeted Amounts	Actual	Variance With Final Budget Positive (Negative)
Revenues						
Taxes - Ad valorem	\$490,000	\$619,412	\$129,412	\$390,000	\$434,525	\$44,525
Intergovernmental revenues - Federal						
State - State revenue sharing (net)	55,000	57,491	2,491	40,000	41,493	1,493
Use of money and property	10,500	4,225	(6,275)	3,650	4,949	1,299
Other	100	61	(39)	3,500	3,500	(3,500)
Total revenues	<u>555,600</u>	<u>681,189</u>	<u>125,589</u>	<u>437,150</u>	<u>480,967</u>	<u>43,817</u>
Expenditures						
Current - Public works	559,570	601,826	23,312	348,360	412,349	(27,989)
Debt service					33,637	(33,637)
Capital outlay	9,500	25,316	(15,816)	85,000	445,750	(321,750)
Total expenditures	<u>569,070</u>	<u>627,142</u>	<u>7,496</u>	<u>433,360</u>	<u>891,736</u>	<u>(383,376)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(13,470)</u>	<u>(79,038)</u>	<u>133,085</u>	<u>3,790</u>	<u>(71,210)</u>	<u>(339,559)</u>
Other Financing Source						
Proceeds from lease					309,250	309,250
Proceeds from sale of property					32,500	32,500
Total other financing source	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>341,750</u>	<u>341,750</u>
Net Change In Fund Balances	(13,470)	(79,038)	133,085	3,790	(71,210)	2,191
Fund Balance - Beginning	<u>252,100</u>	<u>252,100</u>	<u>504,013</u>	<u>335,383</u>	<u>737,447</u>	<u>402,064</u>
Fund Balance - Ending	<u>\$238,630</u>	<u>\$173,062</u>	<u>\$637,098</u>	<u>\$339,173</u>	<u>\$668,428</u>	<u>\$404,255</u>

(Concluded)

Franklin Parish Police Jury
Employee Health Care Plan
December 31, 2009

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
December 31, 2008	\$0	\$2,429,677	\$2,429,677	0.00%	\$958,232	253.56%

Note:

Generally accepted governmental accounting principles (GASB Codification Po50.131-132) require that the schedule present information from the last three actuarial valuations. Because the requirements of GASB 45 were implemented starting with the year ended December 31, 2009, only one year is available. Additional information will be added after each of the next two valuations. Subsequent to that, information will be presented for the latest three valuations.

Other Supplemental Schedules

FRANKLIN PARISH POLICE JURY
Winnsboro , Louisiana
SUPPLEMENTAL INFORMATION SCHEDULES
As of and for the Year Ended December 31, 2009

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.

WORKFORCE INVESTMENT ACT FUND

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.

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 NO. 2

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

FIRE DISTRICT NO. 3

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

FIRE DISTRICT NO. 4

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

FRANKLIN PARISH POLICE JURY
 Winnsboro, Louisiana
OTHER GOVERNMENTAL FUNDS

Combining Balance Sheet, December 31, 2009

	MAINTENANCE FUNDS	ROAD EQUIP & SALARY ADJ	SECTION 8	WITNESS FEE	CRIMINAL COURT	TOURIST COMM	UNEMP ESCROW	FIRE DISTRICTS	TOTAL
ASSETS									
Cash and cash equivalents	\$458,038	\$260,452	\$7,924	\$11,409	\$124,403	\$497,550	\$1,386,633		
Receivables	365,985	213,282		677	1,792	132,007	724,195		
Due from other funds	200	13,838		584	150	635	15,407		
TOTAL ASSETS	\$824,223	\$473,734	\$21,762	\$12,086	\$11,036	\$630,192	\$26,857	\$630,192	\$2,126,235
LIABILITIES AND FUND EQUITY									
Liabilities:									
Bank overdraft				\$8,698					\$8,698
Accounts payable	\$25,192	\$8,525	\$200	484	\$2,803	\$23,948			61,152
Due to other funds	654	2,473	678				\$1,207		5,012
Deferred revenue - protest taxes	57,033	33,742							150,624
Total liabilities	82,879	44,740	878	9,182	2,803	83,797	1,207		225,486
Fund Equity - fund balances	741,344	428,994	20,884	\$12,086	1,854	123,542	\$25,650	\$546,395	1,900,749
- unreserved - undesignated									
TOTAL LIABILITIES AND FUND EQUITY	\$824,223	\$473,734	\$21,762	\$12,086	\$11,036	\$630,192	\$26,857	\$630,192	\$2,126,235

FRANKLIN PARISH POLICE JURY
 Wlansboro, Louisiana
OTHER GOVERNMENTAL FUNDS

**Combining Schedule of Revenues, Expenditures,
 and Changes in Fund Balances
 For the Year Ended December 31, 2009**

	MAINTENANCE FUNDS	ROAD EQUIP & SALARY ADJ	SECTION 8	WITNESS FEE	CRIMINAL COURT	TOURIST COMM	UNEMP ESCROW	FIRE DISTRICTS	TOTAL
REVENUES									
Taxes:									
Ad valorem	\$405,362	\$236,224				\$66,038		\$156,442	\$798,028
Sales									66,038
Intergovernmental:									
Federal funds - grants			\$41,910						41,910
State funds:									
Fire insurance rebate								21,984	21,984
State revenue sharing (net)	37,624	21,926							59,550
Fees, charges, and commissions for services				\$7,670				31,485	39,155
Fines and forfeitures					\$169,357				169,357
Use of money and property	4,790	2,804	87	100	81	1,065	\$331	4,830	14,088
Other revenues	375		3,230		138				3,743
Total revenues	448,151	260,954	45,227	7,770	169,576	67,103	331	214,741	1,213,853
EXPENDITURES									
Current:									
General government				4,433	193,020		11,248		208,701
Judicial	214,378								214,378
Other								159,409	159,409
Public safety									224,346
Public works		224,346							224,346
Health and welfare	132,865		41,270						174,135
Economic development and assistance						61,189			61,189

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

Combining Balance Sheet, December 31, 2009

	<u>COURTHOUSE</u>	<u>HEALTH UNIT</u>	<u>TOTAL</u>
ASSETS			
Cash and cash equivalents	\$276,000	\$182,038	\$458,038
Receivables	203,770	162,215	365,985
Due from other funds	179	21	200
TOTAL ASSETS	<u>\$479,949</u>	<u>\$344,274</u>	<u>\$824,223</u>
LIABILITIES AND FUND EQUITY			
Liabilities:			
Accounts payable	\$9,406	\$15,786	\$25,192
Due to other funds	654		654
Deferred revenue - protest taxes	31,749	25,284	57,033
Total liabilities	<u>41,809</u>	<u>41,070</u>	<u>82,879</u>
Fund Equity - fund balances - unreserved -undesignated	<u>438,140</u>	<u>303,204</u>	<u>741,344</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$479,949</u>	<u>\$344,274</u>	<u>\$824,223</u>

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

**Combining Schedule of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended December 31, 2009**

	<u>COURTHOUSE</u>	<u>HEALTH UNIT</u>	<u>TOTAL</u>
REVENUES			
Taxes - Ad valorem	\$225,694	\$179,668	\$405,362
State funds - state revenue sharing	20,948	16,676	37,624
Use of money and property	2,798	1,992	4,790
Other revenues	375		375
Total revenues	<u>249,815</u>	<u>198,336</u>	<u>448,151</u>
EXPENDITURES			
Current - general government	214,378		214,378
Health and welfare		132,865	132,865
Capital outlay	2,000		2,000
Total expenditures	<u>216,378</u>	<u>132,865</u>	<u>349,243</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>33,437</u>	<u>65,471</u>	<u>98,908</u>
OTHER FINANCING USE			
Operating transfers out		(47,230)	(47,230)
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER USE	<u>33,437</u>	<u>18,241</u>	<u>51,678</u>
FUND BALANCES AT BEGINNING OF YEAR	<u>404,703</u>	<u>284,963</u>	<u>689,666</u>
FUND BALANCES AT END OF YEAR	<u>\$438,140</u>	<u>\$303,204</u>	<u>\$741,344</u>

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

Combining Balance Sheet, December 31, 2009

	<u>FIRE</u> <u>DISTRICT 2</u>	<u>FIRE</u> <u>DISTRICT 3</u>	<u>FIRE</u> <u>DISTRICT 4</u>	<u>TOTAL</u>
ASSETS				
Cash and cash equivalents	\$180,980	\$132,736	\$183,834	\$497,550
Receivables	69,280	18,951	43,776	132,007
Due from other funds	500		135	635
TOTAL ASSETS	<u><u>\$250,760</u></u>	<u><u>\$151,687</u></u>	<u><u>\$227,745</u></u>	<u><u>\$630,192</u></u>
LIABILITIES AND				
FUND EQUITY				
Liabilities:				
Accounts payable	\$14,846	\$3,447	\$5,655	\$23,948
Deferred revenue - protest taxes	47,567	11,073	1,209	59,849
Total liabilities	<u>62,413</u>	<u>14,520</u>	<u>6,864</u>	<u>83,797</u>
Fund Equity - fund				
balances -unreserved -undesignated	<u>188,347</u>	<u>137,167</u>	<u>220,881</u>	<u>546,395</u>
TOTAL LIABILITIES AND				
FUND EQUITY	<u><u>\$250,760</u></u>	<u><u>\$151,687</u></u>	<u><u>\$227,745</u></u>	<u><u>\$630,192</u></u>

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

**Combining Schedule of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended December 31, 2009**

	<u>FIRE DISTRICT 2</u>	<u>FIRE DISTRICT 3</u>	<u>FIRE DISTRICT 4</u>	<u>TOTAL</u>
REVENUES				
Taxes - Ad valorem	\$66,468	\$31,762	\$58,212	\$156,442
State funds - Fire insurance rebate	8,923	4,256	8,805	21,984
Fees, Charges and Commissions for Services	31,485			31,485
Use of money and property	1,763	1,040	2,027	4,830
Total revenues	<u>108,639</u>	<u>37,058</u>	<u>69,044</u>	<u>214,741</u>
EXPENDITURES				
Current - public safety	118,214	15,249	25,946	159,409
Capital outlay	11,000		60,000	71,000
Total expenditures	<u>129,214</u>	<u>15,249</u>	<u>85,946</u>	<u>230,409</u>
NET CHANGE IN FUND BALANCE	<u>(20,575)</u>	<u>21,809</u>	<u>(16,902)</u>	<u>(15,668)</u>
FUND BALANCES AT BEGINNING OF YEAR	<u>208,922</u>	<u>115,358</u>	<u>237,783</u>	<u>562,063</u>
FUND BALANCES AT END OF YEAR	<u>\$188,347</u>	<u>\$137,167</u>	<u>\$220,881</u>	<u>\$546,395</u>

FRANKLIN PARISH POLICE JURY
Winnsboro , Louisiana
SUPPLEMENTAL INFORMATION SCHEDULES
As of and for the Year Ended December 31, 2009

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.

FRANKLIN PARISH POLICE JURY
Winnsboro, Louisiana

Schedule of Compensation Paid Police Jurors
For the Year Ended December 31, 2009

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
James Harris	750
Ray Young	<u>NONE</u>
Total	<u>\$56,550</u>

FRANKLIN PARISH POLICE JURY
Winnsboro, Louisiana

Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2009

<u>FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM NAME</u>	<u>CFDA NUMBER</u>	<u>PASS- THROUGH GRANT NUMBER</u>	<u>FEDERAL EXPENDITURES</u>
United States Department of Labor			
Passed through Louisiana Department of Labor:			
Workforce Investment Act - Adult Program	17.258	N/A	\$480,630
Workforce Investment Act - Youth Activities	17.259	N/A	704,328
Workforce Investment Act - Dislocated Workers	17.260	N/A	769,213
Total Department of Labor			<u>1,954,171</u>
United States Department of Commerce			
Public Safety Interoperable Communications Grant	11.555	2008-IO-T8-0011	222
Public Safety Interoperable Communications Grant	11.555	PSIC 2007	44,598
			<u>44,820</u>
United States Department of Housing and Urban Development			
Direct program - Lower-Income			
Housing Assistance Program	14.156	N/A	41,910
Total Department of Housing and Urban Development			<u>41,910</u>
United States Department of Homeland Security			
Homeland Security Grant Program	97.067	N/A	31,179
Disaster Grants	97.036	N/A	35,633
Disaster Grants	97.036	N/A	730,658
SHSP - FY 2005	97.067	2005-GE-T5- 0004	18,304
SHSP - FY 2006	97.067	2006-GE-T6- 0069	35,952
Total Department of Homeland Security			<u>851,726</u>
Federal Emergency Management Agency			
Hazard Mitigation Grant Program	97.039	FEMA-1603-DR- 0079	203,938
Total Federal Emergency Management Agency			<u>203,938</u>
United States Department of Interior			
Direct program - Payment in Lieu of Taxes	15.000	N/A	172
Total United State Department of Interior			<u>172</u>
Total Federal Financial Assistance			<u>\$3,096,737</u>

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, 2009.

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.

MARY JO FINLEY, CPA, INC.

A PROFESSIONAL CORPORATION

116 Professional Drive - West Monroe, LA 71291

Phone (318) 329-8880 - Fax (318) 329-8883

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

Franklin Parish Police Jury
Winnsboro, Louisiana

I have audited the basic financial statements of the Franklin Parish Police Jury as of and for the year ended December 31, 2009 and have issued my report thereon dated February 18, 2010. I conducted my audit in accordance with U.S. 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.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered Franklin Parish Police Jury's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Franklin Parish Police Jury's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the Franklin Parish Police Jury's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Franklin Parish Police Jury's financial statements that is more than inconsequential will not be prevented or detected by the Franklin Parish Police Jury's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Franklin Parish Police Jury's internal control.

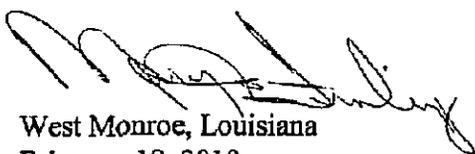
FRANKLIN PARISH POLICE JURY
Winnsboro, Louisiana
Independent Auditor's Report on Compliance
And Internal Control Over Financial Reporting, etc.
December 31, 2009

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above.

Compliance and Other Matters

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 one instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and is included as finding 09-01 in the accompanying schedule of audit findings.

This report is intended solely for the information and use of the Franklin Parish Police Jury, management, 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 these reports may be limited, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



West Monroe, Louisiana
February 18, 2010

MARY JO FINLEY, CPA, INC.

A PROFESSIONAL CORPORATION

116 Professional Drive - West Monroe, LA 71291

Phone (318) 329-8880 - Fax (318) 329-8883

**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, 2009. 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, 2009. 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.

Franklin Parish Police Jury
Winnsboro, Louisiana
Report on Compliance With Requirements
Applicable to Each Major Program and
Internal Control Over Compliance, etc.
December 31, 2009

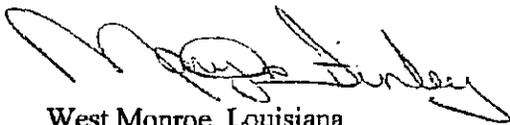
Internal Control Over Compliance

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.

A control deficiency is an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. *A significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more inconsequential will not be prevented or detected by the entity's internal control.

My consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over compliance that I consider to be material weaknesses, as defined above.

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
February 18, 2010

FRANKLIN PARISH POLICE JURY
Winnsboro, Louisiana

Schedule of Audit Findings
For the Year Ended December 31, 2009

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 significant deficiencies relating to the audit of the financial statements is reported in the Independent Auditor's Report on Compliance and Internal Control Over Financial Reporting.
3. One instance 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 significant deficiencies 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 was tested as major programs and consisted of the following individual programs:

	<u>CFDA No.</u>
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.

FRANKLIN PARISH POLICE JURY
Winnsboro, Louisiana

Schedule of Audit Findings (Continued)
For the Year Ended December 31, 2009

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

09-01 Need to Comply With Budget Act

Finding: 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 General fund budgeted revenues and other sources exceeded actual revenues by approximately 16%. Parish Equipment actual expenditures also exceeded budgeted amounts by approximately 15%. The Unemployment Escrow fund budgeted revenue amounts exceeded actual revenues by approximately 5% and actual expenditures exceeded budgeted expenditures by approximately 204%.

Recommendation: 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.

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

None

FRANKLIN PARISH POLICE JURY
Winnsboro, Louisiana

Summary Schedule of Prior Audit Findings
For the Year Ended December 31, 2009

08-1 Finding: The police jury did not comply with the Local Government Budget Act.

Recommendation: Budget comparisons should be monitored monthly to assure compliance with the Local Government Budget Act.

Status: The finding has not been corrected and is included in the current year Schedule of Audit Findings as Finding 09-01.

08-2 Finding: The police jury needs to improve internal control over all funds.

Recommendation: Both management and the finance committee must have monthly financial statements with which to monitor and control revenues and 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.

Status: The finding has been corrected.

OFFICERS:

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Rickey Campbell
jurors@franklinparish.org

Vice President

Buddy Parks
jurors@franklinparish.org

Parish Superintendent

Greg Humphries
greg.fppj@bellsouth.net



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OFFICERS:

Treasurer/Office Manager

Sam Wiggins
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Secretary

Johnnie L. Wesley
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Director of Emergency Preparedness

Mitch Reynolds
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February 18, 2010

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 findings of the FY2009 audit performed by Mary Jo Finley, CPA, Inc. regarding non-compliance with the Local Government 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.

Sincerely,

Rickey Campbell
Parish President

District 1
Rickey Campbell

District 2
K. W. "Buddy" Parks

District 3
James Harris

MEMBERS:
District 4
Troy Hendry

District 5
Leroy Scott

District 6
Harvey Ray Guimbellin

District 7
Jackie Johnson