

**GARRETT & GARRETT**  
**CERTIFIED PUBLIC ACCOUNTANTS**  
**119 PROFESSIONAL DRIVE**  
**WEST MONROE, LOUISIANA 71291**

**CAROLYN V. GARRETT**  
**JUDY D. GARRETT**

**PHONE: 318 322-0845**  
**FAX: 318 322-5577**

October 16, 1996

**INDEPENDENT AUDITORS' REPORT ON LOUISIANA**  
**SYSTEMS SURVEY AND COMPLIANCE QUESTIONNAIRE**

The Honorable Q. A. Clark, Mayor  
and Members of the Board of Alderman

At your request, we have also examined Parts III through VIII of the accompanying "Systems Survey and Compliance Questionnaire" of the Village of McNary, Glenmora, Louisiana, covering the period July 1, 1995 to June 30, 1996. Our examination was made in accordance with the procedures enumerated in the Systems Survey and Compliance Questionnaire - Recommended Procedures for Auditing.

In connection with our examination which included the procedures referred to in the proceeding paragraph, nothing came to my attention that caused me to believe that the responses to the attached questionnaire are not fairly stated.

GARRETT & GARRETT  
CERTIFIED PUBLIC ACCOUNTANTS  
*David J. Garrett*

The Honorable Q. A. Clark, Mayor  
and Members of the Board of Alderman  
October 16, 1996  
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In planning and performing our audit of the statement of cash receipts and disbursements of the Louisiana Housing Finance Agency Grant of the Village of McNary for the seven months ended December 31, 1994 and the Louisiana Community Development Block Grant of the Village of McNary for the two years ended June 30, 1996, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the statement of cash receipts and disbursements of the program and not to provide an opinion on the internal control structure. We performed tests of controls to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that we considered relevant to preventing or detecting material noncompliance with specific requirements applicable to the Village of McNary's two grants. Our tests were less in scope than would be necessary to render an opinion on internal control structure policy and procedures. Accordingly, we do not express such an opinion.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above.

This report is intended for the information of the Mayor and members of the Board of Alderman and the Louisiana Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.

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*Garrett & Garrett*

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October 16, 1996

**INDEPENDENT AUDITORS' REPORT**  
**ON INTERNAL CONTROL STRUCTURE**

The Honorable Q. A. Clark, Mayor  
and Members of the Board of Alderman

We have audited the statements of cash receipts and disbursements of the Louisiana Housing Finance Agency Grant and the Louisiana Community Development Block Grant of the Village of McNary, Glenmora, Louisiana, for the seven months ended December 31, 1994 and the two years ended June 30, 1996, respectively, and have issued our report thereon dated October 16, 1996. We have also tested the Organization's compliance with requirements applicable to the Louisiana Finance Agency Grant and the Louisiana Community Development Block Grant of the Village of McNary and have issued our report thereon dated October 16, 1996.

We conducted our audit in accordance with generally accepted auditing standards and 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 statement of cash receipts and disbursements is free of material misstatement and about whether the Organization complied with laws and regulations, noncompliance with which would be material to the Village of McNary's two grants.

The management of the Village of McNary, Glenmora, Louisiana is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of the statement of cash receipts and disbursements in accordance with the cash basis of accounting and that the two grants are managed in compliance with applicable laws and regulations. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

The Honorable Q. A. Clark, Mayor  
and Members of the Board of Alderman  
October 16, 1996  
Page 2

This report is intended for the information of the Mayor and members of the Board of Alderman and the Louisiana Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.

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October 16, 1996

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL  
STRUCTURE RELATED MATTERS NOTES IN A FINANCIAL  
STATEMENT AUDIT CONDUCTED IN ACCORDANCE  
WITH GOVERNMENT AUDITING STANDARDS**

The Honorable Q, A. Clark, Mayor  
and Members of the Board of Alderman

We have audited the financial statements of the Village of McNary, Glenmora, Louisiana, as of and for the year ended June 30, 1996, and have issued our report thereon dated October 16, 1996.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and the provision of Office of Management and Budget Circular A-128, "Audits of State and Local Governments". Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free to material misstatement.

In planning and performing our audit of the general purpose financial statements of the Village of McNary, Glenmora, Louisiana, for the year ended June 30, 1996, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control structure.

The management of the Village of McNary, Glenmora, Louisiana, is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgements by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objective of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

The Honorable Q. A. Clark, Mayor  
and Members of the Board of Alderman  
October 16, 1996  
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For the purpose of this report, we have classified the significant internal control structure policies and procedures in the following categories:

1. Cycles of the entity's activity
  - A. Revenue/receipts
  - B. Purchases/disbursements
2. Financial statement captions
  - A. Cash and cash equivalents
  - B. Receivables
  - C. Property and Equipment
  - D. Payables and accrued liabilities
  - E. Debt
  - F. Fund balance
3. Accounting applications
  - A. Billings
  - B. Receivables
  - C. Cash receipts
  - D. Cash disbursements

For all of the control categories listed above, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a reportable condition in which the design or operation of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within the timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above.

However, we noted certain matters involving the internal control structure and its operation that we have reported to the management of the Village of McNary, Glenmora, Louisiana, in a separate letter dated October 16, 1996.

This report is intended solely for the information of the Mayor and members of the Board of Alderman and Louisiana Legislative Auditor. This restriction is not intended to limit the distribution of the report, which is a matter of public record.

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October 16, 1996

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH  
LAWS AND REGULATIONS BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

The Honorable Q. A. Clark, Mayor  
and Members of the Board of Alderman

We have audited the general purpose financial statements of the Village of McNary, Glenmora, Louisiana, as of and for the year ended June 30, 1996, and have issued our report thereon dated October 16, 1996.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States and the provisions of Office of Management and Budget Circular A-128, "Audit of State and Local Government". Those standards and OMB Circular A-128 required that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free to material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to the Village of McNary, Glenmora, Louisiana, is the responsibility of the Village of McNary, Glenmora, Louisiana, management. As part of obtaining reasonable assurance about whether the general purpose financial statements are free to material misstatement, we performed tests of the Village's compliance with certain provisions of laws, regulations, contracts, and grants. However, our objective was not to provide an opinion on overall compliance with such provisions.

The results of our tests indicated that, with respect to the items tested, the Village of McNary, Glenmora, Louisiana, complied, in all material respects, with the provision referred to in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that the Village had not complied, in all material respects, with those provisions.

This report is intended solely for the information of the Mayor and members of the Board of Alderman and Louisiana Legislative Auditor. This restriction is not intended to limit the distribution of the report, which is a matter of public record.

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October 16, 1996

**INDEPENDENT AUDITORS' REPORT ON  
COMPLIANCE WITH LAWS AND REGULATIONS**

The Honorable Q. A. Clark, Mayor  
and Members of the Board of Alderman

We have audited the statements of cash receipts and disbursements of the Louisiana Housing Finance Agency Grant for the seven months ended December 31, 1994 and the Louisiana Community Development Block Grant for the two years ended June 30, 1996, for the Village of McNary, Glenmora, Louisiana and have issued our report thereon dated October 16, 1996.

We conducted our audit in accordance with generally accepted auditing standards and 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 statement of cash receipts and disbursements is free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to the Louisiana Housing Finance Agency Grant and the Louisiana Community Development Block Grant, is the responsibility of the Organization's management. As part of obtaining reasonable assurance about whether the statements is free of material misstatement, we performed test of the Organization's compliance with the specific requirements applicable to its Louisiana Housing Finance Agency Grant and the Louisiana Community Development Block Grant governing types of services allowed or unallowed; eligibility; matching, level of effort, or earmarking; reporting; special tests and provisions; claims for advances and reimbursements; and amounts claimed or used for matching. We also applied procedures to test the Organization's compliance with the general requirements applicable to its Louisiana Housing Finance Agency Grant and the Louisiana Community Development Block Grant. However, the objective of our audit of the statements of cash receipts and disbursements of the programs was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance that are required to be reported herein under Government Auditing Standards.



SCHEDULE A

VILLAGE OF McNARY  
 GLENORA, LOUISIANA  
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 1996

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH GRANTOR'S NUMBER	PROGRAM OR AWARD AMOUNT	CASH/ACCRUAL (DEFERRED) REVENUE AT 07/01/95	RECEIPTS OR REVENUE RECOGNIZED	DISBURSEMENT EXPENDITURES	CASH/ACCRUAL (DEFERRED) REVENUE JUNE 30, 1996
<u>PASSED THROUGH STATE</u>							
<u>DEPARTMENT OF</u>							
<u>COMMUNITY DEVELOPMENT:</u>							
Farmers Home Administration			\$ - (1) \$	.00	\$ -	\$ 8,750.00 (2) \$	.00
LC086 Fire Protection Improvements			\$ 277,600.00 (3) \$	.00	\$ .00	\$ .00	.00

- (1) The balance due on Bonds payable to the Farmers Home administration is \$91,000. This program is considered a non-major federal program due to the amount of the debt.
- (2) Program expenditures were interest and principal paid to FHA.
- (3) Grant was approved in 1994, but has been delayed due to problem obtaining right-of-ways.

SCHEDULE B

VILLAGE OF MCNARY  
 GLENMORA, LOUISIANA  
 SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE  
 FOR THE THIRTEEN MONTH PERIOD ENDING JUNE 30, 1995

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH GRANTOR'S NUMBER	PROGRAM OR AWARD AMOUNT	CASH/ACCRUAL (DEFERRED) REVENUE AT 05//01/94	RECEIPTS OR REVENUE RECOGNIZED	DISBURSEMENT EXPENDITURES	CASH/ACCRUAL (DEFERRED) REVENUE JUNE 30, 1995
<u>PASSED THROUGH STATE</u>							
<u>DEPARTMENT OF</u>							
<u>COMMUNITY DEVELOPMENT:</u>							
Farmers Home Administration			\$ - (1) \$	.00	\$ -	\$ 7,900.00 (2)	.00
U. S. Forestry Service			42,000.00	.00	.00	7,679.27 (3)	.00
Louisiana Housing Finance Agency			77,649.00	.00	77,649.00	77,649.00 (4)	.00
Louisiana Community Development Block Grant			277,600.00	.00	27,305.30	27,305.30 (5)	.00

- (1) The balance due on Bonds payable to the Farmers Home administration is \$95,000 at January 1, 1995. This program is considered a non-major federal program due to the amount of the debt.
- (2) Program expenditures were interest and principal paid to FHA. This payment was made on December 20, 1994.
- (3) Program expenditures were management fees.
- (4) Program expenditures were management fees and contractor's expense.
- (5) Program expenditures were management and engineer fees.

SCHEDULE C

VILLAGE OF McNARY  
 GLENORA, LOUISIANA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE THIRTEEN MONTHS ENDED JUNE 30, 1995

PROGRAM	POPULATION SIZE		ITEMS TESTED		ITEMS NOT IN COMPLIANCE		FINDING/NONCOMPLIANCE	QUESTIONED COSTS
	NUMBER	DOLLAR AMOUNT	NUMBER	DOLLAR AMOUNT	NUMBER	DOLLAR AMOUNT		
LCDBG Program								
1. LCDB Grant	-	\$ 27,305.30	-	\$ 27,305.30	-	.00	None	\$ .00
2. LHFA Grant	-	77,649.00	-	77,649.00	-	.00	None	.00
Total		\$ 104,954.30		\$ 104,954.30		.00		\$ .00

ADDITIONAL INFORMATION



STATEMENT E-1

VILLAGE OF MCNARY  
GLENMORA, LOUISIANA

COMBINED SCHEDULE OF CASH AND INVESTMENTS - ALL FUNDS  
JUNE 30, 1996

<u>FUND</u>	<u>BANK</u>	<u>DATE</u>	<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>1996 BALANCE</u>
<u>GENERAL FUND</u>					
Checking	American Security	-	-	-	\$ 21,990.83
Petty Cash					25.00
Checking - Police	American Security	-	-	-	21,918.13
Savings - C.D.	American Security	06-26-96	4.75%	09-25-96	22,308.30
Savings - C.D.	American Security	08-16-95	5.50%	08-16-96	20,000.00
Total General Fund					<u>\$ 86,242.26</u>
<u>CAPITAL PROJECTS</u>					
Passbook	American Security	-	3.04%	-	\$ 4,177.64
Checking	American Security	-	-	-	27.38
Total Capital Projects					<u>\$ 4,205.02</u>
<u>WATER</u>					
Checking	American Security	-	-	-	\$ 2,426.42
Petty Cash					25.00
Savings - Water	American Security	04-11-96	4.90%	10-11-96	10,994.88
Savings - Water	American Security	10-04-95	5.50%	10-04-96	4,015.04
Restricted					
Water Revenue Bond	American Security	-	3.00%	-	10,117.73
Depreciation & Contingency	American Security	-	3.00%	-	14,649.68
Water Reserve Bond Fund	American Security	04-02-96	4.00%	07-02-96	15,872.97
Revenue Bond Fund	American Security	02-05-96	4.90%	08-05-96	7,421.73
Total Water					<u>\$ 65,523.45</u>
<u>TOTAL CASH AND INVESTMENTS</u>					<u>\$ 155,970.73</u>

Total with American Security of \$155,920.73 is secured up to \$146,362.76 by the FDIC and \$50,000 of pledged securities.

See accompanying notes and auditors' report.

AUDIT RECOMMENDATIONS AND REPLIES

COMMENTS ON COMPLIANCE AND INTERNAL CONTROL

VILLAGE OF McNARY  
GLENMORA, LOUISIANA

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1996

NOTE #1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Village of McNary was incorporated August 6, 1913, under the provisions of the Lawrason Act. The Village operates under a Mayor-Board of Aldermen form of government.

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

The following is a summary of certain significant accounting policies.

Financial reporting entity. This report includes all funds and account groups which are controlled by or dependent on the Village of McNary and Legislative branches (the Mayor and Board of Aldermen). Control by or dependence on the Village of McNary was determined on the basis of taxing authority, authority to issue debt, election or appointment of governing body, and other general oversight responsibility.

Fund accounting. The accounts of the Village of McNary are organized on the basis of funds and account groups, each of which is considered a separate set of self-balancing accounts that comprises its assets, liabilities, fund equity, revenues and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, into four generic fund types and two board fund categories as follows:

Government Funds-

General Fund

The General Fund is the general fund of the Village. It is used to account for all financial resources except those required to be accounted for in another fund.

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 by proprietary funds, special assessment funds, and trust funds).



VILLAGE OF MCNARY  
GLENORA, LOUISIANA

SCHEDULE OF INSURANCE IN FORCE  
JUNE 30, 1996

INSURANCE COMPANY	POLICY	DATE	COVERAGE TYPE	AMOUNT	PREMIUM
Titan	10-GL-02294-C1	03-29-96 03-29-97	General Liability Each Occurrence Limit Fire Damage Limit Personal & Advertising Injury	\$ 100,000 \$ 100,000 \$ 100,000	\$ 2,090
Risk Management, Inc.	WC-255	08-05-95 08-05-96	Workmen's Compensation Each Account Each Employee Policy Limits		\$ 833
Titan	35-BA-03937-C1	03-29-96 03-29-97	Business Auto Policy Liability each accident	\$ 100,000	\$ 1,091
Titan	20-PL-02363-C1	03-29-96 03-29-97	Professional Liability for Police Per Accident Aggregate	\$ 100,000 \$ 300,000	\$ 999
Trinity Universal Insurance Company of Kansas	CFA89274140636	08-03-96 08-03-97	Commercial Property Personal Property Building Pump House Pump House & Storage		\$ 122
Trinity Universal Insurance	CFA89274120736	08-14-96 08-14-97	Commercial Property Building - Town Hall Contents	\$ 15,750 1,600	\$ 100
Western Surety	1317585	12-14-95 12-14-96	Surety Bond	\$ 40,000	\$ 140
Western Surety	18237200	10-15-95 10-11-96	Clerks Bond	\$ 2,000	\$ 50

EXHIBIT B

VILLAGE OF MCNARY  
GLENMORA, LOUISIANA

COMBINED STATEMENTS OF REVENUES, EXPENDITURES, OTHER FINANCING SOURCES (USES)  
AND CHANGES IN FUND BALANCES - ALL GOVERNMENT FUND TYPES  
FOR THE FISCAL YEAR ENDED JUNE 30, 1996

	<u>GOVERNMENTAL FUND TYPES</u>			<u>MEMORANDUM ONLY</u>
	<u>GENERAL</u>	<u>CAPITAL PROJECTS</u>	<u>SPECIAL REVENUES</u>	<u>PRIMARY GOVERNMENT</u>
<u>REVENUES</u>				
Taxes	\$ 29,569.00	\$ .00	\$ .00	\$ 29,569.00
Licenses and Permits	2,140.00	.00	.00	2,140.00
Intergovernment Revenues	1,865.28	.00	.00	1,865.28
Charges for Service	60.00	.00	.00	60.00
Fines and Forfeits	45,440.57	.00	.00	45,440.57
Grant Income	.00	.00	.00	.00
Interest Income	868.14	122.93	.00	991.07
Garbage Pickup	1,830.00	.00	.00	1,830.00
Video Draw Poker	3,153.72	.00	.00	3,153.72
Total Revenues	<u>\$ 84,926.71</u>	<u>\$ 122.93</u>	<u>\$ .00</u>	<u>\$ 85,049.64</u>

EXPENDITURES

Current:				
General Government	\$ 29,302.40	\$ .00	\$ .00	\$ 29,302.40
Public Safety	34,653.37	.00	.00	34,653.37
Total Expenditures	<u>\$ 63,955.77</u>	<u>\$ .00</u>	<u>\$ .00</u>	<u>\$ 63,955.77</u>

EXCESS OF REVENUES OVER AND (UNDER) EXPENDITURES

	\$ 20,970.94	\$ 122.93	\$ .00	\$ 21,093.87
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OTHER FINANCING SOURCES (USES)

Operating Transfers In	\$ .00	\$ .00	\$ .00	\$ .00
Operating Transfers Out	.00	.00	.00	.00
Miscellaneous	356.00	.00	.00	356.00
Donation of Police Car (Net)	(1,197.20)	.00	.00	(1,197.20)
Total Other Financing Sources (Used)	<u>\$ (841.20)</u>	<u>\$ .00</u>	<u>\$ .00</u>	<u>\$ (841.20)</u>

FINANCIAL STATEMENTS  
OF INDIVIDUAL FUNDS

VILLAGE OF MCNARY  
GLENMORA, LOUISIANA

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1996

NOTE #13 - SUMMARY OF DISCLOSURES OF SIGNIFICANT CONTINGENCIES CONTINUED

B. In the normal course of operations, the Village receives grant funds from various Federal and State agencies. The grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting funds. Any liability for reimbursement which may arise as the result of these audits is not believed to be material.

C. In a May 20, 1996 letter, the Louisiana Housing Finance Agency listed several irregularities with the provision of their housing rehabilitation grant. According to the Village officials, these construction problems have been corrected as of the date of this report.



VILLAGE OF McNARY  
GLENMORA, LOUISIANA

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1996

NOTE #9 - FY1994 LCDBG FIRE PROTECTION IMPROVEMENTS CONTINUED

In fiscal year 1995, the Village received \$27,305.30 from this grant. The expenditures were management and engineering fees paid to Meyer, Meyer, LaCroix & Hixson Engineers totaling \$26,975. The difference of \$330.30 was to reimburse the General Fund for expenses for advertising and for TOD equipment supplies. There was no activity in fiscal year 1996.

NOTE #10 - GRANT L.H.F.A.

In June, 1994, the Village of McNary received a grant of \$76,149. The grant was for the home repair of 10 homes belonging to low income elderly persons. Charles W. Sanders served as the consultant on this project. An agreement with the cognizant agency was made to include the audit of this program with the single audit of 1996 instead of 1995.

NOTE #11 - STATEMENTS OF CASH RECEIPTS AND DISBURSEMENTS - FEDERAL PROGRAMS

The accompanying two statements of Cash Receipts and Disbursements Federal Programs is a summary of the cash activity of the organization's participation in the L.C.D.B.G. program and L.H.F.A. program and does not present transactions that would be included in financial statements of either organization being presented on the accrual basis of accounting, as contemplated by generally accepted accounting principles.

NOTE #12 - COMPENSATION MAYOR AND BOARD

Compensation paid to the Mayor and Board of Aldermen in the form of salaries for the year ended June 30, 1996 are as follows:

<u>Mayor</u>	
Q. A. Clark	\$ 4,200
<u>Aldermen &amp; Alderwomen</u>	
Jeanette Brady	\$ 1,800
Louise Bullock	\$ 1,800
Donald Parker III	\$ 1,800

NOTE #13 - SUMMARY OF DISCLOSURES OF SIGNIFICANT CONTINGENCIES

A. According to the Village's attorney, the Village of McNary has no pending or threatened litigation.

VILLAGE OF McNARY  
GLENMORA, LOUISIANA

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1996

NOTE #7 - FLOW OF FUNDS; RESTRICTION ON USE - UTILITIES REVENUES CONTINUED

has been accumulated in said Water Revenue Bond Reserve Fund funds and/or investments in an amount equal to the highest annual debt service payable in any future year. The money so deposited in said Water Revenue Bond Reserve Fund shall be retained solely for the purpose of paying the principal of and interest on the bonds herein authorized as to which there would otherwise be default.

(d) The establishment and maintenance of a Water Replacement and Extension Fund by transferring monthly from the Water Revenue Fund after provision is made for the payments of (a), (b), and (c) above, the sum of \$35 per month. Monies in the Water Replacement and Extension Fund may be withdrawn and used by the Village for the purpose of paying the cost of unusual or extraordinary maintenance, repairs, replacement, and extension and paying the costs or improvements to the System which will either enhance its revenue-producing capacity or provide a higher degree of service. In the event the available balances in the Water Revenue Bond Fund and/or the Water Revenue Bond Reserve Fund shall at any principal or interest payment date, be insufficient to pay the next installment of principal and/or interest and to maintain the required debt service reserve of \$8,900, then transfer shall be made from said Water Replacement and Extension Fund, in such amounts as are necessary to eliminate the deficiencies.

Subject to the foregoing, which are cumulative, any balance in the Water Revenue Fund shall be used for the purpose of acquiring for cancellation, the outstanding Water Revenue Bonds or for redeeming the outstanding Water Revenue Bonds in inverse numerical order, at par and accrued interest to the call date, or any other lawful purpose whether or not connected with the System.

NOTE #8 - LEASE OBLIGATION

The Village of McNary entered into a two year contract with Waste Management of Central Louisiana to provide garbage pickup for Village residents. The contract cost is \$10.50 per month per customer with the customer paying \$3.00 of this cost. The General Fund will fund the rest of \$10.50 cost of \$7.50.

NOTE #9 - FY1994 LCDBG FIRE PROTECTION IMPROVEMENTS

According to the single audit requirements, if federal financial assistance received is over \$25,000 but less than \$100,000 a single audit or audit of an individual federal assistance program in accordance with laws and regulations governing those programs must be performed. There are some exceptions where the money is received at the year end of the entity and the expenditures are in the following year. The Village received a block grant in 1994 for improvements to the water mains and to add fire hydrants. This grant totals \$277,600. The project was delayed because of a problem with obtaining right-of-ways. The construction is due to begin in the next three months. The consultant for the program is Michael Chenevert with Meyer, Meyer, LaCroix & Hixson Engineers.

VILLAGE OF MCNARY  
GLENMORA, LOUISIANA

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1996

NOTE #6 - CHANGES IN LONG-TERM DEBT CONTINUED

Bonds payable at June 30, 1996 are comprised of the following individual issues:

Revenue Bonds:

\$142,000 Water Utility Bonds issued and dated January 20, 1972; due in annual installments; interest at 5% \$ 91,000.00

The annual requirement to amortize all non-major debt outstanding as of June 30, 1996, including interest payments of \$43,550, are as follows:

YEAR ENDING JUNE 30	TOTAL PAYMENTS
1997 - 2001	\$ 41,750.00
2002 - 2006	41,950.00
2007 - 2011	42,450.00
2012	<u>8,400.00</u>
	<u>\$ 134,550.00</u>

NOTE #7 - FLOW OF FUNDS; RESTRICTION ON USE - UTILITIES REVENUES

Under the terms of the bond indenture on outstanding Water Utility Revenue Bonds dated January 20, 1972, all income and revenue to be earned from the operation of the Water System shall be deposited promptly in a separate and special bank account to be known and designated as "Water Revenue Fund" and said fund shall be established, maintained and administered in the following order of priority:

(a) The payment of all reasonable and necessary expenses of operating, maintaining and administering the System.

(b) The establishment and maintenance of a Water Revenue Bond Fund sufficient in amount to pay promptly and fully the principal of and the interest on the bonds of transferring from said Water Revenue Fund, monthly, in advance of the 20th day of each month of each year, a sum equal to one-twelfth (1/12) of the principal and interest falling due on January 1st of the following year.

(c) The establishment and maintenance of a Water Revenue Bond Reserve Fund by transferring from said Water Revenue Fund, a sum at least equal to five percent (5%) of the amount required to be paid into the aforementioned Water Revenue Bond Fund provided for in paragraph (b) above, the payments into said Water Revenue Bond Fund to be made at the same time as payments are made into the aforementioned Water Revenue Bond Fund and to continue until such time as there

VILLAGE OF McNARY  
GLENMORA, LOUISIANA

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1996

NOTE #4 - CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

	<u>BALANCE JULY 1 1995</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE JUNE 30 1996</u>
Land	\$ 1,100.00	\$ .00	\$ .00	\$ 1,100.00
Buildings	10,770.89	.00	.00	10,770.89
Improvements other than buildings	265.00	.00	.00	265.00
Equipment	<u>26,825.81</u>	<u>11,197.20</u>	<u>.00</u>	<u>38,023.01</u>
Total General Fixed Assets	<u>\$ 38,961.70</u>	<u>\$ 11,197.20</u>	<u>\$ .00</u>	<u>\$ 50,158.90</u>

A summary of propriety fund types, plant and equipment at June 30, 1996 follows:

Water Utility:	
Water Distribution System	\$ 163,130.78
Other Equipment	6,884.49
	<u>\$ 170,015.27</u>
Less Accumulated Depreciation	77,645.67
Net	<u>\$ 92,369.60</u>

NOTE #5 - METER DEPOSITS

Meter deposits are not restricted by bond ordinance, and the Village considers them to be part of the operating account; therefore, they are not shown as payable from restricted assets.

NOTE #6 - CHANGES IN LONG-TERM DEBT

The following is a summary of bond transactions of the Village of McNary for the year ended June 30, 1996:

	<u>TOTAL</u>
Bonds Payable - July 1, 1995	\$ 95,000.00
Bonds Retired	<u>4,000.00</u>
Bonds Payable - <u>June 30, 1996</u>	<u>\$ 91,000.00</u>



VILLAGE OF MCNARY  
GLENMORA, LOUISIANA

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1996

NOTE #1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

Bad debts - Uncollected amounts due for customers' utility receivables are recognized as bad debts at the time information becomes available which would indicate the uncollectability of the particular receivable. Although the specific charge-off method is not in conformity with generally accepted accounting principles (GAAP), no allowances for uncollectible receivables are recorded due to immateriality at June 30, 1996.

Encumbrances - Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditures of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the Village as an extension of formal budgetary integration in the funds.

Interest-bearing Deposits - Interest-bearing deposits are stated at cost, which approximates market.

Total columns on combined statements - overview - 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, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

NOTE #2 - RESTRICTED ASSETS - PROPRIETARY FUND TYPE

Restricted assets were applicable to the following at June 30:

Water Revenue Bond Fund	\$ 15,872.97
Water Revenue Bond Reserve Fund	7,421.73
Water Revenue Bond Fund	10,117.73
Water Replacement and Extension Fund (Depreciation and Contingency Fund)	<u>14,649.68</u>
	<u>\$ 48,062.11</u>

NOTE #3 - CASH

Cash and Interest-bearing Deposits - At June 30, 1996 the carrying amount of the Village's cash and interest-bearing deposits is \$155,970.73 and the total bank balance is \$155,920.73. The balance is categorized as follows:

Amount insured by the FDIC and FSLIC	\$ 146,362.76
Collateralized with securities held by Village in its name	<u>50,000.00</u>
Total	<u>\$ 196,362.76</u>

VILLAGE OF MCNARY  
GLENMORA, LOUISIANA

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1996

NOTE #1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

Special Revenue Funds

The purpose of a Special Revenue Fund is to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or sources for major capital projects) that are legally restricted to expenditures for specified purposes. An example of Special Revenue Fund is a state gasoline tax for which distributions are made to local governments and expenditures are restricted to the maintenance of the local highway system.

Fund accounting

Proprietary Fund-

Enterprise Fund

Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the cost (expenses, including depreciation) of providing goods or services to the general public on the continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided the periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The only proprietary fund the Village Operates is its Water Utility Fund.

Fixed Assets and Long-term Liabilities-

The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus.

All governmental fund type operations are accounted for on a spending or "financial flow" measurement focus and only current assets and current liabilities are included on their balance sheets.

Fixed assets used in government fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, and are recorded as expenditures in the government fund types when purchased. No depreciation has been provided on general fixed assets. General fixed assets account group is not a fund but rather an account group that is used to account for general fixed assets acquired principally for general purposes and excludes fixed assets in the Enterprise Funds.

VILLAGE OF McNARY  
GLENMORA, LOUISIANA  
PROPRIETARY FUND TYPES  
ENTERPRISE FUND

EXHIBIT D

COMPARATIVE STATEMENTS OF CHANGES IN CASH FLOWS  
FOR THE FISCAL YEARS ENDED JUNE 30, 1996 AND 1995

	<u>AUDITED</u> <u>1996</u>	<u>UNAUDITED</u> <u>1995</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Net Income (Loss)	\$ 3,389.44	\$ 2,296.87
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	3,896.19	3,976.69
(Increase) Decrease in Accounts Receivable	(820.78)	.00
(Increase) Decrease in Accrued Interest Receivable	(66.56)	(65.00)
(Increase) Decrease in Restricted Assets	(2,394.63)	(1,886.86)
Increase (Decrease) in Vouchers Payable	(.45)	76.12
Increase (Decrease) in Other Accrued Expense	(100.00)	(75.00)
Increase (Decrease) in Customer Deposits	225.00	500.00
Increase (Decrease) Due To General Fund	53.96	.00
<u>NET CASH PROVIDED BY OPERATING ACTIVITIES</u>	<u>\$ 4,182.17</u>	<u>\$ 4,822.82</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Purchase of Fixed Assets	\$.00	\$.00
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>		
Payment of Revenue Bonds	\$ (4,000.00)	\$ (3,000.00)
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u>		
None	\$.00	\$.00
<u>NET INCREASE (DECREASE) IN CASH</u>	<u>\$ 182.17</u>	<u>\$ 1,822.82</u>
<u>CASH AT BEGINNING OF YEAR</u>	<u>17,279.17</u>	<u>15,456.35</u>
<u>CASH AT END OF YEAR</u>	<u>\$ 17,461.34</u>	<u>\$ 17,279.17</u>
Cash Paid for Interest	<u>\$ 4,750.00</u>	<u>\$ 5,200.00</u>

The notes to the financial statements are an integral part of this statement.

GENERAL FUND

VILLAGE OF MCNARY  
 GLENMORA, LOUISIANA

SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 1996

	LAND	BUILDING	IMPROVEMENTS OTHER THAN BUILDING	MACHINERY AND EQUIPMENT
<u>GENERAL FIXED ASSETS</u> July 1, 1995	\$ 1,100.00	10,770.89	\$ 265.00	\$ 26,825.81
<u>ADDITIONS</u>				
Donated Police Car	.00	.00	.00	10,000.00
Additions to Police Car	.00	.00	.00	1,197.20
<u>DEDUCTIONS</u>				
Assets Sold and Retired	.00	.00	.00	.00
<u>GENERAL FIXED ASSETS</u> JUNE 30, 1996	\$ 1,100.00	\$ 10,770.89	\$ 265.00	\$ 38,023.01

See accompanying notes and auditors' report.

<u>EXCESS OF REVENUES AND OTHER SOURCES OVER</u>									
<u>(UNDER) EXPENDITURES AND OTHER (USES)</u>	\$	20,129.74	\$	122.93	\$	.00	\$	20,252.67	
<u>FUND BALANCE - UNRESERVED JULY 1</u>	\$	<u>61,184.20</u>	\$	<u>3,982.09</u>	\$	<u>.00</u>	\$	<u>65,166.29</u>	
<u>FUND BALANCE - UNRESERVED JUNE 30</u>	\$	<u>81,313.94</u>	\$	<u>4,105.02</u>	\$	<u>.00</u>	\$	<u>85,418.96</u>	

The notes to the financial statements are an integral part of this statement.



VILLAGE OF McNARY  
GLENMORA, LOUISIANA

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1996

NOTE #1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

There are no long-term liabilities expected to be financed from governmental funds.

All proprietary funds are accounted for on a cost of services or "capital maintenance" measurement focus, and all assets and all liabilities (whether current or noncurrent) associated with their activity are included on their balance sheet.

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

Fixed Assets and Long-term Liabilities

Water Utility -

Water Distribution System	50 years
Other Equipment	25 and 10 years

All fixed assets are stated at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are stated at their estimated fair value on the date donated. On May 29, 1996, the Rapides Parish Sheriff's Department donated a police car to the Village. The estimated fair market value is \$10,000.

Basis of Accounting -

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Taxpayers-assessed income, gross receipts, and sales taxes are considered "measurable" when in the hands of collecting governments and are recognized as revenue at that time. Anticipated refunds of such taxes are recorded as liabilities and reductions of revenue when they are measurable and their validity seems certain. Other major revenues that are considered susceptible to accrual include earned grant revenues and other intergovernmental revenues, charges for services and interest on investments. Franchise fees, licenses and permits, and fines are recognized when received because they are not objectively measurable.

EXHIBIT A

VILLAGE OF MCNARY  
GLENORA, LOUISIANA

COMBINED BALANCE SHEETS - ALL FUND TYPES AND ACCOUNT GROUPS  
JUNE 30, 1996

	GOVERNMENT FUND TYPES		SPECIAL REVENUE	PROPRIETARY FUND GROUP ENTERPRISE	ACCOUNT GROUP GENERAL FIXED ASSETS	TOTAL (MEMORANDUM ONLY) PRIMARY GOVERNMENT
	GENERAL	CAPITAL PROJECTS				
<u>ASSETS</u>						
Cash	\$ 86,242.26	\$ 4,205.02	\$ .00	\$ 17,461.34	\$ .00	\$ 107,908.62
Accounts Receivable (Net of allowances for uncollectables)	100.00	.00	.00	2,836.72	.00	2,936.72
Dues From Other Funds	1,318.00	.00	.00	.00	.00	1,318.00
Accrued Interest Receivable	.00	.00	.00	584.56	.00	584.56
Restricted Assets						
Investments at Cost or Amortized Cost	.00	.00	.00	48,062.11	.00	48,062.11
Land	.00	.00	.00	.00	1,100.00	1,100.00
Buildings	.00	.00	.00	.00	10,770.89	10,770.89
Improvements Other Than Buildings	.00	.00	.00	.00	265.00	265.00
Equipment	.00	.00	.00	170,015.27	38,023.01	208,038.28
Accumulated Depreciation	.00	.00	.00	(77,545.57)	.00	(77,545.57)
<u>TOTAL ASSETS AND OTHER DEBTS</u>	<u>\$ 87,660.26</u>	<u>\$ 4,205.02</u>	<u>\$ .00</u>	<u>\$ 161,314.33</u>	<u>\$ 50,158.90</u>	<u>\$ 303,338.51</u>

LIABILITIES AND FUND EQUITY

LIABILITIES

Vouchers Payable	\$ 6,234.86	\$ .00	\$ .00	\$ 1,086.47	\$ .00	\$ 7,321.33
Accrued Liabilities	38.84	.00	.00	.00	.00	38.84
Payable for Customer's Deposit	.00	.00	.00	5,994.55	.00	5,994.55
Due To Other Funds	.00	100.00	.00	1,318.00	.00	1,418.00
Matured Bonds Payable	.00	.00	.00	4,000.00	.00	4,000.00
Matured Interest Payable	.00	.00	.00	2,275.00	.00	2,275.00
Revenue Bond Payable	.00	.00	.00	87,000.00	.00	87,000.00
<u>TOTAL LIABILITIES</u>	<u>\$ 6,273.70</u>	<u>\$ 100.00</u>	<u>\$ .00</u>	<u>\$ 101,674.02</u>	<u>\$ .00</u>	<u>\$ 108,047.72</u>

The Honorable Q. A. Clark, Mayor  
and Members of the Board of Alderman  
October 16, 1996  
Page 2

the results of its operations and changes in cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles. Also, in our opinion, the combining, individual fund and account group financial statements referred to above present fairly, in all material respects, the financial position of each of the individual funds and account groups of the Village of McNary, Glenmora, Louisiana, as of June 30, 1996 and the statement of cash receipts and disbursements of the Capital Projects Fund - Louisiana Housing Finance Agency for the seven months ended December 31, 1994, and the Louisiana Community Development Block Grant for the two years ended June 30, 1996, and the results of operations of such funds and the changes in cash flows of individual proprietary funds for the years then ended in conformity with generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the 1996 general purpose financial statements taken as a whole and on the combining, individual fund and individual account group financial statements and the December 31, 1994 statement of cash receipts and disbursements of the Capital Projects Fund - Louisiana Housing Finance Agency and the June 30, 1996 statement of cash receipts and disbursements of the Capital Projects Fund - Louisiana Development Block Grant. The accompanying financial information listed as supporting schedules in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements, of the Village of McNary, Glenmora, Louisiana. Such information has been subjected to the auditing procedures applied in the audit of the general purpose, combining and individual fund and individual account group financial statements and the statements of cash receipts and disbursements and, in our opinion, is fairly presented in all material respects in relations to the financial statements of each of the respective individual funds and account groups taken as a whole.

GARRETT & GARRETT  
CERTIFIED PUBLIC ACCOUNTANTS

*Garrett & Garrett*

**GARRETT & GARRETT**  
**CERTIFIED PUBLIC ACCOUNTANTS**  
**119 PROFESSIONAL DRIVE**  
**WEST MONROE, LOUISIANA 71291**

**CAROLYN V. GARRETT**  
**JUDY D. GARRETT**

**PHONE: 318 322-0845**  
**FAX: 318 322-5577**

October 16, 1996

**INDEPENDENT AUDITORS' REPORT**

The Honorable Q. A. Clark, Mayor  
and Members of the Board of Alderman

We have audited the accompanying general purpose financial statements of the Village of McNary, Glenmora, Louisiana and the combining, individual fund and account group financial statements of the Village of McNary, Glenmora, Louisiana, as of and for the year ended June 30, 1996, and the statement of cash receipts and disbursements of the Capital Projects Fund - Louisiana Housing Finance Agency for the seven months ended December 31, 1994, and the Louisiana Community Development Block Grant for the two years ended June 30, 1996, as listed in the table of contents. These general purpose financial statements and the financial statements of the Capital Projects Fund - Louisiana Housing Finance Agency, and the Louisiana Community Development Block Grant, are the responsibility of the Village of McNary, Glenmora, Louisiana's management. Our responsibility is to express an opinion on these general purpose financial statements, statement of cash receipts and disbursements of the Capital Projects Fund - Louisiana Housing Finance Agency, and Louisiana Community Development Block Grant based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, except for a discrepancy on the federal reporting requirements. (See note # 9 and # 10) Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amount and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provided a reasonable basis for our opinion.

In our opinion, the general purpose financial statements and the statement of cash receipts and disbursements of the Capital Projects Fund - Louisiana Housing Finance Agency and the Louisiana Community Development Block Grant referred to above present fairly, in all material respects, the financial position of the Village of McNary, Glenmora, Louisiana, as of June 30, 1996, the seven months ended December 31, 1994, and the two years ended June 30, 1996, respectively, and



VILLAGE OF MCNARY  
GLENMORA, LOUISIANA

ANNUAL FINANCIAL REPORT  
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GLENMORA, LOUISIANA

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VILLAGE OF McNARY  
GLENMORA, LOUISIANA

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VILLAGE OF McNARY  
GLENMORA, LOUISIANA

AUDIT REPORT

JUNE 30, 1996

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**VILLAGE OF MCNARY  
GLENMORA, LA 71433**

**JUNE 30, 1996**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, 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 FEB 12 1997

VILLAGE OF McNARY  
GLENMORA, LOUISIANA

EXHIBIT C

ENTERPRISE FUND  
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS  
FOR THE FISCAL YEARS ENDED JUNE 30, 1996 AND 1995

	<u>PROPRIETARY FUND TYPE</u> <u>ENTERPRISE</u>	
	<u>1996</u> <u>AUDITED</u>	<u>1995</u> <u>UNAUDITED</u>
<u>OPERATING REVENUES</u>		
Charges for Services	\$ 24,502.27	\$ 22,762.12
Miscellaneous	185.79	1,615.00
Total Operating Revenues	<u>\$ 24,688.06</u>	<u>\$ 24,377.12</u>
<u>OPERATING EXPENSES</u>		
Cost of Sales and Services	\$ 8,448.27	\$ 10,109.96
Administrative	6,819.23	5,169.87
Depreciation	3,896.19	3,976.69
Total Operating Expenses	<u>\$ 19,163.69</u>	<u>\$ 19,256.52</u>
<u>OPERATING INCOME</u>	<u>\$ 5,524.37</u>	<u>\$ 5,120.60</u>
<u>NON-OPERATING REVENUES (EXPENSES)</u>		
Interest Income	\$ 2,515.07	\$ 2,001.27
Interest Expense & Fiscal Charges	(4,650.00)	(4,825.00)
Total Non-operating Revenues (Expenses)	<u>\$ (2,134.93)</u>	<u>\$ (2,823.73)</u>
<u>NET INCOME (LOSS) BEFORE OPERATING TRANSFERS</u>	<u>\$ 3,389.44</u>	<u>\$ 2,296.87</u>
<u>TRANSFER TO/FROM OTHER FUNDS</u>	<u>.00</u>	<u>.00</u>
<u>NET INCOME (LOSS)</u>	<u>\$ 3,389.44</u>	<u>\$ 2,296.87</u>
<u>(INCREASE) DECREASE IN RESERVES</u>	<u>(2,394.63)</u>	<u>(1,886.86)</u>
<u>NET CHANGE IN UNRESERVED RETAINED EARNINGS</u> <u>FOR THE YEAR</u>	<u>\$ 994.81</u>	<u>\$ 410.01</u>
<u>RETAINED EARNINGS - UNRESERVED JULY 1</u>	<u>1,335.39</u>	<u>925.38</u>
<u>RETAINED EARNINGS - UNRESERVED JUNE 30</u>	<u>\$ 2,330.20</u>	<u>\$ 1,335.39</u>

The notes to the financial statements are an integral part of this statement.

VILLAGE OF McNARY  
GLENMORA, LOUISIANA

STATEMENT C-3

ENTERPRISE FUND  
COMPARATIVE STATEMENTS OF CHANGES IN CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 1996 AND 1995

	<u>AUDITED</u> <u>1996</u>	<u>UNAUDITED</u> <u>1995</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Net Income (Loss)	\$ 3,389.44	\$ 2,296.87
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	3,896.19	3,976.69
(Increase) Decrease in Accounts Receivable	(820.78)	.00
(Increase) Decrease in Accrued Interest Receivable	(66.56)	(65.00)
(Increase) Decrease in Restricted Assets	(2,394.63)	(1,886.86)
Increase (Decrease) in Vouchers Payable	(.45)	76.12
Increase (Decrease) in Other Accrued Expense	(100.00)	(75.00)
Increase (Decrease) in Customer Deposits	225.00	500.00
Increase (Decrease) Due To General Fund	53.96	.00
<u>NET CASH PROVIDED BY OPERATING ACTIVITIES</u>	<u>\$ 4,182.17</u>	<u>\$ 4,822.82</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Purchase of Fixed Assets	\$.00	\$.00
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>		
Payment of Revenue Bonds	\$ (4,000.00)	\$ (3,000.00)
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u>		
None	\$.00	\$.00
<u>NET INCREASE (DECREASE) IN CASH</u>	<u>\$ 182.17</u>	<u>\$ 1,822.82</u>
<u>CASH AT BEGINNING OF YEAR</u>	<u>17,279.17</u>	<u>15,456.35</u>
<u>CASH AT END OF YEAR</u>	<u>\$ 17,461.34</u>	<u>\$ 17,279.17</u>
Cash Paid for Interest	<u>\$ 4,750.00</u>	<u>\$ 5,200.00</u>

See accompanying notes and auditors' report.

EQUITY AND OTHER CREDITS

Contributed Capital	\$ .00	\$ .00	\$ .00	\$ .00	\$ .00	\$ 9,248.00	\$ 9,248.00
Investment in General Fixed Assets	.00	.00	.00	.00	50,158.90	.00	50,158.90
Retained for Revenue Bond and Depreciation	.00	.00	.00	.00	.00	48,052.11	48,052.11
and Contingency	.00	.00	.00	.00	.00	2,330.20	87,821.78
Unreserved/Undesignated	81,386.56	4,105.02	.00	.00	.00	.00	
<u>TOTAL EQUITY AND OTHER CREDITS</u>	<u>\$ 81,386.56</u>	<u>\$ 4,105.02</u>	<u>\$ .00</u>	<u>\$ .00</u>	<u>\$ 50,158.90</u>	<u>\$ 59,640.31</u>	<u>\$ 195,290.72</u>
<u>TOTAL LIABILITIES AND EQUITY AND OTHER CREDITS</u>	<u>\$ 87,650.26</u>	<u>\$ 4,205.02</u>	<u>\$ .00</u>	<u>\$ .00</u>	<u>\$ 50,158.90</u>	<u>\$ 161,314.33</u>	<u>\$ 303,338.51</u>

The notes to the financial statements are an integral part of this statement.



VILLAGE OF McNARY  
GLENMORA, LOUISIANA

STATEMENT A-1

GENERAL FUND  
COMPARATIVE BALANCE SHEETS  
JUNE 30, 1996 AND 1995

	<u>AUDITED</u> 1996	<u>UNAUDITED</u> 1995
<u>ASSETS</u>		
Cash	\$ 86,242.26	\$ 64,726.58
Due From Water Department	1,318.00	1,264.04
Due From LCDBG Fund	<u>100.00</u>	<u>100.00</u>
<u>TOTAL ASSETS</u>	<u>\$ 87,660.26</u>	<u>\$ 66,090.62</u>
 <u>LIABILITIES AND FUND EQUITY</u>		
<u>LIABILITIES</u>		
Vouchers Payable	\$ 6,234.86	\$ 4,596.46
Accrued Liabilities	<u>38.84</u>	<u>309.96</u>
Total Liabilities	<u>\$ 6,273.70</u>	<u>\$ 4,906.42</u>
<u>FUND EQUITY</u>		
Unreserved	<u>\$ 81,386.56</u>	<u>\$ 61,184.20</u>
<u>TOTAL LIABILITIES AND FUND EQUITY</u>	<u>\$ 87,660.26</u>	<u>\$ 66,090.62</u>

See accompanying notes and auditors' report.

VILLAGE OF McNARY  
GLENMORA, LOUISIANA

STATEMENT D-1

COMPARATIVE SCHEDULES OF GENERAL FIXED ASSETS BY SOURCE  
JUNE 30, 1996 AND 1995

GENERAL FIXED ASSETS

Land	\$ 1,100.00	\$ 1,100.00
Building	10,770.89	10,770.89
Improvements Other Than Building	265.00	265.00
Machinery and Equipment	<u>38,023.01</u>	<u>26,825.81</u>
<u>TOTAL GENERAL FIXED ASSETS</u>	<u>\$ 50,158.90</u>	<u>\$ 38,961.70</u>

INVESTMENT IN GENERAL FIXED ASSETS BY SOURCE

General Fund	\$ 28,704.05	\$ 27,506.85
General Fund - Donated	10,000.00	.00
Capital Outlay Fund	<u>11,454.85</u>	<u>11,454.85</u>
<u>TOTAL INVESTMENT IN GENERAL FIXED ASSETS BY SOURCE</u>	<u>\$ 50,158.90</u>	<u>\$ 38,961.70</u>

See accompanying notes and auditors' report.

GENERAL FIXED ASSETS ACCOUNT GROUP

STATEMENT C-6

VILLAGE OF MCNARY  
GLENMORA, LOUISIANA

ENTERPRISE FUND - WATER DEPARTMENT  
SCHEDULE OF UTILITY PLANT AND EQUIPMENT  
JUNE 30, 1996

	<u>ACQUIRED</u>	<u>LIFE</u>	<u>COST</u>	<u>DEPRECIATION</u>	<u>NET</u>	<u>DEPRECIATION</u>
<u>IMPROVEMENTS OTHER THAN</u>						
<u>BUILDING</u>						
Water System	1979	50	\$ 157,147.00	\$ 71,401.20	\$ 85,745.80	\$ 3,140.44
Water Lines	1993	25	4,236.38	593.11	3,643.27	169.46
Total			<u>\$ 161,383.38</u>	<u>\$ 71,994.31</u>	<u>\$ 89,389.07</u>	<u>\$ 3,309.90</u>
<u>MACHINERY AND EQUIPMENT</u>						
EQUIPMENT		10	\$ 8,631.89	\$ 5,651.36	\$ 2,980.53	\$ 586.29
<u>GRAND TOTAL</u>			<u>\$ 170,015.27</u>	<u>\$ 77,645.67</u>	<u>\$ 92,369.60</u>	<u>\$ 3,896.19</u>

VILLAGE OF McNARY  
GLENMORA, LOUISIANA

STATEMENT C-4

ENTERPRISE FUND  
COMPARATIVE SCHEDULES OF DETAIL OF EXPENSES  
FOR THE FISCAL YEAR ENDED JUNE 30, 1996 AND 1995

	AUDITED 1996	UNAUDITED 1995
<u>COST OF SALES AND SERVICES</u>		
Supplies	\$ 314.00	\$ 234.25
Salaries	5,428.00	5,443.00
Payroll Taxes	53.96	.00
Repairs and Maintenance	1,648.38	3,546.71
Sales Taxes	1,003.93	886.00
Total Cost of Sales and Services	<u>\$ 8,448.27</u>	<u>\$ 10,109.96</u>
<u>ADMINISTRATIVE</u>		
Salaries	\$ 1,200.00	\$ 1,200.00
Utilities	2,896.21	2,660.45
Office and Postage	731.16	1,021.57
Insurance	1,651.74	247.00
Miscellaneous	7.12	.00
Accounting and Auditing	333.00	40.85
Total Administrative	<u>\$ 6,819.23</u>	<u>\$ 5,169.87</u>

See accompanying notes and auditors' report.

VILLAGE OF McNARY  
GLENMORA, LOUISIANA

STATEMENT C-2

ENTERPRISE FUND  
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS  
FOR THE FISCAL YEARS ENDED JUNE 30, 1996 AND 1995

	PROPRIETARY FUND TYPE ENTERPRISES	
	1996 AUDITED	1995 UNAUDITED
<u>OPERATING REVENUES</u>		
Charges for Services	\$ 24,502.27	\$ 22,762.12
Miscellaneous	185.79	1,615.00
Total Operating Revenues	\$ 24,688.06	\$ 24,377.12
<u>OPERATING EXPENSES</u>		
Cost of Sales and Services	\$ 8,448.27	\$ 10,109.96
Administrative	6,819.23	5,169.87
Depreciation	3,896.19	3,976.69
Total Operating Expenses	\$ 19,163.69	\$ 19,256.52
<u>OPERATING INCOME</u>	\$ 5,524.37	\$ 5,120.60
<u>NON-OPERATING REVENUES (EXPENSES)</u>		
Interest Income	\$ 2,515.07	\$ 2,001.27
Interest Expense & Fiscal Charges	(4,650.00)	(4,825.00)
Total Non-operating Revenues (Expenses)	\$ (2,134.93)	\$ (2,823.73)
<u>NET INCOME (LOSS) BEFORE OPERATING TRANSFERS</u>	\$ 3,389.44	\$ 2,296.87
<u>TRANSFER TO/FROM OTHER FUNDS</u>	.00	.00
<u>NET INCOME (LOSS)</u>	\$ 3,389.44	\$ 2,296.87
<u>(INCREASE) DECREASE IN RESERVES FOR REVENUE BOND, DEPRECIATION, CONTINGENCY</u>	(2,394.63)	(1,886.86)
<u>NET CHANGE IN UNRESERVED RETAINED EARNINGS FOR THE YEAR</u>	\$ 994.81	\$ 410.01
<u>RETAINED EARNINGS - UNRESERVED JULY 1</u>	1,335.39	925.38
<u>RETAINED EARNINGS - UNRESERVED JUNE 30</u>	\$ 2,330.20	\$ 1,335.39

See accompanying notes and auditors' report.



VILLAGE OF MCNARY  
GLENMORA, LOUISIANA

ENTERPRISE FUND  
COMPARATIVE BALANCE SHEETS  
JUNE 30, 1996 and 1995

<u>ASSETS</u>	<u>AUDITED 1996</u>	<u>UNAUDITED 1995</u>	<u>LIABILITIES AND EQUITY</u>	<u>AUDITED 1996</u>	<u>UNAUDITED 1995</u>
<u>CURRENT ASSETS</u>			<u>CURRENT LIABILITIES</u>		
Cash	\$ 17,461.34	\$ 17,279.17	Vouchers Payable	\$ 1,086.47	\$ 1,086.92
Accounts Receivable (Net of Allowance for Uncollectables)	2,836.72	2,015.94	Other Accrued Expenses	2,275.00	2,375.00
Accrued Interest	584.56	518.00	Payable for Customer's Deposit Due to General Fund	5,994.55	5,769.55
Total Current Assets	<u>\$ 20,882.62</u>	<u>\$ 19,813.11</u>	Total Current Liabilities	<u>\$ 10,674.02</u>	<u>\$ 10,495.51</u>
<u>RESTRICTED ASSETS</u>			<u>CURRENT LIABILITIES-PAYABLE</u>		
Water Reserve Fund	\$ 15,872.97	\$ 15,267.03	FROM RESTRICTED ASSETS		
Revenue Bond Fund	7,421.73	7,055.43	Payable from Revenue Bonds	\$ 4,000.00	\$ 4,000.00
Water Revenue Bond Fund	10,117.73	9,575.13	<u>NONCURRENT LIABILITIES</u>		
Depreciation and Contingency Fund	14,649.58	13,759.89	Revenue Bonds Payable	\$ 87,000.00	\$ 91,000.00
Total Restricted Assets	<u>\$ 48,062.11</u>	<u>\$ 45,667.48</u>	<u>TOTAL LIABILITIES</u>	<u>\$ 101,674.02</u>	<u>\$ 105,495.51</u>
<u>FIXED ASSETS</u>			<u>EQUITY</u>		
Machinery and Equipment	\$ 170,015.27	\$ 170,015.27	Contributed Capital	\$ 9,248.00	\$ 9,248.00
Less: Accumulated Depreciation	77,645.67	73,749.48	<u>RETAINED EARNINGS</u>		
Net Property, Plant and Equipment	<u>\$ 92,369.60</u>	<u>\$ 96,265.79</u>	Unreserved	\$ 2,330.20	\$ 1,335.39
			Reserved (Revenue Bond Depreciation Contingency)	48,062.11	45,667.48
			Total Retained Earnings	<u>\$ 50,392.31</u>	<u>\$ 47,002.87</u>
<u>TOTAL ASSETS</u>	<u>\$ 161,314.33</u>	<u>\$ 161,746.38</u>	<u>TOTAL EQUITY</u>	<u>\$ 59,640.31</u>	<u>\$ 56,250.87</u>
			<u>TOTAL LIABILITIES AND EQUITY</u>	<u>\$ 161,314.33</u>	<u>\$ 161,746.38</u>

See accompanying notes and auditors' report.

ENTERPRISE FUND

VILLAGE OF McNARY  
GLENMORA, LOUISIANA

STATEMENT B-10

CAPITAL PROJECTS - L.H.F.A. GRANT  
SR 4053 - SCD HOME PROJECT  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
FOR THE SEVEN MONTHS ENDED DECEMBER 31, 1994

	<u>TOTAL</u>
<u>REVENUES</u>	
Grant Income	\$ 77,649.00
Interest Earned	<u>.00</u>
Total Revenues	\$ 77,649.00
<u>EXPENDITURES</u>	
Management Fees	\$ 3,000.00
Sub-Contractor Fees	<u>74,649.00</u>
Total Expenditures	<u>\$ 77,649.00</u>
<u>EXCESS OF REVENUES OVER</u> <u>(UNDER) EXPENDITURES</u>	<u>\$ .00</u>
<u>EXCESS (DEFICIENCY) OF REVENUES</u> <u>AND OTHER SOURCES OVER (UNDER)</u> <u>EXPENDITURES AND OTHER (USES)</u>	<u>\$ .00</u>
<u>FUND BALANCE - UNRESERVED JUNE 1</u>	<u>\$ .00</u>
<u>FUND BALANCE - UNRESERVED JUNE 30</u>	<u>\$ .00</u>

See accompanying notes and auditors' report.

VILLAGE OF McNARY  
GLENMORA, LOUISIANA

STATEMENT A-3

GENERAL FUND  
STATEMENTS OF REVENUES, EXPENDITURES - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 1996

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<u>REVENUE</u>			
Taxes			
Property and Sales	\$ 22,000.00	\$ 25,989.58	\$ 3,989.58
Franchise	3,800.00	3,579.42	(220.58)
Licenses and Permits	1,800.00	2,140.00	340.00
Intergovernment Revenues	1,800.00	1,865.28	65.28
Charges for Services	.00	60.00	60.00
Fines and Forfeits	40,000.00	45,440.57	5,440.57
Garbage Pickup	1,800.00	1,830.00	30.00
Video Draw Poker	2,500.00	3,153.72	653.72
Interest Income	700.00	868.14	168.14
<u>TOTAL REVENUES</u>	<u>\$ 74,400.00</u>	<u>\$ 84,926.71</u>	<u>\$ 10,526.71</u>
<u>EXPENDITURES</u>			
Current			
General and Administrative	\$ 32,768.00	\$ 29,229.78	\$ 3,538.22
Police Department	31,900.00	34,653.37	(2,753.37)
<u>TOTAL EXPENDITURES</u>	<u>\$ 64,668.00</u>	<u>\$ 63,883.15</u>	<u>\$ 784.85</u>
<u>EXCESS OF REVENUE OVER (UNDER) EXPENDITURES</u>	<u>\$ 9,732.00</u>	<u>\$ 21,043.56</u>	<u>\$ 11,311.56</u>
<u>OTHER FINANCING SOURCES (USES)</u>			
Miscellaneous	\$ .00	\$ 356.00	\$ 356.00
Donation of Police Car	.00	10,000.00	10,000.00
Purchase of Police Car	.00	(11,197.20)	(11,197.20)
<u>EXCESS OF REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER (USES)</u>	<u>\$ 9,732.00</u>	<u>\$ 20,202.36</u>	<u>\$ 10,470.36</u>

See accompanying notes and auditors' report.

VILLAGE OF McNARY  
GLENMORA, LOUISIANA

STATEMENT C-5

ENTERPRISE FUND  
INCOME STATEMENT - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 1996

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u> <u>FAVORABLE</u> <u>(UNFAVORABLE)</u>
<u>OPERATING REVENUES</u>			
Charges for Services	\$ 22,650.00	\$ 24,502.27	\$ 1,852.27
Miscellaneous	360.00	185.79	(174.21)
Total Operating Revenues	<u>\$ 23,010.00</u>	<u>\$ 24,688.06</u>	<u>\$ 1,678.06</u>
 <u>OPERATING EXPENSES</u>			
Cost of Sales and Services	\$ 10,043.00	\$ 8,448.27	\$ 1,594.73
Administrative	4,547.00	6,819.23	(2,272.23)
Depreciation	.00	3,896.19	(3,896.19)
Total Operating Expenses	<u>\$ 14,590.00</u>	<u>\$ 19,163.69</u>	<u>\$ (4,573.69)</u>
 <u>OPERATING INCOME</u>	 \$ 8,420.00	 \$ 5,524.37	 \$ (2,895.63)
 <u>NON-OPERATING REVENUES (EXPENSES)</u>			
Interest Income	\$ 1,678.00	\$ 2,515.07	\$ 837.07
Interest Expense & Fiscal Charges	(4,550.00)	(4,650.00)	(100.00)
Total Non-operating Revenues (Expenses)	<u>\$ (2,872.00)</u>	<u>\$ (2,134.93)</u>	<u>\$ 737.07</u>
 <u>NET INCOME (LOSS) BEFORE OPERATING TRANSFERS</u>	 <u>\$ 5,548.00</u>	 <u>\$ 3,389.44</u>	 <u>\$ (2,158.56)</u>

See accompanying notes and auditors' report.

VILLAGE OF McNARY  
GLENMORA, LOUISIANA

STATEMENT A-2

GENERAL FUND  
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
FOR THE FISCAL YEARS ENDED JUNE 30, 1996 AND 1995

	<u>AUDITED</u> <u>1996</u>	<u>UNAUDITED</u> <u>1995</u>
<u>REVENUE</u>		
Taxes		
Property and Sales	\$ 25,989.58	\$ 24,000.30
Franchise	3,579.42	3,558.11
Licenses and Permits	2,140.00	2,160.00
Intergovernment Revenues	1,865.28	1,607.65
Charges for Services	60.00	200.00
Fines and Forfeits	45,440.57	18,524.00
Garbage Pickup	1,830.00	1,986.00
Video Draw Poker	3,153.72	3,954.94
Interest Income	868.14	696.41
<u>TOTAL REVENUES</u>	<u>\$ 84,926.71</u>	<u>\$ 56,687.41</u>
<u>EXPENDITURES</u>		
Current		
General and Administrative	\$ 29,229.78	\$ 29,561.98
Police Department	34,653.37	21,306.76
<u>TOTAL EXPENDITURES</u>	<u>\$ 63,883.15</u>	<u>\$ 50,868.74</u>
<u>EXCESS OF REVENUE OVER (UNDER) EXPENDITURES</u>	<u>\$ 21,043.56</u>	<u>\$ 5,818.67</u>
<u>OTHER FINANCING SOURCES (USES)</u>		
Miscellaneous	\$ 356.00	\$ 1,605.40
Donation of Police Car	10,000.00	.00
Purchase of Police Car	(11,197.20)	.00
<u>EXCESS OF REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER (USES)</u>	<u>\$ 20,202.36</u>	<u>\$ 7,424.07</u>
<u>FUND BALANCE - UNRESERVED JULY 1</u>	<u>61,184.20</u>	<u>53,760.13</u>
<u>FUND BALANCE - UNRESERVED JUNE 30</u>	<u>\$ 81,386.56</u>	<u>\$ 61,184.20</u>

See accompanying notes and auditors' report.



VILLAGE OF McNARY  
GLENMORA, LOUISIANA

STATEMENT B-9

CAPITAL PROJECTS - L.H.F.A. GRANT  
SR 4053 - SCD HOME PROJECT  
BALANCE SHEET  
DECEMBER 31, 1994

	<u>AUDITED</u>
<u>ASSETS</u>	
Cash	\$ _____ .00
<u>TOTAL ASSETS</u>	<u>\$ _____ .00</u>
<u>LIABILITIES AND EQUITY</u>	
<u>LIABILITIES</u>	
None	\$ _____ .00
<u>EQUITY</u>	
<u>FUND BALANCE</u>	
Unreserved	\$ _____ .00
<u>TOTAL LIABILITIES AND FUND EQUITY</u>	<u>\$ _____ .00</u>

See accompanying notes and auditors' report.

CAPITAL PROJECTS FUND

VILLAGE OF McNARY  
GLENMORA, LOUISIANA

STATEMENT B-1

CAPITAL PROJECTS FUND  
COMBINING BALANCE SHEETS  
JUNE 30, 1996

	<u>BOARD RESTRICTED FUND</u>	<u>LCDBG GRANT</u>	<u>TOTAL</u>
<u>ASSETS</u>			
Cash	\$ 4,177.64	\$ 27.38	\$ 4,205.02
 TOTAL ASSETS	 \$ 4,177.64	 \$ 27.38	 \$ 4,205.02
 <u>LIABILITIES AND EQUITY</u>			
<u>LIABILITIES</u>			
Due to General Fund	\$ .00	\$ 100.00	\$ 100.00
 <u>EQUITY</u>			
Fund Balance Unreserved	\$ 4,177.64	\$ (72.62)	\$ 4,105.02
 TOTAL LIABILITIES AND EQUITY	 \$ 4,177.64	 \$ 27.38	 \$ 4,205.02

See accompanying notes and auditors' report.

VILLAGE OF McNARY  
GLENMORA, LOUISIANA

STATEMENT B-2

CAPITAL PROJECTS FUND  
COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
FOR THE FISCAL YEARS ENDED JUNE 30, 1996

	<u>BOARD RESTRICTED FUND</u>	<u>LCDBG FUND</u>	<u>TOTAL</u>
<u>REVENUES</u>			
Grant Income	\$ .00	\$ .00	\$ .00
Miscellaneous	.00	.00	.00
Interest Earned	122.93	.00	122.93
Total Revenues	\$ 122.93	\$ .00	\$ 122.93
<u>EXPENDITURES</u>			
Management Fees	\$ .00	\$ .00	\$ .00
Engineering Fees	.00	.00	.00
Administrative Expenses	.00	.00	.00
General Government	.00	.00	.00
Total Expenditures	\$ .00	\$ .00	\$ .00
<u>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</u>	\$ 122.93	\$ .00	\$ 122.93
<u>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER (USES)</u>	\$ 122.93	\$ .00	\$ 122.93
<u>FUND BALANCE - UNRESERVED JUNE 1</u>	\$ 4,054.71	\$ (72.62)	\$ 3,982.09
<u>FUND BALANCE - UNRESERVED JUNE 30</u>	\$ 4,177.64	\$ (72.62)	\$ 4,105.02

See accompanying notes and auditors' report.

VILLAGE OF MCNARY  
GLENMORA, LOUISIANA

STATEMENT B-4

CAPITAL PROJECTS FUND - BOARD RESTRICTED  
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
FOR THE FISCAL YEARS ENDED JUNE 30, 1996 AND 1995

	<u>AUDITED</u> <u>1996</u>	<u>UNAUDITED</u> <u>1995</u>
<u>REVENUES</u>		
Miscellaneous	\$ .00	\$ .00
Interest Earned	122.93	114.69
Total Revenues	\$ 122.93	\$ 114.69
<u>EXPENDITURES</u>		
General Government	\$ .00	\$ .00
Total Expenditures	\$ .00	\$ .00
<u>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</u>	\$ 122.93	\$ 114.69
<u>EXCESS OF REVENUES AND OTHER SOURCES</u> <u>OVER (UNDER) EXPENDITURES AND (USES)</u>	\$ 122.93	\$ 114.69
<u>FUND BALANCE - UNRESERVED JULY 1</u>	\$ 4,054.71	\$ 3,940.02
<u>FUND BALANCE - UNRESERVED JUNE 30</u>	\$ 4,177.64	\$ 4,054.71

See accompanying notes and auditors' report.

VILLAGE OF McNARY  
GLENMORA, LOUISIANA

STATEMENT B-5

CAPITAL PROJECTS FUND - L.C.D.B.G  
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS  
TWO YEARS ENDING JUNE 30, 1996

<u>BEGINNING CASH BALANCE</u>	\$ <u>          .00</u>
<u>ADDITIONS:</u>	
Federal Advances	\$ 27,305.30
Village of McNary funds	100.00
Interest Income	<u>          .00</u>
<u>TOTAL ADDITIONS</u>	<u>\$ 27,405.30</u>
<u>DEDUCTIONS:</u>	
<u>Grant Disbursements:</u>	
Management Fees	\$ 13,725.00
Engineering Services	13,250.00
Advertising	61.30
Supplies	<u>269.00</u>
	<u>\$ 27,305.30</u>
<u>Village of McNary Disbursements:</u>	
Office Supplies	<u>\$ 72.62</u>
<u>TOTAL DEDUCTIONS</u>	<u>\$ 27,377.92</u>
<u>ENDING CASH BALANCE</u>	<u>\$ 27.38</u>

See note #11 to statement of cash receipts and disbursements.

See accompanying notes and auditors' report.



VILLAGE OF McNARY  
GLENMORA, LOUISIANA

STATEMENT B-6

CAPITAL PROJECTS FUND - L.C.D.B.G  
COMPARATIVE BALANCE SHEETS  
JUNE 30, 1996 AND 1995

	<u>1996</u>	<u>1995</u>
<u>ASSETS</u>		
Cash	\$ 27.38	\$ 27.38
<u>TOTAL ASSETS</u>	<u>\$ 27.38</u>	<u>\$ 27.38</u>
<u>LIABILITIES AND EQUITY</u>		
<u>LIABILITIES</u>		
Due to General Fund	\$ 100.00	\$ 100.00
<u>EQUITY</u>		
<u>FUND BALANCE</u>		
Unreserved	\$ (72.62)	\$ (72.62)
<u>TOTAL LIABILITIES AND FUND EQUITY</u>	<u>\$ 27.38</u>	<u>\$ 27.38</u>

See accompanying notes and auditors' report.

VILLAGE OF MCNARY  
GLENMORA, LOUISIANA

STATEMENT B-7

CAPITAL PROJECTS FUND - L.C.D.B.G  
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
FOR THE FISCAL YEARS ENDED JUNE 30, 1996 AND 1995

	<u>1996</u>	<u>1995</u>
<u>REVENUES</u>		
Grant Income	\$ .00	\$ 27,305.30
Interest Earned	<u>.00</u>	<u>.00</u>
Total Revenues	\$ .00	\$ 27,305.30
<u>EXPENDITURES</u>		
Management Fees	\$ .00	\$ 13,725.00
Engineering Fees	.00	13,250.00
Administrative Expenses	<u>.00</u>	<u>402.92</u>
Total Expenditures	\$ <u>.00</u>	\$ <u>27,377.92</u>
<u>EXCESS OF REVENUES OVER</u> <u>(UNDER) EXPENDITURES</u>	\$ <u>.00</u>	\$ <u>(72.62)</u>
<u>EXCESS (DEFICIENCY) OF REVENUES</u> <u>AND OTHER SOURCES OVER (UNDER)</u> <u>EXPENDITURES AND OTHER (USES)</u>	\$ <u>.00</u>	\$ <u>(72.62)</u>
<u>FUND BALANCE - UNRESERVED JUNE 1</u>	\$ <u>(72.62)</u>	\$ <u>.00</u>
<u>FUND BALANCE - UNRESERVED JUNE 30</u>	<u>\$ (72.62)</u>	<u>\$ (72.62)</u>

See accompanying notes and auditors' report.

VILLAGE OF McNARY  
GLENMORA, LOUISIANA

STATEMENT B-8

CAPITAL PROJECTS FUND - L.H.F.A. GRANT  
SR 4053-SCD HOME PROJECT  
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS  
FOR THE SEVEN MONTHS ENDED DECEMBER 31, 1994

<u>BEGINNING CASH BALANCE</u>	\$ <u>          .00</u>
<u>ADDITIONS:</u>	
Federal Advances	\$ <u>77,649.00</u>
<u>TOTAL ADDITIONS</u>	\$ <u>77,649.00</u>
<u>DEDUCTIONS:</u>	
<u>Grant Disbursements:</u>	
Management Fees - Charles Sanders	\$ 3,000.00
Contractor fees - Danny Johnson	<u>74,649.00</u>
<u>TOTAL DEDUCTIONS</u>	\$ <u>77,649.00</u>
<u>ENDING CASH BALANCE</u>	\$ <u>          .00</u>

See note #11 to statement of cash receipts and disbursements.

See accompanying notes and auditors' report.

**GARRETT & GARRETT**  
**CERTIFIED PUBLIC ACCOUNTANTS**  
**119 PROFESSIONAL DRIVE**  
**WEST MONROE, LOUISIANA 71291**

**CAROLYN V. GARRETT**  
**JUDY D. GARRETT**

**PHONE: 318 322-0845**  
**FAX: 318 322-5577**

October 16, 1996

The Honorable Q. A. Clark, Mayor  
and Members of the Board of Alderman

We would like to make the following recommendations to the Village of McNary:

1. BUDGET

The budgeted expenses in the water department was over due to non-budgeted depreciation expense.

RECOMMENDATION

Before the budget is finalized, we will give you the figure for the depreciation for the new year. The budget also needs to be monitored regularly and adjusted during the year accordingly.

REPLY

The Village agreed to comply with the recommendation.

2. PAYROLL

All payroll taxes are paid out of the general fund departments.

RECOMMENDATION

Since the payroll includes the water department, the payroll taxes need to be charged against expenses in that department as well as the general fund and police department. The water department could reimburse the general fund for these expenses during the year.

REPLY

The Village agreed to comply with the recommendation

The Honorable Q. A. Clark, Mayor  
and Members of the Board of Alderman  
October 16, 1996  
Page 2

### 3. DEPOSITS AND INVESTMENTS

The Village's deposits are secured by a \$50,000 T-Bill through American Security Bank and by federal depository insurance. The FDIC insures deposits in the same state up to \$100,000 in the aggregate for all time and savings deposits and up to \$100,000 in aggregate for all demand deposits.

#### RECOMMENDATION

The Village needs to monitor their bank cash balance and make sure that the bank has enough security to cover their deposits.

#### REPLY

The Village agreed to monitor their cash balance in each bank to make sure the balance is secured.

GARRETT & GARRETT  
CERTIFIED PUBLIC ACCOUNTANTS

*Garrett & Garrett*