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CITY OF FRANKLIN, LOUISIANA

ANNUAL FINANCIAL STATEMENTS WITH INDEPENDENT AUDITORS' REPORT

and

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

FOR THE YEAR ENDED APRIL 30, 2000

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 NOV 15 2000

C O N T E N T S

<u>FINANCIAL INFORMATION SECTION</u>	<u>PAGE NO.</u>
INDEPENDENT AUDITORS' REPORT	1-2
GENERAL PURPOSE FINANCIAL STATEMENTS (COMBINED STATEMENTS - OVERVIEW)	
Combined balance sheet - all fund types and account groups	3
<i>Combined statement of revenues, expenditures, and changes in fund balances - all governmental fund types and expendable trust funds</i>	4
Statement of revenues, expenditures, and changes in fund balance - budget and actual - General Fund	5
Combined statement of revenues, expenditures, and changes in fund balances - budget and actual - special revenue funds	6
Combined statement of revenues, expenditures, and changes in fund balances - budget and actual - debt service funds	7
Combined statement of revenues, expenditures, and changes in fund balances - budget and actual - capital projects funds	8
Statement of revenues, expenditures, and changes in fund balance - budget and actual - fiduciary fund, Mausoleum Endowed Care - the government's only expendable trust fund	9
Comparative statement of revenues, expenses and changes in retained earnings - Utility Enterprise Fund - the government's only proprietary fund	10
Comparative statement of cash flows-Utility Enterprise Fund-the government's only proprietary fund	11
Notes to the financial statements	12-32
 <u>SUPPLEMENTARY INFORMATION</u>	
 FINANCIAL STATEMENTS OF INDIVIDUAL FUNDS AND ACCOUNT GROUPS	
General Fund:	
Comparative balance sheet	33
Statement of revenues, expenditures, and changes in fund balance - budget and actual	34

PAGE NO.

Special Revenue Funds:

Combining balance sheet	35
Combining statement of revenues, expenditures, and changes in fund balances	36
Liquid and Solid Waste Fund - Statement of revenues, expenditures, and changes in fund balance - budget and actual	37
Summer Feeding Program - Statement of revenues, expenditures, and changes in fund balance - budget and actual	38
Public Safety Fund - Statement of revenues, expenditures, and changes in fund balance - budget and actual	39
Revolving Loan Fund - Statement of revenues, expenditures, and changes in fund balance - budget and actual	40
W. McKerall O'Niell Shell Fund - Statement of revenues, expenditures, and changes in fund balance - budget and actual	41
Narcotic Aid Fund - Statement of revenues, expenditures, and changes in fund balance - budget and actual	42

Debt Service Funds:

Combining balance sheet	43
Combining statement of revenues, expenditures, and changes in fund balances	44
Consolidated Sewerage District No. 1 1989- Statement of revenues, expenditures, and changes in fund balance - budget and actual	45
Consolidated Sewer District No. 1 Sinking Fund 1993- Statement of revenues, expenditures, and changes in fund balance - budget and actual	46
Sales Tax Bond Reserve Fund 1987 - Statement of revenues, expenditures, and changes in fund balance - budget and actual	47
1996 Public Improvement Sales Tax Bond Sinking Fund- Statement of revenues, expenditures, and changes in fund balance - budget and actual	48

PAGE NO.

Certificates of Indebtedness Series 1995 - Statement of revenues, expenditures, and changes in fund balance - budget and actual	49
DEQ Loan Sinking Fund 1989 - Statement of revenues, expenditures, and changes in fund balance - budget and actual	50
DEQ Loan Reserve Fund 1989 - Statement of revenues, expenditures, and changes in fund balance - budget and actual	51
'95 Water & Sewer Revenue Bond Sinking Fund - Statement of revenues, expenditures, and changes in fund balance - budget and actual	52
'95 Water & Sewer Revenue Bond Reserve Fund- Statement of revenues, expenditures, and changes in fund balance - budget and actual	53
Sales Tax Bond Sinking Fund 1996 - Statement of revenues, expenditures, and changes in fund balance - budget and actual	54
Sales Tax Bond Reserve Fund 1996 - Statement of revenues, expenditures, and changes in fund balance - budget and actual	55
1998 Sales Tax Fire Equipment Sinking Fund - Statement of revenues, expenditures, and changes in fund balance - budget and actual	56
Capital Projects Fund:	
Combining balance sheet	57
Combining statement of revenues, expenditures, and changes in fund balances	58
Consolidated Sewerage Project 1993 - Statement of revenues, expenditures, and changes in fund balance - budget and actual	59
Yokely Project - Statement of revenues, expenditures, and changes in fund balance - budget and actual	60
Sales Tax Bond Construction Fund of 1996 - Statement of revenues, expenditures, and changes in fund balance - budget and actual	61
LCDBG Sewer Rehab/Reconstruction - Statement of revenues, expenditures, and changes in fund balance - budget and actual	62
ISTEA - Franklin Landscaping and Pedestrian/Bicycle Path - Statement of revenues, expenditures, and changes in fund balance - budget and actual	63

	<u>PAGE NO.</u>
Widening of Highway 182 - Statement of revenues, expenditures, and changes in fund balance - budget and actual	64
Teche Theater Grant - Statement of revenues, expenditures, and changes in fund balance - budget and actual	65
Litter Reduction Grant - Statement of revenues, expenditures, and changes in fund balance - budget and actual	66
LCDBG Economic Development - Statement of revenues, expenditures, and changes in fund balance - budget and actual	67
 Enterprise Fund: Comparative balance sheet	 68
 Fiduciary Funds: Combining balance sheet	 69
Combining statement of changes in assets and liabilities - all agency funds	70
 General Fixed Assets Account Group: Statement of changes in general fixed assets	 71
 Schedule of expenditures of federal awards	 72
 Notes to schedule of expenditures of federal awards	 73
 <u>SPECIAL INFORMATION:</u>	
Schedule of changes in assets related to 1995 water and revenue bond debt service	74
Analysis of additions, replacements, and improvements to water and sewer systems(unaudited)	75
Schedule of sewerage rates and billings(unaudited)	76
Schedule of water rates and billings (unaudited)	77
Schedule of insurance policies in force (unaudited)	78
Compensation paid to members of governing board (unaudited)	79
 <u>INTERNAL ACCOUNTING CONTROL, COMPLIANCE, AND FEDERAL AWARDS</u>	
Report on compliance and on internal control over financial reporting based on an audit of financial statements performed in accordance with <u>Government Auditing Standards</u>	80-81

PAGE NO.

Report on compliance with requirements applicable to each major program and internal control over compliance in accordance with OMB Circular A-133 and Schedule of Expenditures of Federal Awards	82-83
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SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Summary of audit results	84
Findings - financial statement audit	85-87
Findings and Questioned Costs - Major Federal Award Program	87
Summary of Prior Year Findings and Related Corrective Action Prepared by City of Franklin	88
Corrective Action Plan Prepared by Management of City of Franklin	89-90

PITTS & MATTE

a corporation of
certified public accountants

INDEPENDENT AUDITORS' REPORT



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

We have audited the accompanying primary government financial statements of the City of Franklin, Louisiana as of and for the year ended April 30, 2000, as listed in the table of contents. These financial statements are the responsibility of the City of Franklin, Louisiana's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

A primary government is a legal entity or body politic and includes all funds, organizations, institutions, agencies, departments, and offices that are not legally separate. Such legally separate entities are referred to as component units. In our opinion, except for the effects of not providing for the proper amount of pension expense and related required disclosures as discussed in the preceding paragraph, based on our audit, the primary government financial statements present fairly in all material respects, the financial position of the primary government of the City of Franklin, Louisiana at April 30, 2000, and the results of its operations and cash flows of its proprietary fund type for the year then ended, in conformity with generally accepted accounting principles.

However, the primary government financial statements, because they do not include the financial data of component units of City of Franklin, Louisiana do not purport to, and do not, present fairly the financial position of the City of Franklin, Louisiana as of April 30, 2000, and the results of its operations and the cash flows of its proprietary fund type for the year then ended in conformity with generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the primary government financial statements taken as a whole. The combining and individual fund and account group financial statements and other accompanying information listed as Supplementary Information in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements of the City of Franklin, Louisiana. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is also not a required part of the financial statements of the City of Franklin, Louisiana. Such information, except for that portion marked "unaudited" on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the primary government financial statements and, in our opinion, except for the effects of not properly accounting for certain pension costs as discussed in the third paragraph, is fairly stated in all material respects in relation to the primary government financial statements taken as a whole.

In accordance with Government Auditing Standards, we have also issued our report dated October 9, 2000 on our consideration of the City of Franklin, Louisiana's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

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

Pitts + Matto

CERTIFIED PUBLIC ACCOUNTANTS

October 9, 2000

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

CITY OF FRANKLIN

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
April 30, 2000

	Governmental Fund Types				Proprietary Fund Type Enterprise	Fiduciary Fund Type Trust and Agency	Account Groups			Total (Memorandum Only) 2000 1999
	General	Special Revenue	Debt Service	Capital Projects			General Fixed Assets	Long-Term Debt	General	
ASSETS AND OTHER DEBITS										
Assets										
Cash and cash equivalents	\$162,605	\$33,460	\$545,388	\$37,096	\$103,859	\$63,712			\$946,120	\$1,025,155
Investments	347	21,907	287,969	592,499					902,722	1,130,614
Receivables										
Taxes	118,603	106,620							225,223	211,143
Special assessments			19,938						19,938	26,124
Loans receivable (net)		136,491			190,659				136,491	157,198
Other	205,236				31,880				395,895	385,866
Due from other funds	111,330	573,821	37,433	32,101		61,640			848,205	886,963
Due from other governments		34,306		36,096	198,018				70,402	368,235
Restricted assets									198,018	190,285
Fixed assets (net of accumulated depreciation)					965,275			\$17,542,739	18,508,014	15,811,323
Deposit									20,579	20,579
Other debits	20,579									
Amount available in debt service funds										
Amount to be provided for retirement of general long-term debt								\$811,814	811,814	923,071
Total assets and other debits	\$618,700	\$906,605	\$890,728	\$697,792	\$1,489,691	\$125,352	\$17,542,739	\$4,958,671	\$27,230,278	\$24,488,463

	Governmental Fund Types				Proprietary Fund Type Enterprise	Fiduciary Fund Type Trust and Agency	Account Groups			Total (Memorandum Only) 2000 1999	
	General	Special Revenue	Debt Service	Capital Projects			General Fixed Assets	Long-Term Debt			
LIABILITIES, EQUITY AND OTHER CREDITS											
Liabilities											
Accounts payable	\$91,255	\$144,848	\$300	\$319,484	\$81,230	\$3,800			\$321,433	\$471,508	
Contracts payable				84,317					319,484	214,082	
Retainage payable					6,832	11,538			84,317	17,495	
Accrued expenses	33,353								51,723	54,303	
Estimated claims payable	114,000				127,559			\$195,000	309,000	97,000	
Customer deposits				5,000					127,559	127,559	
Due to other governments									291,250		
Due to other funds	251,728	102,319	48,248	73,486	277,473	94,951		286,250	848,205	886,963	
Deferred revenue			14,654						14,654	41,895	
Payable from restricted assets					20,000				20,000	20,000	
Obligation under capital lease								488,297	488,297	474,895	
Bonds payable:											
General obligation					500,000			3,625,053	3,625,053	3,369,000	
Revenue								334,000	834,000	871,000	
Special assessment								30,071	30,071	35,083	
Total	490,336	247,167	63,202	462,287	1,013,094	110,289	--	4,958,671	7,365,046	6,680,783	
Equity and Other Credits											
Investment in general fixed assets							\$17,542,739		17,542,739	14,882,237	
Retained earnings:											
Reserved for revenue bonds									44,383	44,450	
Unreserved									432,214	458,781	
Fund balances											
Reserved for debt service							811,814		811,814	923,071	
Reserved for incomplete contracts				207,361					207,361	66,085	
Unreserved									826,721	1,433,056	
Undesignated	128,364	659,438	15,712	8,144		15,063					
Total equity and other credits	128,364	659,438	827,526	215,505	476,597	15,063	17,542,739	--	19,865,232	17,807,680	
Total liabilities, equity, and other credits	\$618,700	\$906,605	\$890,728	\$697,792	\$1,489,691	\$125,352	\$17,542,739	\$4,958,671	\$27,230,278	\$24,488,463	

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

CITY OF FRANKLIN

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUND
Year Ended April 30, 2000

	Governmental Fund Types				Fiduciary Fund Type Expendable Trust	Total (Memorandum Only)	
	General	Special Revenue	Debt Service	Capital Projects		2000	1999
Revenues:							
Taxes	\$1,243,423	\$1,042,881				\$2,286,304	\$2,401,406
Licenses and permits	623,437					623,437	618,959
Intergovernmental	1,294,957	27,010		\$1,343,507		2,665,474	2,022,799
Charges for services		744,949				744,949	780,687
Fines	81,349					81,349	63,830
Donations	28,945					28,945	22,921
Miscellaneous	149,157	20,024	\$44,751	42,925	\$413	257,270	256,132
Total revenues	3,421,268	1,834,864	44,751	1,386,432	413	6,687,728	6,166,734
Expenditures							
Current							
General government	306,810					306,810	306,942
Finance and administrative	185,631					185,631	186,617
Judicial							
Public safety							
Police and fire department	1,392,658					1,392,658	1,530,850
Inspection	38,947					38,947	58,300
Streets and drainage	562,804					562,804	686,074
Sanitation		1,276,794				1,276,794	1,316,782
Health and welfare	22,184					22,184	20,327
Culture and recreation	385,788					385,788	413,442
Urban development	87,085			323,143		410,228	95,163
Purchasing	37,996					37,996	36,764
Other	241,748	93,658	351	10,741	200	346,898	297,136
Capital outlays							
Public safety	41,868					41,868	508,157
Sanitation				1,856,785		1,856,785	348,164
Drainage	6,355			33,411		39,766	123,847
Culture and recreation	129,898			226,421		356,319	259,878
Highways and streets				274,956		274,956	189,371
Debt service							
Principal			349,033	13,750		362,783	343,747
Interest and fiscal charges			227,882			227,882	229,967
Total expenditures	3,439,772	1,370,652	577,266	2,739,207	200	8,127,097	6,951,528

	Governmental Fund Types				Fiduciary Fund Type Expendable Trust	Total (Memorandum Only)	
	General	Special Revenue	Debt Service	Capital Projects		2000	1999
Excess (deficiency) of revenue over expenditures	(18,504)	464,212	(532,515)	(1,352,775)	213	(1,439,369)	(764,794)
Other financing sources (uses)							
Proceeds from lease obligations				863,053		863,053	494,283
Proceeds from loan	365,172	285,001	710,930	300		1,361,403	1,475,695
Operating transfers in	(241,655)	(748,863)	(307,631)	(63,254)		(1,361,403)	(1,447,711)
Operating transfers out							
Total other financing sources (uses)	123,517	(463,862)	403,299	800,099		863,053	522,267
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	105,013	350	(129,216)	(552,676)	213	(576,316)	(262,527)
Fund balances, beginning of year	23,351	659,088	956,742	768,181	14,850	2,422,212	2,684,739
Fund balances, end of year	\$128,364	\$659,438	\$827,526	\$215,505	\$15,063	\$1,845,896	\$2,422,212

CITY OF FRANKLIN
GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended April 30, 2000

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
Revenues:			
Taxes	\$1,223,000	\$1,243,423	\$20,423
Licenses and permits	581,700	623,437	41,737
Intergovernmental	1,283,500	1,294,958	11,458
Fines	77,800	81,349	3,549
Mineral royalties		117	117
Miscellaneous	150,500	147,268	(3,232)
Donations	29,000	28,945	(55)
Interest earned	1,200	1,771	571
Total revenues	3,346,700	3,421,268	74,568
Expenditures:			
Current:			
General government			
Finance and administrative	268,025	306,810	(38,785)
Judicial	188,600	185,631	2,969
Public safety			
Police and fire department	1,411,400	1,392,658	18,742
Inspection	38,900	38,947	(47)
Tax collector	31,258	31,160	98
Public works	574,600	562,804	11,796
Recreation	393,000	385,788	7,212
Small animal warden	22,200	22,184	16
Economic development	110,600	87,085	23,515
Purchasing	38,100	37,996	104
Other	189,500	210,588	(21,088)
Capital outlay			
Public safety	40,317	41,868	(1,551)
Drainage	6,400	6,355	45
Culture and recreation	130,000	129,898	102
Total expenditures	3,442,900	3,439,772	3,128
Excess (deficiency) of revenues over expenditures	(96,200)	(18,504)	77,696
Other financing sources (uses)			
Operating transfers in	361,390	365,172	3,782
Operating transfers out	(239,100)	(241,655)	(2,555)
Total other financing sources (uses)	122,290	123,517	1,227
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	26,090	105,013	78,923
Fund balance, beginning of year	23,351	23,351	
Fund balance, end of year	\$49,441	\$128,364	\$78,923

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

CITY OF FRANKLIN
SPECIAL REVENUE FUNDS

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
Year Ended April 30, 2000

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues:			
Taxes			
Sales	\$948,000	\$963,433	\$15,433
<i>Ad valorem</i>	79,400	79,448	48
Charges for service	778,400	744,949	(33,451)
Federal grant	27,010	27,010	
Miscellaneous	18,400	11,113	(7,287)
Interest	8,650	8,911	261
Total revenue	<u>1,859,860</u>	<u>1,834,864</u>	<u>(24,996)</u>
Expenditures:			
Sanitation	1,260,400	1,276,794	(16,394)
Urban redevelopment	250	250	
Other	64,644	93,858	(29,214)
Total expenditures	<u>1,325,294</u>	<u>1,370,652</u>	<u>(45,358)</u>
Excess of revenues over expenditures	<u>534,566</u>	<u>464,212</u>	<u>(70,354)</u>
Other financing sources (uses)			
Operating transfers in	286,501	285,001	(1,500)
Operating transfers out	(746,300)	(748,863)	(2,563)
Total other financing sources (uses)	<u>(459,799)</u>	<u>(463,862)</u>	<u>(4,063)</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	<u>74,767</u>	<u>350</u>	<u>(74,417)</u>
Fund balance, beginning of year	639,978	659,088	19,110
Fund balance, end of year	<u>\$714,745</u>	<u>\$659,438</u>	<u>(\$55,307)</u>

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

CITY OF FRANKLIN
DEBT SERVICE FUNDS

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
Year Ended April 30, 2000

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues:			
Special assessments	\$8,264	\$5,276	(\$2,988)
Interest	40,504	39,322	(1,182)
Miscellaneous		153	153
Total revenues	<u>48,768</u>	<u>44,751</u>	<u>(4,017)</u>
Expenditures:			
Debt Service	558,530	576,915	(18,385)
Miscellaneous	100	351	(251)
Total expenditures	<u>558,630</u>	<u>577,266</u>	<u>(18,636)</u>
Excess (deficiency) of revenues over expenditures	<u>(509,862)</u>	<u>(532,515)</u>	<u>(22,653)</u>
Other financing sources (uses)			
Operating transfers in	671,634	710,930	39,296
Operating transfers out	(305,672)	(307,631)	(1,959)
Total other financing sources (uses)	<u>365,962</u>	<u>403,299</u>	<u>37,337</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	<u>(143,900)</u>	<u>(129,216)</u>	<u>14,684</u>
Fund balance, beginning of year	976,427	956,742	(19,685)
Fund balance, end of year	<u>\$832,527</u>	<u>\$827,526</u>	<u>(\$5,001)</u>

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

CITY OF FRANKLIN
CAPITAL PROJECTS FUNDS

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
Year Ended April 30, 2000

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:			
Intergovernmental-			
St. Mary Parish Council	\$15,201	\$20,751	\$5,550
Federal grant	38,388	62,730	24,342
State grant	1,360,389	1,260,026	(100,363)
Interest earned	32,501	29,175	(3,326)
<i>Real estate rental</i>	13,750	13,750	
Total revenue	<u>1,460,229</u>	<u>1,386,432</u>	<u>(73,797)</u>
Expenditures:			
Capital outlay			
Sanitation			
Construction	2,026,215	1,694,042	332,173
Engineering	186,092	162,743	23,349
Culture and recreation	147,773	226,421	(78,648)
Highways and streets	430,762	274,956	155,806
Drainage	43,646	33,411	10,235
Economic development	323,047	323,143	(96)
Other costs	11,057	10,741	316
Debt service principal payments	13,750	13,750	
Total expenditures	<u>3,182,342</u>	<u>2,739,207</u>	<u>443,135</u>
Excess (deficiency) of revenues over expenditures	<u>(1,722,113)</u>	<u>(1,352,775)</u>	<u>369,338</u>
Other financing sources (uses)			
Proceeds from loan	1,405,563	863,053	(542,510)
Operating transfers in	300,000	300	(299,700)
Operating transfers out	(62,590)	(63,254)	(664)
Total other financing sources (uses)	<u>1,642,973</u>	<u>800,099</u>	<u>(842,874)</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	<u>(79,140)</u>	<u>(552,676)</u>	<u>(473,536)</u>
Fund balance, beginning of year	768,966	768,181	(785)
Fund balance, end of year	<u>\$689,826</u>	<u>\$215,505</u>	<u>(\$474,321)</u>

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

CITY OF FRANKLIN
 FIDUCIARY FUND
 MAUSOLEUM ENDOWED CARE
 The Government's Only Expendable Trust Fund

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 Year Ended April 30, 2000

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:			
Interest income	\$400	\$240	(\$160)
Miscellaneous		173	173
Total revenues	400	413	13
Expenditures:			
Miscellaneous		200	(200)
Total expenditures	--	200	(200)
Excess of revenues over expenditures	400	213	(187)
Fund balance, beginning of year	14,850	14,850	
Fund balance, end of year	\$15,250	\$15,063	(\$187)

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

CITY OF FRANKLIN
 COMPARATIVE STATEMENT OF REVENUES, EXPENSES,
 AND CHANGES IN RETAINED EARNINGS - UTILITY ENTERPRISE FUND
 The Government's Only Proprietary Fund
 Year Ended April 30, 2000
 With Comparative Totals from Year Ended April 30, 1999

	<u>2000</u>	<u>1999</u>
Operating revenues:		
Charges for services -		
Water sales	\$802,915	\$780,177
Delinquent penalties	319	3,063
Street light fees	101,466	99,055
Mosquito control	44,436	
Miscellaneous revenues	4,180	15,600
Total operating revenues	<u>953,316</u>	<u>897,895</u>
Operating expenses:		
Administrative and finance	30,716	23,388
Tax collector	15,219	15,918
Inspection	19,666	28,330
Purchasing	18,737	18,710
Water production	232,248	285,076
Water distribution	205,675	183,498
Billings and collections	229,142	188,792
Meter department	27,399	32,003
Depreciation	77,820	82,597
Bad debts	4,228	4,323
Street light fees	105,240	100,925
Mosquito abatement control	19,664	
Total operating expenses	<u>985,754</u>	<u>963,560</u>
Operating income (loss)	<u>(32,438)</u>	<u>(65,665)</u>
Non-operating revenues (expenses)		
Interest income	5,804	7,244
Interest expense and fiscal charges		(300)
Total non-operating revenues (expenses)	<u>5,804</u>	<u>6,944</u>
Income (loss) before operating transfers	<u>(26,634)</u>	<u>(58,721)</u>
Other financing sources (uses)		
Operating transfers in		2,000
Operating transfers out		(29,984)
Total other financing sources (uses)		<u>(27,984)</u>
Net income (loss)	<u>(26,634)</u>	<u>(86,705)</u>
Retained earnings, beginning of year	503,231	589,936
Retained earnings, end of year	<u>\$476,597</u>	<u>\$503,231</u>

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

CITY OF FRANKLIN
 COMPARATIVE STATEMENT OF CASH FLOWS
 UTILITY ENTERPRISE FUND
 The Government's Only Proprietary Fund
 For the year ended April 30, 2000
 Increase (Decrease) in Cash and Cash Equivalents
 With Comparative Totals from Year Ended April 30, 1999

	<u>2000</u>	<u>1999</u>
Cash flows from operating activities:		
Cash received from customers	\$977,369	\$845,265
Cash payments to employees for services	(337,303)	(339,902)
Cash payments to suppliers for goods and services	(592,295)	(485,769)
Other cash received	4,180	15,600
Net cash provided (used) operating activities	<u>51,951</u>	<u>35,194</u>
Cash flows from investing activities:		
Cash received from interest earned	<u>5,805</u>	<u>6,944</u>
Net cash provided by investing activities	<u>5,805</u>	<u>6,944</u>
Cash flows from noncapital financing activities:		
Advances to other funds	(821,041)	(74,931)
Repayment of advances to other funds	938,499	
Advances from other funds	671,789	64,674
Repayment of advances from other funds	(705,509)	
Operating transfers to other funds		(29,984)
Operating transfers from other funds		<u>2,000</u>
Net cash provided (used) by noncapital financing activities	<u>83,738</u>	<u>(38,241)</u>
Cash flows from capital and related financing activities:		
Cash payments for principal on revenue bond maturities	(20,000)	(20,000)
Cash payments for interest on bonds	(35,195)	(36,275)
Cash payments made on lease obligations	(8,047)	(9,357)
Cash payments for acquisition of capital assets	(82,045)	(90,572)
Net cash used by capital and related financing activities	<u>(145,287)</u>	<u>(156,204)</u>
Net increase or (decrease) in cash and cash equivalents	(3,793)	(152,307)
Cash and cash equivalents beginning of year	<u>305,670</u>	<u>457,977</u>
Cash and cash equivalents end of year	<u>\$301,877</u>	<u>\$305,670</u>

	<u>2000</u>	<u>1999</u>
Reconciliation of operating loss to net cash provided (used) by operating activities:		
Operating loss	<u>(\$32,438)</u>	<u>(\$65,665)</u>
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:		
Depreciation	81,050	82,597
Change in assets and liabilities:		
(Increase) decrease in accounts receivable	28,233	(32,606)
(Increase) decrease in interest receivable		(101)
Increase in accounts payable and accrued expenses	(31,726)	48,866
Increase (decrease) in accrued wages payable	<u>6,832</u>	<u>2,103</u>
Total adjustments	<u>84,389</u>	<u>100,859</u>
Net cash provided (used) by operating activities	<u>\$51,951</u>	<u>\$35,194</u>
Cash and cash equivalents at the end of the year are reported on the combined balance sheet as follows:		
Current assets		
Cash and cash equivalents	\$103,859	\$115,385
Restricted assets		
Revenue Bond Sinking Account	\$12,530	\$12,250
Revenue Bond Reserve Account	51,852	52,200
Construction trust account	<u>133,636</u>	<u>125,835</u>
	<u>198,018</u>	<u>190,285</u>
	<u>\$301,877</u>	<u>\$305,670</u>

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

CITY OF FRANKLIN

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended April 30, 2000

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

The following is a summary of certain significant accounting policies:

A. Reporting Entity

The Governmental Accounting Standards Board (GASB) has established several criteria for determining the governmental reporting entity. The reporting entity for the City should include the City of Franklin, which as governing authority of the City is the primary government, and other governmental entities within the area for which the City has financial accountability. Financial accountability is determined by the City, on the basis of applying the following criteria from those established by the GASB:

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

Based on the following criteria the City Court and City Marshall are considered to be component entities:

1. The City Court of the City of Franklin establishes a court for the City of Franklin and the territorial jurisdiction throughout Ward Three of St. Mary Parish, Louisiana. The purpose of the City Court is to collect all fines, forfeitures, penalties, and costs assessed. The judge and marshal are elected to six year terms. The fiscal year of the City Court of the City of Franklin ends on June 30, which is different from that of the primary government. The City provides the facilities in which the Court operates and has approval authority over certain expenditures made by the Court.
2. The Marshal's Fund of the City Court of the City of Franklin accounts for the activities of the Marshal in carrying out the duties of the Court. The expenses of carrying out these duties are defrayed by court costs collected through the City Court. The fiscal year of the Marshal's Fund of the City Court of the City of Franklin ends on June 30, which is different from that of the primary government. The City provides the facilities in which the Marshall operates and has approval authority over certain expenditures made by the Marshall.

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

The GASB provides for the issuance of primary government financial statements which are separate from those of the reporting entity. However, a primary government's financial statements are not a substitute for the reporting entity's financial statement. The City has chosen to issue financial statements of the primary government only. As such, the accompanying financial statements are not intended to and do not report in accordance with generally accepted accounting principles.

B. Fund Accounting

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

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

Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types".

GOVERNMENTAL FUNDS

General Fund

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

Special Revenue Funds

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

Debt Service Funds

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

Capital Projects Funds

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

PROPRIETARY FUND

Enterprise Fund

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

TRUST AND AGENCY FUNDS

Fiduciary Funds

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

C. Basis of Accounting

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Revenues:

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

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

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

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

Substantially all other revenues are recorded when received.

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

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

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

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

D. Budgets and budgetary accounting

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

1. The Mayor and City Clerk prepare a proposed budget and submit the same to the City Council no later than fifteen days prior to the beginning of each fiscal year.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2. A summary of the proposed budget is published and the public is notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of an ordinance prior to the commencement of the fiscal year for which the budget is being adopted.
5. Budgetary amendments involving the transfer of funds from one fund, department, program or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the City Council.
6. *All budgetary appropriations lapse at the end of each fiscal year.*
7. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP). All governmental funds have adopted budgets.
8. Budgetary comparisons include all budget amendments for the year.

E. Cash and Cash Equivalents

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

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

F. Due From/To Other Funds

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

G. Investments

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

Investments are stated at cost.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Receivables

Receivables are stated at net realizable value after provision for estimated uncollectible accounts. Provision for uncollectible accounts total \$32,000 which includes \$16,000 in the Revolving Loan Fund and \$16,000 in the W. McKerall O'Niell Shell Fund.

I. Prepaid Expenses

Payments made to suppliers for services that will benefit periods beyond April 30, 2000 are recorded as prepaid expenses in the Enterprise Fund.

J. Restricted Assets

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

K. Fixed Assets

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

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

L. Capitalization of Interest Expense

It is the policy of the City to capitalize material amounts of interest resulting from borrowings in the course of the construction of fixed assets. For the year ended April 30, 2000, approximately \$35,000 of interest was capitalized in the Utility Fund.

M. Encumbrances

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

The City does not reserve its fund balances for encumbrances outstanding. Encumbrances outstanding at April 30, 2000 are immaterial.

N. Compensated Absences

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

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

O. Long-term Obligations

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

P. Fund Equity

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Q. Interfund Transactions

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

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

R. Total Columns on Combined Statements - Overview

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

S. Comparative Data

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

NOTE 2 - FUND DEFICITS

The following individual funds of the City had deficit fund balances/retained earnings at April 30, 2000:

<u>Fund</u>	<u>Deficit Amount</u>
Capital Projects Funds:	
LCDBG Sewer Rehab Fund	\$(500)
Teche Theatre Grant	(49,347)
Debt Service Fund:	
Sales Tax Bond Sinking Fund 1987	(13,510)

Management plans to eliminate these deficits with transfers from other funds after year end.

NOTE 3 - EXPENDITURES - EXCESS OF ACTUAL OVER BUDGETED

The following individual funds had significant actual expenditures in excess of appropriated expenditures for the year ended April 30, 2000:

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Special Revenue Funds:			
Revolving Loan	\$5,100	\$15,526	\$(10,426)
W. McKerall O’Niell Shell Fund	250	16,250	(16,000)
Narcotic Aid Fund	10,570	13,262	(2,692)
Debt Service Fund:			
1998 Sales Tax Fire Equipment			
Sinking Fund	37,568	55,542	(17,974)
Capital Project Fund:			
Teche Theater Grant	147,773	216,918	(69,145)

NOTE 4 - AD VALOREM TAXES

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

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

For the year ended April 30, 2000, taxes of 19.36 mills were levied on property with assessed valuations totaling approximately \$24,300,000 and were dedicated as follows:

General corporate purposes	16.13 mills
Sewerage system maintenance	3.23 mills

NOTE 5 - CASH AND CASH EQUIVALENTS

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

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

NOTE 5 - CASH AND CASH EQUIVALENTS (continued)

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

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

Cash and cash equivalents-stated value	<u>\$946,120</u>
Cash and cash equivalents-bank balance	857,686
Portion insured by federal deposit insurance	<u>289,826</u>
Balance uninsured and uncollateralized under GASB codification	<u>567,860</u>
Remaining portion of deposits secured under Louisiana Law	<u>567,860</u>
Amount unsecured under Louisiana law	<u>NONE</u>

NOTE 6 - INVESTMENTS

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

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

	<u>1</u>	<u>Categories</u>		<u>Carrying</u> <u>Amount</u>	<u>Market</u> <u>Value</u>
		<u>2</u>	<u>3</u>		
Certificates of deposit	<u>\$902,722</u>	--	--	<u>\$902,722</u>	<u>\$902,722</u>
Total investments	<u>\$902,722</u>	=====	=====	<u>\$902,722</u>	<u>\$902,722</u>

NOTE 7 - DUE FROM/TO OTHER FUNDS

The following is a listing of due from/to other funds by individual fund as of April 30, 2000:

	<u>Due from Other funds</u>	<u>Due to Other funds</u>
General Fund	\$111,330	\$251,728
Special Revenue Funds -		
Liquid & Solid Waste	573,658	101,799
Summer Feeding Program	163	
Revolving Loan Fund		500
Public Safety Fund		20
Debt Service Funds -		
Consolidated Sewerage District No. 1- 1989	787	
Sales Tax Bond Sinking - 1987	34,738	48,248
Consolidated Sewer Sinking Fund - 1993	285	
Sales Tax Bond Reserve - 1996	1,623	
Capital Projects Funds -		
Consolidated Sewerage Project - 1993	32,101	285
LCDBG Sewer Rehab		500
Widening of Highway 182		35,101
Teche Theatre		37,600
Enterprise Fund -		
Utility Fund	31,880	277,473
Fiduciary Fund -		
Expendable Trust:		
Mausoleum Endowed Care	73	
Agency:		
Payroll Fund	941	10,370
Accounts Payable Clearing	<u>60,626</u>	<u>84,581</u>
	<u>\$848,205</u>	<u>\$848,205</u>

NOTE 8 - DUE FROM/TO OTHER GOVERNMENTAL UNITS

Amounts due from/to other governmental units by fund at April 30, 2000 consisted of the following:

<u>Fund</u>	<u>Due from St. Mary Parish Council</u>	<u>Due from State of Louisiana</u>
Liquid and Solid Waste Fund	\$34,306	
Widening of Highway 182		\$36,096

NOTE 9 - FIXED ASSETS

A summary of changes in general fixed assets for the year ended April 30, 2000 follows:

	<u>Balance 5/01/99</u>	<u>Additions</u>	<u>Deletions</u>	<u>Reclassi- fications</u>	<u>Balance 4/30/00</u>
Land	\$549,004	\$47,100			\$596,104
Buildings	1,545,126	325,000		\$9,862	1,879,988
Improvements other than buildings	10,436,615	127,249	\$(144,062)	(81,200)	10,338,602
Movable equipment	1,987,627	84,720	(52,158)		2,020,189
Construction in progress	<u>363,865</u>	<u>2,272,653</u>	<u> </u>	<u>71,338</u>	<u>2,707,856</u>
Total	<u>\$14,882,237</u>	<u>\$2,856,722</u>	<u>\$(196,220)</u>	<u> </u>	<u>\$17,542,739</u>

A summary of proprietary fund type property, plant and equipment at April 30, 2000 follows:

	<u>2000</u>
Land	\$ 10,000
Building improvements and equipment	3,526,104
Automotive equipment	130,231
Furniture and fixtures	<u>153,728</u>
Total	3,820,063
Less: Accumulated depreciation	<u>2,854,788</u>
	<u>\$ 965,275</u>

Depreciation and amortization expense for 2000 is approximately \$81,000.

NOTE 10 - LEASE OBLIGATIONS

The City's General fund has acquired five pieces of equipment with a basis of approximately \$566,000 under three capital leases. The Liquid and Solid Waste fund has acquired one piece of equipment with a basis of approximately \$25,000 under capital lease. No other governmental funds have any significant leases. The City does rent various equipment from time to time on a short-term basis.

The following is a schedule by years of future minimum lease payments under a capital lease together with the present value of the net minimum lease payments as of April 30, 2000:

Year Ended April 30:	
2001	\$94,123
2002	89,184
2003	89,184
2004	86,392
2005	72,430
Thereafter	<u>166,430</u>
Total minimum lease payments	597,743
Less: Amount representing interest	<u>(109,446)</u>
Present value of net minimum lease payments	<u>\$488,297</u>

NOTE 11 - LONG-TERM DEBT

The following is a summary of the City's long-term debt transactions for the year ended April 30, 2000:

	General Long-term Debt <u>Account Group</u>	Utility Revenue <u>Bonds</u>	<u>Total</u>
Balance at May 1, 1999	\$4,274,978	\$540,000	\$4,814,978
Additions	1,084,079		1,084,079
Deductions	<u>(400,386)</u>	<u>(20,000)</u>	<u>(420,386)</u>
Balance at April 30, 2000	<u>\$4,958,671</u>	<u>\$520,000</u>	<u>\$5,478,671</u>

NOTE 11 - LONG-TERM DEBT (continued)

Bonds and Notes payable at April 30, 2000 are comprised of the following individual issues:

General Obligation Bonds:

\$1,675,000 Sales Tax Bonds - Series ST-1996 dated November 1, 1996; due in annual installments of \$50,000 to \$135,000 through November 1, 2016 interest at 8.0 percent; secured by a pledge of the City's portion of the 1% of the parish wide sales and use tax, payable from the Sales Tax Bond Sinking Fund 1996 \$1,520,000

\$1,425,000 Public Improvements Sales Tax Refinancing Bonds, Series 1996, dated April 11, 1996; due in annual installments of \$20,000 to \$220,000 through December 1, 2004, interest at 3.8 to 4.6 per cent; secured by a pledge of the City's portion of the three-fourths of one percent (3/4%) parish wide sales and use tax, payable from the Sales Tax Bond Sinking Fund 1,025,000

Public Improvement Sales Tax Note, Series 1990 (DEQ Loan) for a loan amount of \$750,000. A subsequent series of \$100,000 was issued in 1994. The amount funded as of April 30, 2000, is \$850,000; due in annual installments of \$53,000 to \$85,000 through December 2005; interest at 5.5% payable from Liquid & Solid Waste Fund 490,000

\$40,000 Certificates of Indebtedness, Series 1995, dated September 1, 1995; due in annual installments of \$3,000 to \$5,000 through September 1, 2005; interest at 6% payable from a pledge and dedication of the excess of annual revenues of the issuer above statutory, necessary and usual charges in each of the fiscal years during which the Certificates are outstanding 27,000

\$2,041,000 Grant Anticipation Note, Series 1998, dated February 9, 2000; due in quarterly installments from May 1, 2000 through May 1, 2002; interest at 4.85% payable from the Yokely Project Fund 563,053

\$300,000 loan from the U.S. Department of Housing and Urban Development passed through the Louisiana Division of Administration, Office of Community Development due in monthly installments of \$1250, bearing no interest, payable from rents received on building 286,250

NOTE 11 - LONG-TERM DEBT (continued)

Revenue Bonds:

1995 Water and Sewer Revenue Bonds, series A, dated June 23, 1995; due in annual installments of \$16,000 to \$27,000 through March 1, 2015, interest at 2.950%; secured by a pledge of Utility and Liquid and Solid Waste revenues after reasonable and necessary operating expenses \$ 334,000

Special Assessment:

\$50,124 Sewerage Certificates, Series 1995, dated July 1, 1995; due in annual installments of \$5,012 through July 1, 2005; interest at 6.375% payable from Consolidated Sewerage Project 1993 Fund 30,071

Other: \$195,000 of estimated claims payable (See Note 16) 195,000

Capital Lease Obligation (See Note 10) 488,297

Total General Long-term Debt \$4,958,671

Utility Revenue Bonds:

1995 Water and Sewer Revenue Bonds, series B, dated August 1, 1995; due in annual installments of \$10,000 to \$55,000 through March 1, 2015, interest at 4.65% to 6.7%; secured by a pledge of Utility and Liquid and Solid Waste revenues after reasonable and necessary operating expenses \$520,000

Total Utility Bonds \$ 520,000

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

1. Establishment and funding of certain debt service funds
2. Preparation and adoption of budgets
3. Preparation and independent audit of financial statements
4. Restriction as to additional debt issuance
5. Restriction as to types of investments
6. Establishment and adherence to certain operational and collection practices in the operation of the City's utility and sewer systems
7. Monitoring the usage of building purchased with proceeds from an economic development loan.

NOTE 11 - LONG-TERM DEBT (cont'd)

The following is a schedule of future debt requirements including interest of approximately \$1,500,000 on General Obligations debt and \$85,000 on Utility Revenue Bonds for debt outstanding at April 30, 2000:

	<u>General Long- Term Debt</u>	<u>Proprietary Debt</u>	<u>Total</u>
April 30:			
2001	\$723,458	\$29,853	\$753,311
2002	714,049	29,322	743,371
2003	1,170,371	33,791	1,204,162
2004	594,300	33,231	627,531
2005	530,935	32,641	563,576
Thereafter	<u>2,510,169</u>	<u>445,388</u>	<u>2,955,557</u>
Total	<u>\$6,243,282</u>	<u>\$604,226</u>	<u>\$6,847,508</u>

The above schedule does not include estimated claims payable in the amount of \$195,000 included in the general long-term debt account group.

At April 30, 2000, a total of \$970,000 of outstanding general obligation bonds are considered defeased.

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

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

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

Each month, there will be set aside into a fund called the "1995 Water and Sewer Revenue Bond Sinking Fund" an amount ranging from \$2,852 to \$4,650 per month on or before the 20th of each month in the Utility and Liquid and Solid Waste Funds in proportion to their respective interest and principal payments. Such transfers shall be made by the 20th of each month and shall be fully sufficient to assure the prompt payment of principal and interest installments as they become due, and may be used only for such payments.

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

There shall also be set aside into a "Revenue Bond Reserve Fund" \$58,685 of the Series B Bonds (Utility Fund) and an amount equal to 25% of the sinking fund payment for the 1995 A Bonds (Liquid and Solid Waste Fund) until the Reserve Fund equals \$86,482. Such amounts may be used only for the payment of maturing bonds and interest coupons for which sufficient funds are not on deposit in the Revenue Bond Sinking Fund and as to which there would otherwise be default.

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

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

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

1. Proceeds of a 1% sales and use tax levied by the City in 1966 (2000 collections are \$846,678) are accounted for in the General Fund and are dedicated to the following purposes:

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

2. Proceeds of a 3/4% sales and use tax levied by the City in 1973 (2000 collections are \$745,988) are accounted for in the Liquid and Solid Waste Fund - a special revenue fund - and are authorized for the following usage:

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

3. Proceeds of a 3/10% sales and use tax levied by the City in 1983 (2000 collections are \$217,445) are accounted for in the Public Safety Fund - a special revenue fund - and are authorized for the following usage:

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

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

NOTE 14 - PENSION PLAN AND OTHER RETIREMENT BENEFITS

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

The Municipal Employees' Retirement System of Louisiana (Part A) was established by the Louisiana legislature by Act 569 of 1968 and revised by Act 788 of 1978. The Municipal Police Employees' Retirement System was established by the Louisiana legislature by Act 189 of 1973. Each plan issues a publicly available financial report that includes financial statements and required supplementary information. Those reports may be obtained by writing or calling the Plan.

Municipal Employees' Retirement
System of Louisiana (Part A)
7937 Office Park Blvd.
Baton Rouge, LA 70809-7606
(225) 925-4810

Municipal Police Employees'
Retirement System
8401 United Plaza Blvd., Room 270
Baton Rouge, LA 70809-7017
(800) 433-4248

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

	<u>Municipal Employees' Retirement System Of Louisiana (Part A)</u>	<u>Municipal Police Employees' Retirement System</u>
Contribution rates:		
City	5.75%	9.00%
Plan members	9.25%	7.50%
City's approximate contributions to the plan for the year ended:		
April 30, 2000	\$100,000	\$46,000
April 30, 1999	105,000	37,000
April 30, 1998	94,000	21,000

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

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

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

In 1976 the Franklin policemen joined the Municipal Police Employees' Retirement System. The City is still responsible for paying retirement benefits from City funds to eligible retired members, in accordance with the policies, terms, and rates of the Franklin police retirement system which was in effect prior to joining the state system. The City is funding the pension costs when benefits are paid to these retired employees. An actuarial evaluation has not been performed to determine the City's annual required contributions (ARC) nor the net pension obligations (NPO). Generally accepted accounting principles require recording and disclosure of the ARC and NPO. Payments by the City to persons entitled to benefits related to this prior retirement plan for year ended April 30, 2000 totaled approximately \$4,000.

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

NOTE 15 - COMMITMENTS

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

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

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

The third agreement states that the City will operate and maintain the newly constructed sewerage facility. Under this agreement, the Council reimburses the City for 30% of these costs on a monthly basis.

The City has entered into an agreement with the Louisiana Department of Transportation and Development (DOTD) and the U.S. Army Corp of Engineers (Corp) for a flood control improvement project at Bayou Yokely Pump Station. The total estimated cost of Phase I of the project is estimated to be approximately \$5.5 million. The construction costs of approximately \$5 million are to be paid jointly by the DOTD and the Corp. The administrative and engineering costs of approximately \$500,000 are to be paid by the City. The City also entered into an intergovernmental agreement with the Parish of St. Mary (Parish) and Consolidated Gravity Drainage District No. 1 (District) stating that each entity will jointly provide the funds required to complete the project which are not covered by the DOTD and Corp. Approximately \$1,846,000 in engineering and construction costs were incurred for this project through April 30, 2000. DOTD and the City are presently considering a second phase of the project with an estimated cost of \$2.5 million. The City expects to again partner with the Parish and District to provide local funding if it is required.

NOTE 16 - RISK MANAGEMENT AND CONTINGENCIES

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

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

During the year ended April 30, 1996, the City adopted the provisions of GASB Statement No. 10, which establishes accounting and reporting standards for risk and insurance related activities of governmental entities. In accordance with the provisions of this statement, the City is reporting its risk retention activities in its General Fund, except for claims to be paid with the future revenues, which are reported within the General Long-term Debt Account Group.

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

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

Changes in the City's estimated claims liabilities for the years ended April 30, 1999 and 2000 were:

Liability balance, May 1, 1998	\$75,000
Claims and changes in estimate	368,000
Claims paid	<u>(346,000)</u>
Liability balance, April 30, 1999	97,000
Claims and changes in estimates	420,000
Claims paid	<u>(208,000)</u>
Liability balance, April 30, 2000	<u>\$ 309,000</u>

Estimated claims liability at April 30, 2000 includes \$114,000 related to the medical and health plan for which \$53,000 in cash is available to pay claims, which is reported in the General Fund. The remaining \$195,000 in estimated liability is to be paid with future revenues and is reported in the General Long-term Debt Account Group.

The total expenditures reported by the City for claims related to retained risk for the year ended April 30, 2000 is approximately \$270,000.

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

There are several claims pending against the City. The City's management and their legal advisor have reviewed these claims and at present believe only two will result in significant probable liability to the City.

Under one claim, the ultimate amount of this liability cannot presently be determined. It is estimated that the minimum amount of this liability will be \$45,000 and accordingly a provision for this amount is included in these financial statements. It is possible that up to an additional \$45,000 in liability could be incurred, however, no provision for this possible additional liability is made in these financial statements.

In addition to this claim, a suit has been filed against the City by two employees alleging sexual harassment and discrimination. The City denies this claim and plans to vigorously defend this suit. However, the City estimates the legal defense of these claims will cost approximately \$150,000, and accordingly a provision for this amount is included in these financial statements.

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

SUPPLEMENTARY INFORMATION

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

GENERAL FUND

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

CITY OF FRANKLIN
GENERAL FUND

COMPARATIVE BALANCE SHEET
April 30,

ASSETS	<u>2000</u>	<u>1999</u>
Cash and cash equivalents	\$162,605	\$160,505
Investments	347	
Receivable:		
Taxes	118,603	107,718
Other	205,236	166,974
Due from other governmental units		31,021
Due from other funds	111,330	40,955
Refundable deposit	20,579	20,579
Total assets	\$618,700	\$527,752
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable	\$91,255	\$127,642
Accrued liabilities	33,353	37,715
Estimated claims payable	114,000	52,000
Due to other funds	251,728	287,044
Total liabilities	490,336	504,401
Fund balance :		
Unreserved, undesignated	128,364	23,351
Total fund balance (deficit)	128,364	23,351
Total liabilities and fund balance	\$618,700	\$527,752

CITY OF FRANKLIN
GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended April 30, 2000
With comparative Actual Amounts for Year Ended April 30, 1999

	2000		Variance Favorable (Unfavorable)	1999 Actual
	Budget	Actual		
Revenues:				
Taxes				
Sales	\$833,000	\$846,678	\$13,678	\$899,192
Ad valorem	390,000	396,745	6,745	375,629
Licenses and permits				
Occupational licenses	235,000	269,253	34,253	268,389
Chain store licenses	4,500	4,565	65	3,820
Liquor licenses	7,300	7,710	410	8,070
Franchise	320,000	327,000	7,000	323,782
Games of chance license	400	400		400
Building and electrical permits	14,500	14,509	9	14,498
Intergovernmental -				
Interest on delinquent tax	2,500	3,981	1,481	3,216
Tobacco tax	45,600	45,736	136	45,735
Beer tax	15,000	15,054	54	17,726
Video poker	245,000	250,618	5,618	248,462
Gaming revenue taxes	245,000	257,813	12,813	239,601
Parish council	238,400	223,779	(14,621)	360,202
State grant	110,000	111,798	1,798	35,459
Federal grant	144,000	143,029	(971)	115,162
Law enforcement tax	238,000	243,149	5,149	255,806
Fines	77,800	81,349	3,549	63,830
Mineral royalties		117	117	17,776
Miscellaneous	150,500	147,269	(3,231)	128,662
Donations	29,000	28,945	(55)	22,921
Interest earned	1,200	1,771	571	2,525
Total revenues	<u>3,346,700</u>	<u>3,421,268</u>	<u>74,568</u>	<u>3,450,863</u>
Expenditures:				
Current				
General government				
Finance and administrative	268,025	306,810	(38,785)	306,942
Judicial	188,600	185,631	2,969	186,617
Public safety -				
Police and fire department	1,411,400	1,392,658	18,742	1,530,850
Inspection	38,900	38,947	(47)	58,300
Tax collector	31,258	31,160	98	30,787
Public works	574,600	562,804	11,796	686,074
Recreation	393,000	385,788	7,212	413,442
Small animal warden	22,200	22,184	16	20,327
Economic development	110,600	87,085	23,515	95,163
Purchasing	38,100	37,996	104	36,764
Other	189,500	210,588	(21,088)	172,882
Capital outlay				
Public safety	40,317	41,868	(1,551)	508,157
Drainage	6,400	6,355	45	87,012
Culture and recreation	130,000	129,898	102	54,585
Total expenditures	<u>\$3,442,900</u>	<u>\$3,439,772</u>	<u>\$3,128</u>	<u>\$4,187,902</u>

	2000		Variance Favorable (Unfavorable)	1999 Actual
	Budget	Actual		
Excess (deficiency) of revenues over expenditures	(\$96,200)	(\$18,504)	\$77,696	(\$737,039)
Other financing sources (uses):				
Proceeds from lease obligation				494,283
Operating transfers in				
Liquid and Solid Waste	75,000	75,000		75,000
Public safety fund	214,000	217,118	3,118	232,071
1996 Sales Tax bond Sinking fund	9,800	9,800		
Sales Tax Bond Construction Fund 1996	958	958		4,576
ISTEA	48,000	48,664	664	
Yokely Project	13,632	13,632		
Operating transfers out				
Utility Fund				(2,000)
Summer Feeding Program	(21,800)	(21,800)		(32,824)
Certificate of Indebtedness				
Series 1995	(10,300)	(5,700)	4,600	(5,586)
Sales Tax Bond Sinking Fund 1996	(146,300)	(148,488)	(2,188)	(150,188)
1998 Sales Tax Fire Equipment Sinking fund	(60,700)	(65,367)	(4,667)	(64,723)
Litter Reduction Grant		(100)	(100)	
Yokely Project		(200)	(200)	
Total other financing sources (uses)	122,290	123,517	1,227	550,609
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	26,090	105,013	78,923	(186,430)
Fund balance, beginning	23,351	23,351		209,781
Fund balance, ending	\$49,441	\$128,364	\$78,923	\$23,351

SPECIAL REVENUE FUNDS

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

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

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

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

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

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

CITY OF FRANKLIN
SPECIAL REVENUE FUNDS

COMBINING BALANCE SHEET

April 30, 2000

With Comparative Totals for April 30, 1999

	Liquid and Solid Waste Fund	Summer Feeding Program	Public Safety Fund	Revolving Loan Fund	W. McKeerall O'Niell Shell Fund	Narcotic Aid Fund	Totals 2000	1999
ASSETS								
Cash and cash equivalents	\$9,967			\$11,338	\$8,861	\$3,294	\$33,460	\$63,353
Investments				21,907			21,907	21,198
Loans receivable (net of allowance)				82,012	54,479		136,491	157,198
Taxes receivable	86,853		\$19,767				106,620	103,425
Due from other governmental units	34,306						34,306	53,423
Due from other funds	573,658	\$163					573,821	561,515
Total assets	\$704,784	\$163	\$19,767	\$115,257	\$63,340	\$3,294	\$906,605	\$960,112
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable and accrued expenses	\$144,848						\$144,848	\$197,667
Due to other funds	101,799		\$20	\$500			102,319	103,357
Total liabilities	246,647	--	20	500	--	--	247,167	301,024
Fund Balances								
Unreserved - undesignated	458,137	\$163	19,747	114,757	\$63,340	\$3,294	659,438	659,088
Total fund balances	458,137	163	19,747	114,757	63,340	3,294	659,438	659,088
Total liabilities and fund balances	\$704,784	\$163	\$19,767	\$115,257	\$63,340	\$3,294	\$906,605	\$960,112

CITY OF FRANKLIN
SPECIAL REVENUE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

For the Year Ended April 30, 2000

With Comparative Totals for the Year Ended April 30, 1999

	Liquid and Solid Waste Fund	Summer Feeding Program	Public Safety Fund	Revolving Loan Fund	W. McKerrall O'Niell Shell Fund	Narcotic Aid Fund	Total
							2000 1999
Revenues:							
Taxes - sales	\$745,988		\$217,445				\$963,433 \$1,051,365
Taxes - ad valorem	79,448						79,448 75,220
Charges for service	744,949						744,949 780,687
Federal grant		\$27,010					27,010 34,889
State grant						411	411
Miscellaneous	1,125				\$9,988		11,113 15,414
Interest on investments	632	9		\$4,938		8,911	10,423
Total revenues	1,572,142	27,019	217,445	4,938	3,332	9,988	1,834,864 1,968,409
Expenditures:							
Sanitation	1,276,794						1,276,794 1,316,782
Urban redevelopment							2,813
Other		48,820		15,526	16,250	13,262	93,858 88,014
Total expenditures	1,276,794	48,820	--	15,526	16,250	13,262	1,370,652 1,407,609
Excess (deficiency) of revenues over expenditures	295,348	(21,801)	217,445	(10,588)	(12,918)	(3,274)	464,212 560,800
Other financing sources (uses)							
Operating transfers in	263,200	21,801					285,001 252,743
Operating transfers out	(531,745)		(217,118)				(748,863) (774,149)
Total other financing sources (uses)	(268,545)	21,801	(217,118)	--	--	--	(463,862) (521,406)
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	26,803	327	(10,588)	(12,918)	350	39,394	39,394
Fund balances, beginning of year	431,334	163	19,420	125,345	76,258	6,568	619,694
Fund balances, end of year	\$458,137	\$163	\$19,747	\$114,757	\$63,340	\$3,294	\$659,438 \$659,088

CITY OF FRANKLIN
SPECIAL REVENUE FUNDS
LIQUID AND SOLID WASTE FUND

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

Year Ended April 30, 2000

With Comparative Actual Amounts for the year Ended April 30, 1999

	2000		Variance - Favorable (Unfavorable)	1999 Actual
	Budget	Actual		
Revenues:				
Taxes				
Sales	\$734,000	\$745,988	\$11,988	\$823,382
Ad valorem	79,400	79,448	48	75,220
Sewer user fees	372,000	352,996	(19,004)	367,280
Garbage and other	406,400	391,953	(14,447)	413,407
Other	7,000	1,125	(5,875)	3,494
Interest on investments	500	632	132	447
Total revenues	<u>1,599,300</u>	<u>1,572,142</u>	<u>(27,158)</u>	<u>1,683,230</u>
Expenditures:				
Sanitation				
General and Administrative	131,200	138,658	(7,458)	147,440
Solid Waste Department	350,000	358,813	(8,813)	344,580
Sewer collection	195,000	189,204	5,796	251,133
Sewer plant	500,500	508,837	(8,337)	482,057
Tax collector	16,500	16,504	(4)	15,941
Inspection	20,000	19,997	3	26,200
Meter department	28,000	25,605	2,395	30,411
Purchasing	19,200	19,176	24	19,020
Total expenditures	<u>1,260,400</u>	<u>1,276,794</u>	<u>(16,394)</u>	<u>1,316,782</u>
Excess (deficiency) of revenues over expenditures	<u>338,900</u>	<u>295,348</u>	<u>(43,552)</u>	<u>366,448</u>
Other financing sources (uses):				
Operating transfers in -				
Consolidated Sewerage District No. 1 -1989	17,800	17,800		
1987 Sales Tax Bond Sinking Fund				110,853
1987 Sales Tax Bond Reserve Fund				62,567
DEQ Sinking fund 1989	9,400	9,400		
Water & Sewer Reserve Fund 1995	1,500		(1,500)	
1996 Public Improvement Tax Sinking Fund	236,000	236,000		46,500
Operating transfers out -				
1987 Sales Tax Bond Sinking Fund				(15,155)
1989 Sales Tax Bond Sinking Fund	(99,600)	(99,600)		(99,600)
General fund	(75,000)	(75,000)		(75,000)
1996 Sales Tax Construction fund				(10,000)
'95 Water & Sewer Sinking Fund	(28,000)	(27,438)	562	(27,772)
1996 Public Improvement Tax Sinking Fund	(329,700)	(329,707)	(7)	(314,552)
Total other financing sources (uses)	<u>(267,600)</u>	<u>(268,545)</u>	<u>(945)</u>	<u>(322,159)</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	<u>71,300</u>	<u>26,803</u>	<u>(44,497)</u>	<u>44,289</u>
Fund balance, beginning of year	<u>431,334</u>	<u>431,334</u>		<u>387,045</u>
Fund balance, end of year	<u>\$502,634</u>	<u>\$458,137</u>	<u>(\$44,497)</u>	<u>\$431,334</u>

CITY OF FRANKLIN
SPECIAL REVENUE FUND
SUMMER FEEDING PROGRAM

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL
Year Ended April 30, 2000
With Comparative Actual Amounts for Year Ended April 30, 1999

	2000		Variance Favorable (Unfavorable)	1999 Actual
	<u>Budget</u>	<u>Actual</u>		
Revenues:				
Federal grant	\$27,010	\$27,010		\$34,889
Miscellaneous		9	\$9	
Total revenues	<u>27,010</u>	<u>27,019</u>	<u>9</u>	<u>34,889</u>
Expenditures:				
Salaries	27,783	27,783		48,197
Supplies	1,955	1,955		
Food purchases	18,248	18,248		24,079
Miscellaneous	988	834	154	600
Total expenditures	<u>48,974</u>	<u>48,820</u>	<u>154</u>	<u>72,876</u>
Excess (deficiency) of revenues over expenditures	<u>(21,964)</u>	<u>(21,801)</u>	<u>163</u>	<u>(37,987)</u>
Other financing sources				
Operating transfers in General fund	<u>21,801</u>	<u>21,801</u>		<u>32,823</u>
Total other financing sources	<u>21,801</u>	<u>21,801</u>		<u>32,823</u>
Excess (deficiency) of revenues over expenditures and other financing sources	<u>(163)</u>		<u>163</u>	<u>(5,164)</u>
Fund balance, beginning	<u>163</u>	<u>163</u>		<u>5,327</u>
Fund balance, ending	<u>--</u>	<u>\$163</u>	<u>\$163</u>	<u>\$163</u>

CITY OF FRANKLIN
SPECIAL REVENUE FUNDS
PUBLIC SAFETY FUND

STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended April 30, 2000
With Comparative Actual Amounts for Year Ended April 30, 1999

	2000		Variance - Favorable (Unfavorable)	1999 Actual
	<u>Budget</u>	<u>Actual</u>		
Revenues:				
Sales taxes	\$214,000	\$217,445	\$3,445	\$227,983
Total revenues	<u>214,000</u>	<u>217,445</u>	<u>3,445</u>	<u>227,983</u>
Expenditures				
Miscellaneous				20
Total expenditures	<u>--</u>	<u>--</u>	<u>--</u>	<u>20</u>
Excess of revenues over expenditures	<u>214,000</u>	<u>217,445</u>	<u>3,445</u>	<u>227,963</u>
Other financing (uses) :				
Operating transfers out General fund	(214,000)	(217,118)	(3,118)	(232,070)
Total other financing (uses)	<u>(214,000)</u>	<u>(217,118)</u>	<u>(3,118)</u>	<u>(232,070)</u>
Excess of revenues over expenditures and other financing (uses)	<u>--</u>	<u>327</u>	<u>327</u>	<u>(4,107)</u>
Fund balance, beginning of year		19,420	19,420	23,527
Fund balance, end of year	<u>--</u>	<u>\$19,747</u>	<u>\$19,747</u>	<u>\$19,420</u>

CITY OF FRANKLIN
SPECIAL REVENUE FUNDS
REVOLVING LOAN FUND

STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
Year Ended April 30, 2000
With Comparative Actual Amounts for the Year Ended April 30, 1999

	2000			1999 Actual
	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)	
Revenues:				
Application fees				\$100
Interest income	\$4,150	\$4,938	\$788	5,877
Total revenues	<u>4,150</u>	<u>4,938</u>	<u>788</u>	<u>5,977</u>
Expenditures:				
Donations	5,000	5,000		
Processing fees	50		50	
Miscellaneous	50		50	
Bad debt expense		10,526	(10,526)	
Total expenditures	<u>5,100</u>	<u>15,526</u>	<u>(10,426)</u>	
Excess (deficiency) of revenues over expenditures	(950)	(10,588)	(9,638)	5,977
Fund balance, beginning of year	125,345	125,345		119,368
Fund balance, end of year	<u>\$124,395</u>	<u>\$114,757</u>	<u>(\$9,638)</u>	<u>\$125,345</u>

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

STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended April 30, 2000
With Comparative Actual Amounts for the Year Ended April 30, 1999

	2000		Variance Favorable (Unfavorable)	1999 Actual
	<u>Budget</u>	<u>Actual</u>		
Revenues:				
Interest on investments	\$4,000	\$3,332	(\$668)	\$4,099
Total revenues	<u>4,000</u>	<u>3,332</u>	<u>(668)</u>	<u>4,099</u>
Expenditures:				
Urban redevelopment				
Processing fees				300
Miscellaneous	250	250		92
Housing				2,421
Bad debt expense		16,000	(16,000)	
Total expenditures	<u>250</u>	<u>16,250</u>	<u>(16,000)</u>	<u>2,813</u>
Excess (deficiency) of revenues over expenditures	<u>3,750</u>	<u>(12,918)</u>	<u>(16,668)</u>	<u>1,286</u>
Fund balance, beginning of year	<u>76,568</u>	<u>76,258</u>	<u>(310)</u>	<u>74,972</u>
Fund balance, end of year	<u>\$80,318</u>	<u>\$63,340</u>	<u>(\$16,978)</u>	<u>\$76,258</u>

CITY OF FRANKLIN
SPECIAL REVENUE FUNDS
NARCOTIC AID FUND

STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
Year Ended April 30, 2000

With Comparative Actual Amounts for the Year Ended April 30, 1999

	2000		Variance Favorable (Unfavorable)	1999 Actual
	<u>Budget</u>	<u>Actual</u>		
Revenues:				
Police fines	\$3,600	\$4,900	\$1,300	\$3,894
Drug seizures	7,800	5,088	(2,712)	7,272
Dare grant				411
Miscellaneous				654
<i>Total revenues</i>	<u>11,400</u>	<u>9,988</u>	<u>(1,412)</u>	<u>12,231</u>
Expenditures:				
Investigations	5,000	4,571	429	1,814
Equipment	2,000	3,575	(1,575)	3,500
Miscellaneous	3,570	5,116	(1,546)	9,804
<i>Total expenditures</i>	<u>10,570</u>	<u>13,262</u>	<u>(2,692)</u>	<u>15,118</u>
Excess (deficiency) of revenues over expenditures	830	(3,274)	(4,104)	(2,887)
Fund balance, beginning of year	6,568	6,568		9,455
Fund balance, end of year	<u>\$7,398</u>	<u>\$3,294</u>	<u>(\$4,104)</u>	<u>\$6,568</u>

DEBT SERVICE FUNDS

Consolidated Sewerage District No. 1 - 1989 - To account for funds received from special assessments used to pay a portion of the acquisition and construction of sewerage improvements and extensions to the sewerage system to serve properties located in certain areas within the City.

Consolidated Sewerage District No. 1 Sinking Fund - To account for funds received from special assessments used to pay a portion of the cost of the acquisition and construction of sewerage improvements and extensions to the sewerage system to service properties located in Consolidated Sewerage District

Sales Tax Bond Sinking Fund 1987 - Was used to accumulate monies for payment of the 1987 \$1,970,000 Public Improvement Sales Tax bonds, which were refinanced by the \$1,425,000 1996 Public Improvement Sales Tax Bonds.

Sales Tax Bond Reserve Fund 1987 - The Sales Tax Bond Reserve Fund was a reserve required by the \$1,970,000 1987 bond issue indenture, which was refinanced by the \$1,425,000 1996 public Improvement Sales Tax Bonds. The investment in this fund can not be transferred until it matures. Upon maturity, the proceeds will be transferred to the 1996 Public Improvement Sales Tax Bond Reserve Fund.

1996 Public Improvement Sales Tax Bonds Sinking Fund - To accumulate revenues for payment of the 1996 \$1,425,000 Sales Tax Refunding Bonds, which are serial bonds due in annual installments plus interest through maturity in 2004. Debt service is financed with proceeds of the City's 3/4% sales and use tax.

Certificates of Indebtedness Series 1995 - To accumulate monies for payment of the 1995 Certificate of Indebtedness Series 1995 in the amount of \$50,124.

DEQ Loan Sinking Fund 1989 - To accumulate money for payment of the DEQ loan in the amount of \$850,000 due in annual installments plus interest through maturity in 2005. Debt service is financed with Liquid and Solid Waste revenues.

DEQ Loan Reserve Fund 1989 - a reserve required by the \$850,000 due in annual installments plus interest through maturity in 2005. Debt service is financed with Liquid and Solid Waste revenues.

1995 Water and Sewer Revenue Bond Sinking Fund - To accumulate monies for the payment of the 1995 \$400,000 (Series A) and \$600,000 (Series B) Water and Sewer Revenue bonds, which are serial bonds due in annual installments, plus interest through maturity due in annual installments, plus interest through maturity in 2015. Debt service is financed with revenues from Utility and Liquid and Solid Waste Funds.

DEBT SERVICE FUNDS (cont'd)

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

Sales Tax Bond Sinking Fund 1996 - To accumulate revenues for payment of the 1996 \$1,675,000 Sales Tax Bonds, which are serial bonds due in annual installments plus interest through maturity in 2015. Debt service is financed with proceeds of the City's 1% sales and use tax.

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

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

CITY OF FRANKLIN
DEBT SERVICE FUNDS

COMBINING BALANCE SHEET

April 30, 2000

With Comparative Totals for April 30, 1999

	Consolidated Sewerage District No. 1 1989	Consolidated Sewerage District No.1 Sinking Fund 1987	Sales Tax Bond Sinking Fund Reserve Fund 1987	1996 Public Improvement Sales Tax Bond Sinking Fund	Certificates of Indebtedness Series 1995	DEQ Loan Sinking Fund 1989
Cash and cash equivalents	\$3,164	\$12,579	\$232,807	\$156,291	\$3,462	\$70,845
Investments						
Assessments receivable -						
Current		3,663				
Delinquent	218	1,403				
Deferred	787	14,654	\$34,738			
Due from other funds		285				
Total assets	\$4,169	\$32,584	\$34,738	\$156,291	\$3,462	\$70,845

LIABILITIES AND FUND EQUITY

Liabilities						
Accounts payable			\$48,248			
Due to other funds		\$14,654				
Deferred revenue			48,248			
Total liabilities		14,654	48,248			
Fund equity						
Fund balance	\$4,169	17,930		\$156,291	\$3,462	\$70,845
Reserved for debt service		(13,510)				
Unreserved-undesignated	4,169	17,930	(13,510)	156,291	3,462	70,845
Total fund balance	\$4,169	\$32,584	\$34,738	\$156,291	\$3,462	\$70,845
Total liabilities and fund balance	\$4,169	\$32,584	\$34,738	\$156,291	\$3,462	\$70,845

	DEQ Loan Reserve Fund 1989	'95 Water & Sewer Revenue Bond Sinking Fund	'95 Water & Sewer Revenue Bond Reserve Fund	Sales Tax Bond Sinking Fund 1996	Sales Tax Bond Reserve Fund 1996	1998 Sales Tax Fire Equipment Sinking Fund	Totals 2000 1999
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ASSETS

Cash and cash equivalents	\$83	\$13,072	\$34,282	\$33,392	\$19,693	\$545,388	\$451,771
Investments	100,000				\$153,687	287,969	514,994
Assessments receivable -							
Current						3,663	5,346
Delinquent						1,621	1,621
Deferred					1,623	14,654	19,157
Due from other funds						37,433	37,433
Total assets	\$100,083	\$13,072	\$34,282	\$33,392	\$155,310	\$890,728	\$1,030,322

LIABILITIES AND FUND EQUITY

Liabilities							
Accounts payable				\$300		\$300	\$175
Due to other funds						48,248	54,248
Deferred revenue						14,654	19,157
Total liabilities				300		63,202	73,580
Fund equity							
Fund balance							
Reserved for debt service	\$98,045	\$13,072	\$34,282	33,092	\$153,687	811,814	923,071
Unreserved-undesignated	2,038				1,623	15,712	33,671
Total fund balance	100,083	13,072	34,282	33,092	155,310	827,526	956,742
Total liabilities and fund balance	\$100,083	\$13,072	\$34,282	\$33,392	\$155,310	\$890,728	\$1,030,322

CITY OF FRANKLIN
DEBT SERVICE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

Year Ended April 30, 2000

With Comparative Totals for the Year Ended April 30, 1999

	Consolidated Sewerage District No. 1 1989	Consolidated Sewerage District No. 1 Sinking Fund 1987	Sales Tax Bond Reserve Fund 1987	1996 Public Improvement Sales Tax Bond Sinking Fund	Certificate of indebtedness Series 1995	DEQ Loan Sinking Fund 1989	DEQ Loan Reserve Fund 1989
Revenues:							
Special assessments	\$633	\$4,643					
Miscellaneous	165	1,783	\$12,804	\$3,355	\$58	\$2,189	\$4,880
Interest on investments	798	6,426	12,804	3,355	58	2,189	4,880
Total revenues							
Expenditures:							
Debt Service							
Interest and bank charges		2,237		53,313	1,740	30,690	
Miscellaneous					32	126	120
Bond payments		5,012		180,000	4,000	68,000	
Total expenditures							
		7,249		233,313	5,772	98,816	120
Excess (deficiency) of revenues over expenditures	798	(823)	12,804	(229,958)	(5,714)	(96,627)	4,760
Other financing sources (uses):							
Operating transfers in				342,511	5,700	104,480	
Operating transfers out	(17,800)		(12,804)	(236,000)		(9,400)	(4,880)
Total other financing sources (uses)	(17,800)		(12,804)	106,511	5,700	95,080	(4,880)
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	(17,002)	(823)		(123,447)	(14)	(1,547)	(120)
Fund balance, beginning	21,171	18,753	232,807	279,738	3,476	72,392	100,203
Fund balance, ending	\$4,169	\$17,930	\$232,807	\$156,291	\$3,462	\$70,845	\$100,083

	'95 Water & Sewer Revenue Bond Sinking Fund	'95 Water & Sewer Revenue Bond Reserve Fund	Sales Tax Bond Sinking Fund 1996	Sales Tax Bond Reserve Fund 1996	1998 Sales Tax Fire Equipment Sinking Fund	Totals 2000 1999
Revenues:						
Special assessments						\$8,705
Miscellaneous	\$153					3,886
Interest on investments	433	\$1,586	\$2,076	\$9,579	\$414	35,799
Total revenues	586	1,586	2,076	9,579	414	48,390
Expenditures:						
Debt Service						
Interest and bank charges	10,355		94,091		35,456	229,967
Miscellaneous	8				65	379
Bond payments	17,000		55,000		20,021	343,747
Total expenditures	27,363	--	149,091	--	55,542	574,093
Excess (deficiency) of revenues over expenditures	(26,777)	1,586	(147,015)	9,579	(55,128)	(525,703)
Other financing sources (uses):						
Operating transfers in	29,024	5,782	158,067		65,366	742,381
Operating transfers out	(5,782)	(1,586)	(9,800)	(9,579)		(300,864)
Total other financing sources (uses)	23,242	4,196	148,267	(9,579)	65,366	441,517
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	(3,535)	5,782	1,252		10,238	(84,186)
Fund balance, beginning	16,607	28,500	31,840	155,310	9,455	1,040,928
Fund balance, ending	\$13,072	\$34,282	\$33,092	\$155,310	\$19,693	\$956,742

CITY OF FRANKLIN
DEBT SERVICE FUND
CONSOLIDATED SEWERAGE DISTRICT NO. 1 - 1989

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

Year Ended April 30, 2000

With Comparative Actual Amounts for Year Ended April 30, 1999

	2000		Variance Favorable (Unfavorable)	1999 Actual
	Budget	Actual		
Revenues:				
Special assessments	\$1,514	\$633	(\$881)	\$1,991
Interest on investments	650	165	(485)	112
Total revenues	<u>2,164</u>	<u>798</u>	<u>(1,366)</u>	<u>2,103</u>
Excess of revenues over expenditures	<u>2,164</u>	<u>798</u>	<u>(1,366)</u>	<u>2,103</u>
Other financing sources (uses)				
Operating transfers out Liquid & Solid Waste Fund	(17,800)	(17,800)		
Total other financing sources (uses)	<u>(17,800)</u>	<u>(17,800)</u>	<u>--</u>	<u>--</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	(15,636)	(17,002)	(1,366)	2,103
Fund balance, beginning	27,171	21,171	(6,000)	19,068
Fund balance, ending	<u>\$11,535</u>	<u>\$4,169</u>	<u>(\$7,366)</u>	<u>\$21,171</u>

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

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

Year Ended April 30, 2000

With Comparative Actual Amounts for Year Ended April 30, 1999

	2000		Variance Favorable (Unfavorable)	1999 Actual
	Budget	Actual		
Revenues:				
Special assessments	\$6,750	\$4,643	(\$2,107)	\$6,714
Interest on investments	1,950	1,783	(167)	1,915
Total revenues	<u>8,700</u>	<u>6,426</u>	<u>(2,274)</u>	<u>8,629</u>
Expenditures:				
Debt service				
Bond payments	5,012	5,012		5,012
Interest & bank charges	2,237	2,237		2,670
Total expenditures	<u>7,249</u>	<u>7,249</u>	<u>--</u>	<u>7,682</u>
Excess (deficiency) of revenues over expenditures	1,451	(823)	(2,274)	947
Fund balance, beginning	18,753	18,753		17,806
Fund balance, ending	<u>\$20,204</u>	<u>\$17,930</u>	<u>(\$2,274)</u>	<u>\$18,753</u>

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

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

Year Ended April 30, 2000

With Comparative Actual Amounts for Year Ended April 30, 1999

	2000		Variance Favorable (Unfavorable)	1999 Actual
	<u>Budget</u>	<u>Actual</u>		
Revenues:				
Interest on investments	\$12,800	\$12,804	\$4	\$9,190
Total revenues	<u>12,800</u>	<u>12,804</u>	<u>4</u>	<u>9,190</u>
Excess of revenues over expenditures	<u>12,800</u>	<u>12,804</u>	<u>4</u>	<u>9,190</u>
Other financing sources (uses):				
Operating transfers out				
Liquid and Solid Waste Fund				(62,567)
1996 Public Improvement Sales				
Tax Bond Sinking Fund	(12,800)	(12,804)	(4)	(3,227)
Total other financing sources (uses)	<u>(12,800)</u>	<u>(12,804)</u>	<u>(4)</u>	<u>(65,794)</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>(56,604)</u>
Fund balance, beginning	232,807	232,807		289,411
Fund balance, ending	<u>\$232,807</u>	<u>\$232,807</u>	<u>--</u>	<u>\$232,807</u>

CITY OF FRANKLIN
DEBT SERVICE FUND
1996 PUBLIC IMPROVEMENT SALES TAX BOND SINKING FUND

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

Year Ended April 30, 2000

With Comparative Actual Amounts for Year Ended April 30, 1999

	2000		Variance Favorable (Unfavorable)	1999 Actual
	<u>Budget</u>	<u>Actual</u>		
Revenues:				
Miscellaneous				\$3,202
Interest on investments	\$5,000	\$3,355	(\$1,645)	2,568
Total revenues	<u>5,000</u>	<u>3,355</u>	<u>(1,645)</u>	<u>5,770</u>
Expenditures:				
Debt service				
Bond payments	180,000	180,000		170,000
Interest & bank charges	52,963	53,313	(350)	60,112
Total expenditures	<u>232,963</u>	<u>233,313</u>	<u>(350)</u>	<u>230,112</u>
Excess (deficiency) of revenues over expenditures	<u>(227,963)</u>	<u>(229,958)</u>	<u>(1,995)</u>	<u>(224,342)</u>
Other financing sources (uses):				
Operating transfers in				
Liquid and Solid Waste Fund	329,707	329,707		314,552
Sales Tax Bond Reserve Fund 1987	12,800	12,804	4	3,227
1996 Public Improvement Sales Tax Bond Reserve Fund				40,312
Operating transfers out				
Liquid and Solid Waste Fund	(236,000)	(236,000)		(46,500)
Total other financing sources (uses)	<u>106,507</u>	<u>106,511</u>	<u>4</u>	<u>311,591</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	<u>(121,456)</u>	<u>(123,447)</u>	<u>(1,991)</u>	<u>87,249</u>
Fund balance, beginning	279,913	279,738	(175)	192,489
Fund balance, ending	<u>\$158,457</u>	<u>\$156,291</u>	<u>(\$2,166)</u>	<u>\$279,738</u>

CITY OF FRANKLIN
DEBT SERVICE FUND
CERTIFICATES OF INDEBTEDNESS SERIES 1995

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

Year Ended April 30, 2000

With Comparative Actual Amounts for Year Ended April 30, 1999

	2000		Variance Favorable (Unfavorable)	1999 Actual
	<u>Budget</u>	<u>Actual</u>		
Revenues:				
Interest on investments	\$10	\$58	\$48	\$53
Total revenues	<u>10</u>	<u>58</u>	<u>48</u>	<u>53</u>
Expenditures:				
Debt service				
Bond payments	4,930	4,000	930	3,000
Interest & bank charges	810	1,740	(930)	1,950
Miscellaneous		32	(32)	62
Total expenditures	<u>5,740</u>	<u>5,772</u>	<u>(32)</u>	<u>5,012</u>
Excess (deficiency) of revenues over expenditures	<u>(5,730)</u>	<u>(5,714)</u>	<u>16</u>	<u>(4,959)</u>
Other financing sources:				
Operating transfers in General Fund	<u>5,700</u>	<u>5,700</u>		<u>5,587</u>
Total other financing sources	<u>5,700</u>	<u>5,700</u>	<u>--</u>	<u>5,587</u>
Excess (deficiency) of revenues over expenditures and other financing sources	<u>(30)</u>	<u>(14)</u>	<u>16</u>	<u>628</u>
Fund balance, beginning	<u>3,476</u>	<u>3,476</u>		<u>2,848</u>
Fund balance, ending	<u>\$3,446</u>	<u>\$3,462</u>	<u>\$16</u>	<u>\$3,476</u>

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

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL
Year Ended April 30, 2000
With Comparative Actual Amounts for Year Ended April 30, 1999

	2000		Variance Favorable (Unfavorable)	1999 Actual
	<u>Budget</u>	<u>Actual</u>		
Revenues:				
Interest on investments	\$2,000	\$2,189	\$189	\$1,580
Total revenues	<u>2,000</u>	<u>2,189</u>	<u>189</u>	<u>1,580</u>
Expenditures:				
Debt service				
Bond payments	68,000	68,000		65,000
Interest and bank charges	30,690	30,690		34,265
Miscellaneous		126	(126)	
Total expenditures	<u>98,690</u>	<u>98,816</u>	<u>(126)</u>	<u>99,265</u>
Excess (deficiency) of revenues over expenditures	<u>(96,690)</u>	<u>(96,627)</u>	<u>63</u>	<u>(97,685)</u>
Other financing sources (uses):				
Operating transfers in				
Liquid and Solid Waste Fund	99,600	99,600		99,600
DEQ Loan Reserve Fund 1989	4,880	4,880		5,758
Operating transfers out				
Liquid and Solid Waste Fund	(9,400)	(9,400)		
Total other financing sources (uses)	<u>95,080</u>	<u>95,080</u>	<u>--</u>	<u>105,358</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	<u>(1,610)</u>	<u>(1,547)</u>	<u>63</u>	<u>7,673</u>
Fund balance, beginning	72,392	72,392		64,719
Fund balance, ending	<u>\$70,782</u>	<u>\$70,845</u>	<u>\$63</u>	<u>\$72,392</u>

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

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

Year Ended April 30, 2000

With Comparative Actual Amounts for Year Ended April 30, 1999

	2000		Variance Favorable (Unfavorable)	1999 Actual
	Budget	Actual		
Revenues:				
Interest on investments	\$4,880	\$4,880		\$3,571
Miscellaneous				305
Total revenues	4,880	4,880	--	3,876
Expenditures:				
Miscellaneous	90	120	(\$30)	59
Total expenditures	90	120	(30)	59
Excess (deficiency) of revenues over expenditures	4,790	4,760	(30)	3,817
Other financing sources (uses):				
Operating transfers out				
Liquid and Solid Waste Fund	(3,200)		3,200	
DE:Q Loan Sinking Fund 1989		(4,880)	(4,880)	(5,758)
1996 Sales Tax Bond Sinking Fund				(400)
Total other financing sources (uses)	(3,200)	(4,880)	(1,680)	(6,158)
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	1,590	(120)	(1,710)	(2,341)
Fund balance, beginning	100,203	100,203	--	102,544
Fund balance, ending	\$101,793	\$100,083	(\$1,710)	\$100,203

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

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL
Year Ended April 30, 2000
With Comparative Actual Amounts for Year Ended April 30, 1999

	2000		Variance Favorable (Unfavorable)	1999 Actual
	Budget	Actual		
Revenues:				
Interest on investments	\$550	\$433	(\$117)	\$406
Miscellaneous		153	153	166
Total revenues	<u>550</u>	<u>586</u>	<u>36</u>	<u>572</u>
Expenditures:				
Debt service				
Bond payments	17,000	17,000		17,000
Interest and bank charges	10,355	10,355		10,856
Miscellaneous	10	8	2	
Total expenditures	<u>27,365</u>	<u>27,363</u>	<u>2</u>	<u>27,856</u>
Excess (deficiency) of revenues over expenditures	<u>(26,815)</u>	<u>(26,777)</u>	<u>38</u>	<u>(27,284)</u>
Other financing sources (uses):				
Operating transfers in				
Liquid and Solid Waste Fund	27,438	27,438		27,772
'95 Water & Sewer Revenue Bond Reserve Fund		1,586	1,586	6,878
Operating transfers out				
'95 Water & Sewer Revenue Bond Reserve Fund	<u>(5,782)</u>	<u>(5,782)</u>		
Total other financing sources (uses)	<u>21,656</u>	<u>23,242</u>	<u>1,586</u>	<u>34,650</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	<u>(5,159)</u>	<u>(3,535)</u>	<u>1,624</u>	<u>7,366</u>
Fund balance, beginning	16,607	16,607		9,241
Fund balance, ending	<u>\$11,448</u>	<u>\$13,072</u>	<u>\$1,624</u>	<u>\$16,607</u>

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

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL
Year Ended April 30, 2000
With Comparative Actual Amounts for Year Ended April 30, 1999

	2000		Variance Favorable (Unfavorable)	1999 Actual
	<u>Budget</u>	<u>Actual</u>		
Revenues:				
Interest on investments	\$1,390	\$1,586	\$196	\$558
Miscellaneous				136
Total revenues	<u>1,390</u>	<u>1,586</u>	<u>196</u>	<u>694</u>
Expenditures:				
Miscellaneous				67
Total expenditures	<u>---</u>	<u>---</u>	<u>---</u>	<u>67</u>
Excess (deficiency) of revenues over expenditures	<u>1,390</u>	<u>1,586</u>	<u>196</u>	<u>627</u>
Other financing sources (uses):				
Operating transfers in '95 Water & Sewer Revenue Bond Sinking Fund	5,782	5,782		
Operating transfers out Liquid and Solid Waste Fund '95 Water & Sewer Revenue Bond Sinking Fund	(1,390)	(1,586)	1,390	(6,878)
Total other financing sources (uses)	<u>4,392</u>	<u>4,196</u>	<u>(196)</u>	<u>(6,878)</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	<u>5,782</u>	<u>5,782</u>		<u>(6,251)</u>
Fund balance, beginning	28,500	28,500		34,751
Fund balance, ending	<u>\$34,282</u>	<u>\$34,282</u>	<u>---</u>	<u>\$28,500</u>

CITY OF FRANKLIN
DEBT SERVICE FUND
SALES TAX BOND SINKING FUND 1996

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL
Year Ended April 30, 2000
With Comparative Actual Amounts for Year Ended April 30, 1999

	2000		Variance Favorable (Unfavorable)	1999 Actual
	Budget	Actual		
Revenues:				
Interest on investments	\$1,400	\$2,076	\$676	\$1,216
Total revenues	<u>1,400</u>	<u>2,076</u>	<u>676</u>	<u>1,216</u>
Expenditures:				
Debt service				
Interest and bank charges	93,965	94,091	(126)	98,485
Bond payments	55,000	55,000		50,000
Miscellaneous				10
Total expenditures	<u>148,965</u>	<u>149,091</u>	<u>(126)</u>	<u>148,495</u>
Excess (deficiency) of revenues over expenditures	<u>(147,565)</u>	<u>(147,015)</u>	<u>550</u>	<u>(147,279)</u>
Other financing sources (uses):				
Operating transfers in				
General Fund	148,488	148,488		150,187
Sales Tax Bond Reserve Fund 1996	9,500	9,579	79	7,930
1996 Sales Tax Bond Construction				300
DEQ Loan Reserve Fund 1989				400
Operating transfers out				
General Fund	(9,800)	(9,800)		
1996 Sales Tax Bond Construction Fund				(15,654)
Total other financing sources (uses)	<u>148,188</u>	<u>148,267</u>	<u>79</u>	<u>143,163</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	<u>623</u>	<u>1,252</u>	<u>629</u>	<u>(4,116)</u>
Fund balance, beginning	31,840	31,840		35,956
Fund balance, ending	<u>\$32,463</u>	<u>\$33,092</u>	<u>\$629</u>	<u>\$31,840</u>

CITY OF FRANKLIN
DEBT SERVICE FUND
SALES TAX BOND RESERVE FUND 1996

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL
Year Ended April 30, 2000
With Comparative Actual Amounts for Year Ended April 30, 1999

	2000		Variance Favorable (Unfavorable)	1999 Actual
	<u>Budget</u>	<u>Actual</u>		
Revenues:				
Interest on investments	\$9,500	\$9,579	\$79	\$8,715
Total revenues	<u>9,500</u>	<u>9,579</u>	<u>79</u>	<u>8,715</u>
Excess of revenues over expenditures	<u>9,500</u>	<u>9,579</u>	<u>79</u>	<u>8,715</u>
Other financing sources (uses):				
Operating transfers out				
Sales Tax Bond Sinking Fund 1996	(9,500)	(9,579)	(79)	(7,930)
1996 Sales Tax Bond Construction Fund				(785)
Total other financing sources (uses)	<u>(9,500)</u>	<u>(9,579)</u>	<u>(79)</u>	<u>(8,715)</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Fund balance, beginning	155,310	155,310		155,310
Fund balance, ending	<u>\$155,310</u>	<u>\$155,310</u>	<u>--</u>	<u>\$155,310</u>

CITY OF FRANKLIN
DEBT SERVICE FUND
1998 SALES TAX FIRE EQUIPMENT - SINKING FUND

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

Year Ended April 30, 2000

With Comparative Actual Amounts for the Year Ended April 30, 1999

	2000		Variance Favorable (Unfavorable)	1999 Actual
	<u>Budget</u>	<u>Actual</u>		
Revenues:				
Interest on investments	\$374	\$414	\$40	\$267
Total revenues	<u>374</u>	<u>414</u>	<u>40</u>	<u>267</u>
Expenditures:				
Debt service				
Lease payments	37,568	20,021	17,547	33,735
Interest and bank charges		35,456	(35,456)	21,742
Miscellaneous		65	(65)	58
Total expenditures	<u>37,568</u>	<u>55,542</u>	<u>(17,974)</u>	<u>55,535</u>
Excess (deficiency) of revenues over expenditures	<u>(37,194)</u>	<u>(55,128)</u>	<u>(17,934)</u>	<u>(55,268)</u>
Other financing sources				
Operating transfers in General fund	<u>27,739</u>	<u>65,366</u>	<u>37,627</u>	<u>64,723</u>
Total other financing sources	<u>27,739</u>	<u>65,366</u>	<u>37,627</u>	<u>64,723</u>
Excess (deficiency) of revenues over expenditures and other financing sources	<u>(9,455)</u>	<u>10,238</u>	<u>19,693</u>	<u>9,455</u>
Fund balance, beginning	9,455	9,455		
Fund balance, ending	<u>--</u>	<u>\$19,693</u>	<u>\$19,693</u>	<u>\$9,455</u>

CAPITAL PROJECTS FUNDS

Consolidated Sewerage Project 1993 - To account for the receipt and use of funds to install sewer lines along the streets of Truiel, Twelfth, Hamm and Willow.

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

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

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

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

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

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

Litter Reduction Grant - To account for the receipt and expenditure of state funds awarded for the purpose of acquiring equipment for litter reduction in the City.

LCDBG Economic Development Grant - To account for the receipt and expenditures of federal funds awarded for the purpose of acquiring land and buildings for economic development in the City.

CITY OF FRANKLIN
CAPITAL PROJECTS FUNDS

COMBINING BALANCE SHEET

April 30, 2000

With Comparative Totals for April 30, 1999

	Consolidated Sewerage Project 1993	Yokely Project	LCDBG Sewer Rehab Reconstruction	ISTEA Franklin Landscaping Pedestrian Bike Path	Widening of Highway 182	Teche Theater Grant	Litter Reduction Grant	LCDBG Economic Development	Totals 2000	Totals 1999
Cash and cash equivalents	\$20,496	\$6,841		\$1,828	\$2,351	\$75	\$401	\$5,104	\$37,096	\$169,367
Investments		592,499							592,499	594,422
Due from governmental units					36,096				36,096	283,791
Due from other funds	32,101								32,101	
Total assets	\$52,597	\$599,340		\$1,828	\$38,447	\$75	\$401	\$5,104	\$697,792	\$1,047,580
LIABILITIES AND FUND EQUITY										
Liabilities:										
Accounts payable										\$21,299
Contracts payable		\$307,662				\$11,822			\$319,484	214,082
Retainage payable		84,317							84,317	17,495
Due to other funds	\$285		\$500		\$35,101	37,600		\$5,000	73,486	3,785
Due to other governments										
Total liabilities	285	391,979	500		35,101	49,422		5,000	482,287	279,399
Fund equity:										
Fund balance										
Unreserved, undesignated	52,312		(500)	1,828	3,346	(49,347)	401	104	8,144	702,096
Reserved for incomplete contracts		207,361							207,361	66,085
Total fund balance	52,312	207,361	(500)	1,828	3,346	(49,347)	401	104	215,505	768,181
Total liabilities and fund balance	\$52,597	\$599,340		\$1,828	\$38,447	\$75	\$401	\$5,104	\$697,792	\$1,047,580

CITY OF FRANKLIN
CAPITAL PROJECTS FUNDS

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

Year Ended April 30, 2000

With Comparative Totals for the Year Ended April 30, 1999

	Consolidated Sewerage Project 1993	Yokely Project	Sales Tax Bond Construction 1996	LCDBG Sewer Rehabilitation Fund	ISTEA Franklin Bike Pedestrian Path	Widening of Highway 182	Teche Theater Grant	Litter Reduction Grant	LCDBG Economic Development	Totals 2000	Totals 1999
Revenues:											
Intergovernmental -											
Federal grant					\$39,683				\$23,047	\$62,730	\$279,068
State grant		\$916,316				\$209,665		\$9,600		1,260,026	357,391
St. Mary Parish Council						20,751				20,751	21,299
St. Mary Parish School Board											8,372
Interest earned	\$1,707	27,264	\$184	\$20						29,175	31,682
Miscellaneous									13,750	13,750	861
Total revenues	1,707	943,580	184	20	39,683	209,665	145,196	9,600	36,797	1,386,432	698,673
Expenditures:											
Capital outlay											
Sanitation											
Construction	7,692	1,686,350								1,694,042	340,846
Drainage		33,411								33,411	36,835
Engineering	1,058	161,685								162,743	7,318
Economic development					9,503		216,918		323,143	323,143	7,318
Culture and recreation			45,239							226,421	205,293
Highways and streets			1,349	93		229,717				274,956	189,371
Other costs								9,299		10,741	2,261
Debt service											
Principal payments									13,750	13,750	
Total expenditures	8,750	1,881,446	46,588	93	9,503	229,717	216,918	9,299	336,893	2,739,207	781,924
Excess (deficiency) of revenues over expenditures	(7,043)	(937,866)	(46,404)	(73)	30,180	(20,052)	(71,722)	301	(300,096)	(1,352,775)	(83,251)
Other financing sources (uses):											
Operating transfers in								100	200	300	168,924
Operating transfers out		(13,632)	(958)		(48,664)					(63,254)	(117,377)
Proceeds from loans		563,053							300,000	863,053	
Total other financing sources (uses)	--	549,421	(958)	--	(48,664)	--	--	100	300,200	800,099	51,547
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	(7,043)	(388,445)	(47,362)	(73)	(18,484)	(20,052)	(71,722)	401	104	(552,676)	(31,704)
Fund balance, beginning	59,355	595,806	47,362	(427)	20,312	23,398	22,375			768,181	799,885
Fund balance, ending	\$52,312	\$207,361	--	(\$500)	\$1,828	\$3,346	(\$49,347)	\$401	\$104	\$215,505	\$768,181

CITY OF FRANKLIN
 CAPITAL PROJECTS FUNDS
 CONSOLIDATED SEWERAGE PROJECT 1993

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - BUDGET AND ACTUAL
 Year Ended April 30, 2000
 With Comparative Totals for the Year Ended April 30, 1999

	2000		Variance Favorable (Unfavorable)	1999 Actual
	<u>Budget</u>	<u>Actual</u>		
Revenues:				
Interest earned	\$1,700	\$1,707	\$7	\$2,291
Miscellaneous				435
Total revenues	<u>1,700</u>	<u>1,707</u>	<u>7</u>	<u>2,726</u>
Expenditures:				
Engineering	1,058	1,058		
Construction	7,693	7,692	1	
Total expenditures	<u>8,751</u>	<u>8,750</u>	<u>1</u>	
Excess (deficiency) of revenues over expenditures	(7,051)	(7,043)	8	2,726
Fund balance, beginning	59,640	59,355	(285)	56,629
Fund balance, ending	<u>\$52,589</u>	<u>\$52,312</u>	<u>(\$277)</u>	<u>\$59,355</u>

CITY OF FRANKLIN
CAPITAL PROJECTS FUNDS
YOKELY PROJECT

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

Year Ended April 30, 2000

With Comparative Totals for the Year Ended April 30, 1999

	2000		Variance Favorable (Unfavorable)	1999 Actual
	<u>Budget</u>	<u>Actual</u>		
Revenues:				
Interest	\$30,580	\$27,264	(\$3,316)	\$26,196
State grant	811,869	916,316	104,447	
Total revenues	<u>842,449</u>	<u>943,580</u>	<u>101,131</u>	<u>26,196</u>
Expenditures:				
Capital outlay				
Drainage				
Construction	2,009,022	1,686,350	322,672	
Property acquisition	8,600	8,600		
Legal fees	22,965	23,065	(100)	
Interest and bank charges	12,000		12,000	
Other	81	1,746	(1,665)	
Engineering	185,034	161,685	23,349	36,835
Total expenditures	<u>2,237,702</u>	<u>1,881,446</u>	<u>356,256</u>	<u>36,835</u>
Excess (deficiency) of revenues over expenditures	<u>(1,395,253)</u>	<u>(937,866)</u>	<u>457,387</u>	<u>(10,639)</u>
Other financing sources (uses):				
Proceeds from loan	1,405,500	563,053	(842,447)	
Operating transfers out General fund	(13,632)	(13,632)		
Total other financing sources (uses)	<u>1,391,868</u>	<u>549,421</u>	<u>(842,447)</u>	<u>--</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	<u>(3,385)</u>	<u>(388,445)</u>	<u>(385,060)</u>	<u>(10,639)</u>
Fund balance, beginning	595,806	595,806	--	606,445
Fund balance, ending	<u>\$592,421</u>	<u>\$207,361</u>	<u>(\$385,060)</u>	<u>\$595,806</u>

CITY OF FRANKLIN
 CAPITAL PROJECTS FUNDS
 SALES TAX BOND CONSTRUCTION FUND 1996

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - BUDGET AND ACTUAL
 Year Ended April 30, 2000
 With Comparative Totals for the Year Ended April 30, 1999

	2000		Variance Favorable (Unfavorable)	1999 Actual
	Budget	Actual		
Revenues:				
Interest earned	\$221	\$184	(\$37)	\$3,195
Intergovernmental				
St. Mary Parish School Board				8,372
Total revenues	<u>221</u>	<u>184</u>	<u>(37)</u>	<u>11,567</u>
Expenditures:				
Capital outlay				
Highways and streets				
Construction	6,739	6,739		9,596
Engineering				4,648
Land purchase	38,500	38,500		
Attorney fees	349	349		650
Miscellaneous	1,037	1,000	37	
Total expenditures	<u>46,625</u>	<u>46,588</u>	<u>37</u>	<u>14,894</u>
Excess (deficiency) of revenues over expenditures	<u>(46,404)</u>	<u>(46,404)</u>	--	<u>(3,327)</u>
Other financing sources (uses):				
Operating transfers in				
Liquid & Solid Waste fund				10,000
Sales Tax Bond Sinking fund 1996				15,654
Sales Tax Reserve fund 1996				785
Operating transfers out				
General fund	(958)	(958)		
LCDBG Sewer Rehab Reconstruction				(112,501)
Sales Tax Bond Sinking fund 1996				(300)
Total other financing sources (uses)	<u>(958)</u>	<u>(958)</u>	--	<u>(86,362)</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	<u>(47,362)</u>	<u>(47,362)</u>		<u>(89,689)</u>
Fund balance, beginning	<u>47,362</u>	<u>47,362</u>		<u>137,051</u>
Fund balance, ending	<u>--</u>	<u>--</u>	<u>--</u>	<u>\$47,362</u>

CITY OF FRANKLIN
CAPITAL PROJECTS FUNDS
LCDBG SEWER REHAB/RECONSTRUCTION

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

Year Ended April 30, 2000

With Comparative Totals for the Year Ended April 30, 1999

	2000		Variance Favorable (Unfavorable)	1999 Actual
	<u>Budget</u>	<u>Actual</u>		
Revenues:				
Federal				\$241,066
Interest earned		\$20	\$20	426
Total revenues	<u> --</u>	<u> 20</u>	<u> 20</u>	<u>241,492</u>
Expenditures:				
Capital outlay				
Construction				340,846
Engineering				7,318
Miscellaneous	\$71	93	(22)	1,598
Total expenditures	<u> 71</u>	<u> 93</u>	<u> (22)</u>	<u>349,762</u>
Excess (deficiency) of revenues over expenditures	<u> (71)</u>	<u> (73)</u>	<u> (2)</u>	<u>(108,270)</u>
Other financing sources (uses):				
Operating transfers in				
Liquid & Solid Waste Fund	10		(10)	
Sales Tax Bond Construction Fund 1996				112,501
Operating transfers out General fund				(4,576)
Total other financing sources (uses)	<u> 10</u>	<u> --</u>	<u> (10)</u>	<u>107,925</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	<u> (61)</u>	<u> (73)</u>	<u> (12)</u>	<u> (345)</u>
Fund balance (deficit), beginning	73	(427)	(500)	(82)
Fund balance (deficit), ending	<u> \$12</u>	<u> (\$500)</u>	<u> (\$512)</u>	<u> (\$427)</u>

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

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

Year Ended April 30, 2000

With Comparative Totals for the Year Ended April 30, 1999

	2000		Variance Favorable (Unfavorable)	1999 Actual
	Budget	Actual		
Revenues:				
Federal grant	\$38,388	\$39,683	\$1,295	\$38,002
Total revenues	<u>38,388</u>	<u>39,683</u>	<u>1,295</u>	<u>38,002</u>
Expenditures:				
Construction	9,500	9,503	(3)	47,503
Miscellaneous				13
Total expenditures	<u>9,500</u>	<u>9,503</u>	<u>(3)</u>	<u>47,516</u>
Excess (deficiency) of revenues over expenditures	<u>28,888</u>	<u>30,180</u>	<u>1,292</u>	<u>(9,514)</u>
Other financing sources (uses):				
Operating transfers in Utility fund				29,984
Operating transfers out General fund	(48,000)	(48,664)	(664)	
Total other financing sources (uses)	<u>(48,000)</u>	<u>(48,664)</u>	<u>(664)</u>	<u>29,984</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	<u>(19,112)</u>	<u>(18,484)</u>	<u>628</u>	<u>20,470</u>
Fund balance, beginning	20,312	20,312		(158)
Fund balance (deficit), ending	<u>\$1,200</u>	<u>\$1,828</u>	<u>\$628</u>	<u>\$20,312</u>

CITY OF FRANKLIN
CAPITAL PROJECTS FUNDS
WIDENING OF HIGHWAY 182

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
Year Ended April 30, 2000
With Comparative Totals for the Year Ended April 30, 1999

	2000		Variance Favorable (Unfavorable)	1999 Actual
	<u>Budget</u>	<u>Actual</u>		
Revenues				
State grant	\$385,470	\$209,665	(\$175,805)	\$198,525
Total revenues	<u>385,470</u>	<u>209,665</u>	<u>(175,805)</u>	<u>198,525</u>
Expenditures				
Capital outlay				
Highways & streets				
Construction	360,706	208,803	151,903	137,856
Engineering	20,093	20,093		37,095
Miscellaneous	4,724	821	3,903	176
Total expenditures	<u>385,523</u>	<u>229,717</u>	<u>155,806</u>	<u>175,127</u>
Excess (deficiency) of revenues over expenditures	(53)	(20,052)	(19,999)	23,398
Other financing sources (uses):				
Operating transfer in				
Utility fund	53		(53)	
Total other financing sources (uses)	<u>53</u>	--	<u>(53)</u>	--
Excess (deficiency) of revenues over expenditures and other financing sources (uses)		(20,052)	(20,052)	23,398
Fund balance, beginning	<u>23,398</u>	<u>23,398</u>		
Fund balance, ending	<u>\$23,398</u>	<u>\$3,346</u>	<u>(\$20,052)</u>	<u>\$23,398</u>

CITY OF FRANKLIN
CAPITAL PROJECTS FUNDS
TECHE THEATER GRANT

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
Year Ended April 30, 2000
With Comparative Totals for the Year Ended April 30, 1999

	2000		Variance Favorable (Unfavorable)	1999 Actual
	<u>Budget</u>	<u>Actual</u>		
Revenues				
State grant	\$118,450	\$124,445	\$5,995	\$158,866
Parish grant	15,201	20,751	5,550	21,299
Total revenues	<u>133,651</u>	<u>145,196</u>	<u>11,545</u>	<u>180,165</u>
Expenditures				
Culture and recreation				
Construction	147,763	216,817	(69,054)	157,790
Miscellaneous	10	101	(91)	
Total expenditures	<u>147,773</u>	<u>216,918</u>	<u>(69,145)</u>	<u>157,790</u>
Excess (deficiency) of revenues over expenditures	(14,122)	(71,722)	(57,600)	22,375
Fund balance, beginning	<u>22,375</u>	<u>22,375</u>		
Fund balance(deficit), ending	<u>\$8,253</u>	<u>(\$49,347)</u>	<u>(\$57,600)</u>	<u>\$22,375</u>

CITY OF FRANKLIN
CAPITAL PROJECTS FUNDS
LITTER REDUCTION GRANT

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
Year Ended April 30, 2000

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
State grant	\$9,600	\$9,600	
Total revenues	<u>9,600</u>	<u>9,600</u>	<u>--</u>
Expenditures			
Capital outlay			
Sanitation	8,992	8,691	\$301
Supplies and materials	608	608	
Total expenditures	<u>9,600</u>	<u>9,299</u>	<u>301</u>
Excess (deficiency) of revenues over expenditures	<u>--</u>	<u>301</u>	<u>301</u>
Other financing sources (uses)			
Operating transfer in General Fund	100	100	
Operating transfer out General Fund	(100)		100
Total other financing sources (uses)	<u>--</u>	<u>100</u>	<u>100</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)		<u>401</u>	<u>401</u>
Fund balance, beginning	<u>--</u>	<u>--</u>	<u>--</u>
Fund balance, ending	<u>\$0</u>	<u>\$401</u>	<u>\$401</u>

CITY OF FRANKLIN
CAPITAL PROJECTS FUNDS
LCDBG ECONOMIC DEVELOPMENT

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
Year Ended April 30, 2000

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues			
Federal grant	\$23,047	\$23,047	
Real Estate Rental	13,750	13,750	
Total revenues	<u>36,797</u>	<u>36,797</u>	--
Expenditures			
Current			
Legal	2,147	2,147	
Consultant	20,900	20,900	
Miscellaneous		96	(96)
Capital outlay			
Economic development			
Purchase building	300,000	300,000	
Debt service			
Principal	13,750	13,750	
Total expenditures	<u>336,797</u>	<u>336,893</u>	(96)
Excess (deficiency) of revenues over expenditures	(300,000)	(300,096)	(96)
Other financing sources (uses):			
Proceeds from loan	300,000	300,000	
Operating transfer in General fund		200	200
Total other financing sources (uses)	<u>300,000</u>	<u>300,200</u>	200
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	--	104	104
Fund balance, beginning	--	--	--
Fund balance, ending	--	\$104	\$104

ENTERPRISE FUND

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

CITY OF FRANKLIN
ENTERPRISE FUND
UTILITY FUND

COMPARATIVE BALANCE SHEET
April 30,

	2000	1999
ASSETS		
Current assets		
Cash and cash equivalents	\$103,859	\$115,385
Receivables		
Accounts	190,543	218,718
Interest	116	174
Due from other funds	31,880	149,338
Total current assets	326,398	483,615
Restricted assets, cash and Investments		
'95 Water & Sewer Bond Sinking Revenue Bond Reserve Account	12,530	12,250
Capital Additions and Contingency	51,852	52,200
Total restricted assets, cash and investments	198,018	190,285
Property, plant, and equipment		
Land	10,000	10,000
Building, improvements and equipment	3,526,104	3,430,488
Automotive equipment	130,231	130,231
Furniture and fixtures	153,728	132,105
	3,820,063	3,702,824
Less: Accumulated depreciation	2,854,788	2,773,738
Net property, plant and equipment	965,275	929,086
Total assets	\$1,489,691	\$1,602,986

LIABILITIES AND FUND EQUITY	2000	1999
Liabilities:		
Current liabilities (payable from current assets):		
Accounts payable and accrued expenses	\$81,230	\$114,120
Accrued wages payable	6,832	6,883
Customer deposits	127,559	127,559
Due to other funds	277,473	311,193
Total current liabilities (payable from current assets)	493,094	559,755
Current liabilities (payable from restricted assets):		
Current portion of revenue bonds	20,000	20,000
Total current liabilities (payable from restricted assets)	20,000	20,000
Long -term liabilities:		
Revenue bonds (net of current portion)	500,000	520,000
Total long-term liabilities	500,000	520,000
Total liabilities	1,013,094	1,099,755
Fund equity:		
Retained earnings		
Reserved for revenue bond retirement	44,383	44,450
Unreserved	432,214	458,781
Total fund equity	476,597	503,231
Total liabilities and fund equity	\$1,489,691	\$1,602,986

FIDUCIARY FUNDS

Expendable Trusts:

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

Agency:

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

CITY OF FRANKLIN
FIDUCIARY FUNDS

COMBINING BALANCE SHEET

April 30, 2000

With Comparative Totals for April 30, 1999

	<u>Expendable Trust</u> Mausoleum Endowed Care	<u>Agency</u>			<u>Totals</u>	
		Payroll Fund	Accounts Payable Clearing	Retired Employees' Insurance	2000	1999
ASSETS						
Cash and cash equivalents	\$14,990	\$20,967	\$23,955	\$3,800	\$63,712	\$64,774
Due from other funds	73	941	60,626		61,640	97,722
Total assets	\$15,063	\$21,908	\$84,581	\$3,800	\$125,352	\$162,496
LIABILITIES AND FUND EQUITY						
Liabilities:						
Accounts payable				\$3,800	\$3,800	\$3,720
Due to other funds		\$10,370	\$84,581		94,951	127,338
Payroll deductions payable		11,538			11,538	16,588
Total liabilities	--	21,908	84,581	3,800	110,289	147,646
Fund Equity:						
Fund balances	\$15,063	--	--	--	15,063	14,850
Total liabilities and fund balances	\$15,063	\$21,908	\$84,581	\$3,800	\$125,352	\$162,496

CITY OF FRANKLIN

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 -ALL AGENCY FUNDS
 Year Ended April 30, 2000

	<u>Payroll Fund</u>	<u>Accounts Payable Clearing</u>	<u>Retired Employees' Insurance</u>	<u>Total All Agency Funds</u>
Cash - beginning	\$26,017	\$20,260	\$3,720	\$49,997
Additions	2,737,792	2,984,393	17,590	5,739,775
Deductions	(2,742,842)	(2,980,698)	(17,510)	(5,741,050)
Cash - ending	<u>20,967</u>	<u>23,955</u>	<u>3,800</u>	<u>48,722</u>
Due from other funds - beginning	941	96,708		97,649
Additions		970,517		970,517
Deductions		(1,006,599)		(1,006,599)
Due from other funds - ending	<u>941</u>	<u>60,626</u>	<u>--</u>	<u>61,567</u>
Total assets	<u>\$21,908</u>	<u>\$84,581</u>	<u>\$3,800</u>	<u>\$110,289</u>
Accounts payable - beginning			\$3,720	\$3,720
Additions			17,590	17,590
Deductions			(17,510)	(17,510)
Accounts payable - ending	<u>--</u>	<u>--</u>	<u>3,800</u>	<u>3,800</u>
Due to other funds - beginning	\$10,370	\$116,968		127,338
Additions		113,725		113,725
Deductions		(146,112)		(146,112)
Due to other funds - ending	<u>10,370</u>	<u>84,581</u>	<u>--</u>	<u>94,951</u>
Payroll deductions payable - beginning	16,588			16,588
Additions	950,692			950,692
Deductions	(955,742)			(955,742)
Payroll deductions payable - ending	<u>11,538</u>	<u>--</u>	<u>--</u>	<u>11,538</u>
Total liabilities	<u>\$21,908</u>	<u>\$84,581</u>	<u>\$3,800</u>	<u>\$110,289</u>

GENERAL FIXED ASSETS ACCOUNT GROUP

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

CITY OF FRANKLIN

STATEMENT OF CHANGES IN GENERAL FIXED ASSETS
Year Ended April 30, 2000

	Land	Buildings	Improvements Other Than Buildings	Movable Equipment	Construction in Progress	Total
General Fixed Assets, beginning of year	\$549,004	\$1,545,126	\$10,436,615	\$1,987,627	\$363,865	\$14,882,237
Additions:						
General Fund		25,000	102,369	67,155	49,794	244,318
Liquid and Solid Waste			8,639	17,565		26,204
LCDBG Economic Development		300,000				300,000
1996 S/T Bond Construction	38,500		6,738			45,238
Yokely Project	8,600				1,763,717	1,772,317
Landscaping Ped/Bike Path			9,503			9,503
Highway 182 Project					254,137	254,137
Teche Theater					205,005	205,005
	47,100	325,000	127,249	84,720	2,272,653	2,856,722
Reductions			(144,062)	(52,158)		(196,220)
Reclassification		9,862	(81,200)		71,338	
General Fixed Assets, end of year	\$596,104	\$1,879,988	\$10,482,664	\$2,072,347	\$2,707,856	\$17,542,739

CITY OF FRANKLIN
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 Year Ended April 30, 2000

FEDERAL GRANTOR/ PASS THROUGH GRANTOR NAME/ PROGRAM TITLE	CFDA NUMBER	REVENUES	EXPENDITURES
<u>U.S. Department of Agriculture</u> Passed through Louisiana Department of Education Summer Food Service Program for Children (Summer Feeding Program)	10.559	\$27,010	\$27,010
Total U.S. Department of Agriculture		27,010	27,010
<u>U.S. Department of Housing and Urban Development</u> Passed through Louisiana Office of Community Development Community Development Block Grant/Small Cities Program	14.219	323,047	323,143
Total U.S. Department of Housing and Urban Development		323,047	323,143
<u>U.S. Department of Justice</u> Office of Community Oriented Policing Services (COPS) Community Policing Grant	16.710	137,272	137,272
Total U.S. Department of Justice		137,272	137,272
<u>U.S. Department of Transportation</u> Passed through Louisiana Department of Transportation and Development National Recreational Trails Funding Program (Landscaping Pedestrian/Bicycle Path)	20.219	39,683	39,683
State and Community Highway Safety Program Safe and Sober Campaign	20.600	2,541	2,541
1999 Holiday Enforcement Campaign	20.600	1,784	1,784
Buckle Up Louisiana Campaign	20.600	1,432	1,432
Total U.S. Department of Transportation		45,440	45,440
Total Federal Assistance		\$532,769	\$532,865

The accompanying notes are an integral part of this schedule.

CITY OF FRANKLIN

NOTES TO THE SCHEDULE OF FEDERAL AWARDS

April 30, 2000

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

Revenues for the Community Development Block Grant/Small Cities Program and expenditures for the National Recreational Trails Funding Program are presented on the grant reporting basis, all other revenues and expenditures on this schedule are reported on the modified accrual basis of accounting in accordance with generally accepted accounting principles.

NOTE 2 - COMMUNITY DEVELOPMENT BLOCK GRANT/SMALL CITIES PROGRAM REVENUES

Revenues for the Community Development Block Grant/Small Cities Program are presented on the grant reporting basis in the Schedule of Expenditures of Federal Awards. The revenues are recorded as a grant. In the financial statements, the funds received are recorded as a loan from the pass-through grantor to be repaid from rents received in future years.

Reconciliation of the revenues on the financial statements to revenues on the Schedule of Expenditures of Federal Awards is as follows:

Total revenues per financial statement	\$23,047
Add: Amount received from pass-through grantor to be repaid from future rents received	<u>300,000</u>
Total revenues per Schedule of Expenditures of Federal Awards	<u>\$323,047</u>

NOTE 3 - NATIONAL RECREATIONAL TRAILS FUNDING PROGRAM EXPENDITURES

Expenditures for the National Recreational Trails Funding Program are presented on the grant reporting basis in the Schedule of Expenditures of Federal Awards. A portion of the total expenditures are reported in various funds as detailed below:

ISTEA Franklin Landscaping Pedestrian Bike Path Fund	\$ 9,503
General Fund	20,539
Utility Enterprise Fund - \$133,680 in total project expenditures	
Portion funded with grant funds	<u>9,641</u>
	<u>\$39,683</u>

SPECIAL INFORMATION

CITY OF FRANKLIN
 Schedule of Changes in Assets Related to
 1995 Water and Revenue Bond Debt Service
 For the Year Ended April 30, 2000

	Sinking Funds			Reserve Funds		
	'95 Water & Sewer Renewal & Replacement Fund	'95 Water & Sewer Revenue Bonds	Utility Fund	'95 Water & Sewer Revenue Bonds	Utility Fund	Total Reserve Funds
Cash, May 1, 1999	\$125,835	\$16,607	\$12,250	\$28,500	\$52,200	\$80,700
Cash receipts:						
Interest earned on cash account	2,771	433	1,221	1,586		1,586
Transfers from operating account	44,864	27,438	54,708			
Transfer from reserve fund		1,586				
Transfer from sinking fund				5,782		5,782
Miscellaneous		153				
Total cash receipts	47,635	29,610	55,929	7,368		7,368
Total cash available	173,470	46,217	68,179	35,868	52,200	88,068
Cash disbursements:						
Interest and bank charges		10,355	35,225			
Principal payments		17,000	20,000			
Transfers to operating account	39,835		424			
Transfers to sinking fund		5,782		1,586		1,586
Transfers to reserve fund		8				
Miscellaneous						
Total cash disbursements	39,835	33,145	55,649	1,586		1,586
Cash, April 30, 2000	\$133,635	\$13,072	\$12,530	\$34,282	\$52,200	\$86,482

CITY OF FRANKLIN

Analysis of Additions, Replacements, and Improvements
Water and Sewer Systems
For the Year Ended April 30, 2000

	<u>Additions</u>	<u>Improvements</u>	<u>Total</u>
Sewer System	\$1,297	\$35,195	\$36,492
Water System	39,961	40,993	80,954
	<u>\$41,258</u>	<u>\$76,188</u>	<u>\$117,446</u>

Unaudited

CITY OF FRANKLIN

Schedule of Sewerage Rates and Billings
For the Year Ended April 30, 2000

		<u>Billing Amounts</u>
May 1999	Fee based upon consumption	\$40,760
June 1999		31,603
July 1999		30,889
August 1999		28,437
September 1999		23,857
October 1999		25,274
November 1999		25,391
December 1999		23,421
January 2000		22,254
February 2000		29,746
March 2000		25,629
April 2000		31,152
		<hr/> <u>\$338,413</u> <hr/>

*The number of system users at the end of the fiscal year was 3,026.

*The average monthly billing per user was approximately \$10.30.

*The fee is based on water consumption set at:

- a. \$1.60 minimum up to 2000 gallons
- b. \$1.20 per 1,000 gallons thereafter

Unaudited

CITY OF FRANKLIN

Schedule of Water Rates and Billings
For the Year Ended April 30, 2000

		<u>Billing Amounts</u>
May 1999	Fee based upon consumption	\$69,146
June 1999		57,138
July 1999		70,379
August 1999		58,731
September 1999		59,998
October 1999		81,452
November 1999		78,116
December 1999		69,590
January 2000		66,596
February 2000		66,148
March 2000		33,394
April 2000		54,675
		<hr/> <u>\$765,363</u> <hr/>

*The number of system users at the end of the fiscal year was 3,071.

*The average monthly billing per user was approximately \$17.81.

*The fee is based on water consumption set at:

- a. \$4.57 minimum up to 2000 gallons
- b. \$2.57 per 1,000 gallons from 2001 to 13,000 gallons
- c. \$2.40 per 1,000 gallons from 13,001 to 50,000 gallons
- d. \$2.33 per 1,000 gallons thereafter

Unaudited

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

<u>Coverage</u>	<u>Amounts or Limits</u>	<u>Expires</u>	<u>Company</u>
Workers' Compensation	Statutory Louisiana Benefits \$500,000 - each accident \$500,000 - each employee \$500,000 - each policy	07/12/2001	Louisiana Workers Comp Corp.
Business Automobile	auto liability - \$750,000	12/31/2001	Transportation Insurance Co.
Surety Bond	\$60,000 - Mayor \$60,000 - City Clerk \$20,000 - other employees \$60,000 - Tax collector \$5,000 City Marshall \$1,000 - Court Clerk \$5,000 - City Deputy Marshall \$5,000 - City Deputy Marshall	09/20/2001 09/20/2001 09/20/2001 09/20/2001 06/01/2001 10/01/2001 05/05/2001 05/05/2001	Western Surety Western Surety Western Surety Western Surety
Boiler & Machinery	\$7,000,000	01/08/2001	Hartford
Fire & Extended Coverage	All city buildings - \$4,485,474 Iberia Street - \$820,000	03/01/2001 05/01/2001	Westchester Specialty Group Scottsdale Ins.
Mobile Machinery Floater	\$180,500	07/02/2001	Continental Casualty Co.
Premises Liability	bodily injury & damage \$1,000,000	05/01/2000	Scottsdale Insurance
Computer Coverage	\$132,000	11/22/2000	Hartford
Health Benefit Plan	\$1,000,000 - maximum individual lifetime benefit \$20,000 - individual mental & nervous \$20,000 - individual alcohol & substance abuse \$25,000 - lifetime nursing care	02/28/2001	IMA of Louisiana

Unaudited

CITY OF FRANKLIN

Compensation Paid to Members of Governing Board
For the Year Ended April 30, 2000

	<u>Salary</u>	<u>Expense Allowance</u>	<u>Car Allowance</u>
<u>Mayor</u>			
Sam Jones	\$46,400	\$3,000	\$5,400
<u>Council Members</u>			
Carl Foulcard	6,000	1,800	
Adrienne Johnson-Jones	6,000	1,800	
John O'Niell	6,000	1,800	
Kenny Scelfo	6,000	1,800	
L.J. Segura	6,000	1,800	
	<u>\$76,400</u>	<u>\$12,000</u>	<u>\$5,400</u>

Unaudited

INTERNAL ACCOUNTING CONTROL AND COMPLIANCE



a corporation of
certified public accountants

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

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

We have audited the primary government financial statements of the City of Franklin, Louisiana, as of and for the year ended April 30, 2000, and have issued our report thereon dated October 9, 2000, which was qualified due to lack of proper reporting of certain pension related costs. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

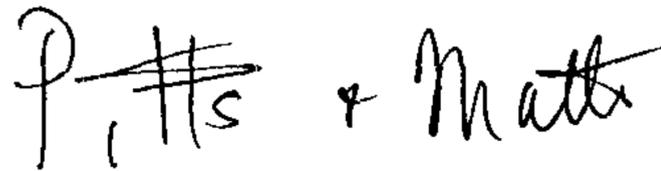
As part of obtaining reasonable assurance about whether the City of Franklin, Louisiana's primary government financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance that is required to be reported under Government Auditing Standards which is described in the accompanying item of noncompliance schedule as item no. 2000-1.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Franklin, Louisiana's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control financial reporting that, in our judgment, could adversely affect the City of Franklin, Louisiana's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of findings and questioned costs as items 2000-2 and 2000-3.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions described above we consider item 2000-2 to be a material weakness.

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

Handwritten signature in cursive script that reads "Pitts & Mathis".

CERTIFIED PUBLIC ACCOUNTANTS

October 9, 2000



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

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

Compliance

We have audited the compliance of the City of Franklin, Louisiana with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to its major federal program for the year ended April 30, 2000. The City of Franklin, Louisiana's major federal program is identified in the summary of audit results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of City of Franklin, Louisiana's management. Our responsibility is to express an opinion on City of Franklin, Louisiana's compliance based on our audit.

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

In our opinion, City of Franklin, Louisiana, complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended April 30, 2000.

Internal Control Over Compliance

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

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

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

Pitts + Math

CERTIFIED PUBLIC ACCOUNTANTS

October 9, 2000

CITY OF FRANKLIN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended April 30, 2000

A. SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses a qualified opinion on the primary government financial statements of the City of Franklin, Louisiana due to lack of proper reporting of certain pension related costs.
2. Two reportable conditions disclosed during the audit of the primary government financial statements are reported in the Report on Compliance and on Internal Control over Financial Statements Performed in Accordance with Government Auditing Standards. One reportable condition is considered to be a material weakness.
3. One instance of noncompliance with state law material to the primary government financial statements of the City of Franklin, Louisiana was disclosed during the audit.
4. No reportable conditions relating to the audit of the major federal award program are reported in the Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133.
5. The auditors' report on compliance for the major federal award program for the City of Franklin, Louisiana expresses an unqualified opinion.
6. No audit findings relative to the major federal award program for the City of Franklin, Louisiana are reported in this schedule.
7. The program tested as a major program is:
Community Development Block Grant/Small Cities Program (CFDA No. 14.219)
8. The threshold for distinguishing types A and B programs was \$300,000.
9. City of Franklin, Louisiana was not determined to be a low risk auditee.

B. FINDINGS- FINANCIAL STATEMENT AUDIT

NON COMPLIANCE WITH STATE LAW

ITEM NO. 2000-1

Condition: We noted during our audit that the minutes of the meetings of the City Council are not reproduced in a timely manner. The minutes for the regular meetings held in October, December, January, February, March, and May were not accepted by the Council until three months after the meeting date. The minutes for the meetings in November and April were not accepted by the Council until four months after the meeting date.

Criteria: Louisiana statutes require that the minutes of the meetings of all public bodies shall be available within a reasonable amount of time after the meeting.

Effect: Noncompliance with state law.

Cause: No system exists to ensure that minutes are transcribed in a timely manner.

Recommendation: All minutes should be available within one month after the meeting date.

Managements' Comments:

Written/transcribed minutes will be presented for adoption, to the Mayor and Council, within thirty (30) days after each meeting, at the next regular scheduled meeting.

MATERIAL WEAKNESS

ITEM NO. 2000-2

Condition: The City maintains a detail listing of all its fixed assets. This listing contains various information relative to the particular fixed asset i.e., description, date acquired, cost, asset tag number, etc. Each individual asset is tagged with an asset identification tag number when it is acquired. This asset identification tag number corresponds with the asset tag number on the detail list of fixed assets.

At the time of the asset's acquisition or disposal, the detail listing is updated to add or remove the asset.

As a control over the custody of its fixed assets, the City periodically conducts a physical inventory of its fixed assets and compares this inventory to the detail fixed asset listing. After the inventory is taken, necessary adjustments are made to the detail listings. During the current year, the City made such an inventory and reconciliation of its fixed assets.

Total acquisition cost of the City's general fixed asset account group totals approximately \$17.5 million.

The net fixed asset value of fixed assets in the utility fund is approximately \$965,000 (\$3,820,000 cost less \$2,855,000 of accumulated depreciation).

Our audit testing in the area of fixed assets included among other things, the physical observation of certain items as shown on the updated fixed asset listings. We observed all significant individual fixed assets in the utility fund with a net asset listing value of approximately \$620,000; we found no exceptions.

We observed all significant individual fixed assets in general fixed asset account group with an asset cost value listing of approximately \$14,900,000, we found three errors as follows:

1. Approximately \$60,000 sewer line improvement recorded twice.
2. Two building HVAC systems totaling \$90,000 had been replaced with new systems, but had not been removed from the asset listing.
3. One vehicle of approximately \$50,000 had been recorded twice.

We also made a random test of 25 items of less than significant value each, we found one very minor error.

We also discovered that the vehicle listings and descriptions on the detail fixed assets listing did not include the vehicles identification numbers.

The financial statements and detail listings have been adjusted to correct these errors.

Criteria: The detail fixed asset listing should contain an accurate listing of all assets owned. The list should be sufficiently detailed to readily allow the identification of a fixed asset by its description on the list.

Effect: The detail listing of fixed assets and the related financial statement amount could be misstated. This could also result in improperly insuring the fixed assets.

Cause: The detail description of fixed assets for vehicles does not include vehicles identification numbers. Certain disposed items were not deleted from the detail listing.

Recommendation: A system should be developed to insure that all asset dispositions be removed from the detailed asset listing. The City should include the vehicle identification number in their description of the vehicles in order to insure all vehicles are properly recorded.

Managements' Comments:

The financial statements and detail listings have been adjusted to correct these errors. We are requiring that all department heads notify the accounting department before any assets can be disposed of. This would insure proper accounting of fixed assets. Also, all vehicle identification numbers are being matched with the proper vehicles on the fixed assets list.

REPORTABLE CONDITION

ITEM NO. 2000-3

Condition: We noted during our audit testing that the detail list of utility consumer deposits did not agree with the general ledger. The total amount of consumer deposits per the detail list was approximately \$8,000 higher than the general ledger amount of \$128,000.

Effect: The amount of consumer deposits shown on the financial statements could be incorrect. In addition, it might be possible for individual consumers to be given credit for improper amounts.

Cause: The utility deposits are not agreed to the general ledger on a regular basis.

Recommendation: The detail list of consumer deposits should be maintained on a current basis and reconciled to the general ledger periodically.

Managements' Comments:

The utility deposits will be agreed to the general ledger on a monthly basis from this point onward.

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAM

No matters to be reported.

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

Item of Noncompliance

Item 99-1 - Budget Amendment Compliance

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

Corrective Action:

We made all budget amendments statutorily required during the fiscal year 1999-2000.

Item 99-2 - Compliance With Reporting Requirements - Summer Food Service Program for Children (Summer Feeding Program)

Condition: Our auditors noted during their review of a monitoring report from the grantor that the City did not properly report the number of meals served during the program. Therefore, the City received money in excess of the allowable reimbursement.

Corrective Action:

By changing our procedure we were able to accurately determine our meal count and avoid any discrepancies in our reporting requirements.



SAM JONES
MAYOR

City of Franklin
Louisiana

P. O. BOX 567 ZIP CODE 70538
PHONE (337) 828-3631

October 30, 2000

Dr. Daniel G. Kyle
Office of Legislative Auditor
State of Louisiana
P. O. Box 94397
Baton Rouge, La. 70804-9397

Dear Dr. Kyle,

The City of Franklin respectfully submits the following corrective action plan for their year ended April 30, 2000.

CORRECTIVE ACTION:

Person Responsible: Raymond Harris, Jr., Chief Financial Officer
City of Franklin
P.O. Box 567 - 300 Iberia St.
Franklin, La. 70538-0567
(337) 828-6309

Time of Completion: April, 2001

Material Weaknesses: RE: Item No. 2000-2

Fixed Assets Listing: Our Auditors noted during their review that the detail description of fixed assets for vehicles did not include vehicle identification numbers, and certain disposed of items were not deleted from the detail listing.

Corrective Action: The financial statements and detail listings of fixed assets have been adjusted to correct these errors. Henceforth, we are requiring that all Department Heads notify accounting before any assets can be disposed of. This would insure proper accounting of all fixed assets. Also, all vehicle identification numbers are being matched with the proper vehicles on the fixed assets list.

Reportable Condition: RE: Item No. 2000-3

Findings: The utility deposits are not agreed to the general ledger on a regular basis.

Corrective Action: The utility deposits will be agreed to the General Ledger on a monthly basis henceforth.

Corrective Action:

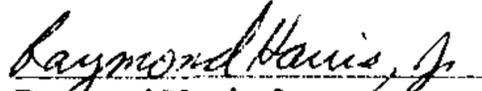
Person Responsible: Yvonne Martin
Secretary to Mayor & Council

Time of Completion: April, 2001

Noncompliance: RE: Item No. 2000-1

Finding: Minutes are not being reproduced in a timely manner from meetings held by a public body.

Corrective Action: Written/transcribed minutes will be presented for adoption, to the Mayor and Council, within thirty (30) days after each meeting, at the next regular scheduled meeting.


Raymond Harris, Jr.
Chief Financial Officer
City of Franklin